

# Dixon

An ISO 9001 : 2000 Company

## Dixon Technologies (India) Limited

(Formerly Known as Dixon Technologies (India) Pvt. Limited)

CIN: L32101UP1993PLC066581

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6<sup>th</sup> July, 2019

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

Dear Sir/Madam

**Sub: Annual Report of the Company for the Financial Year 2018-19 along with Notice of Annual General Meeting**

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2018-19 along with Notice of Annual General Meeting as dispatched to the shareholders of the Company on 6<sup>th</sup> July, 2019.

Kindly take the aforesaid on your record and oblige.

Thanking you,

Yours faithfully,

For **DIXON TECHNOLOGIES (INDIA) LIMITED,**

*Ashish Kumar*

**Ashish Kumar**



**(Group Company Secretary and Compliance Officer)**

Encl: as above

**Dixon**<sup>®</sup>

The brand behind brands



Consumer **Electronics**

Lighting **Solutions**

Home **Appliances**

Reverse **Logistics**

Mobile **Phones**

Security **Systems**



ENDURING  
**LEGACY.**  
EXCITING  
**FUTURE.**

# OUR PROGRESS IN 2018-19

## Revenue from operations

(₹ in million)



## EBITDA

(₹ in million)



## PAT

(₹ in million)



## Employee strength

(in Nos.)



**Note: The above figures are on Consolidated basis**

The key to a promising and prosperous future often lies in the hands of a lasting legacy. Every year is a tryst with both challenges and opportunities. And every challenge is an opportunity for a stronger and worthier future. Dixon believes that setting boundaries is to set one's own limits and we as a team are upbeat about crossing every frontier. This year has been a triumph in terms of our persistent focus on greater accessibility, acquisition and strategic execution and the bounty of our hard work remains exemplary.

For a successful journey to the destination of a golden future, the onus remains on excellence. We at Dixon have actualised in reality, the fable of an enduring legacy, of pioneering and path-breaking work, for sustaining a better today and augmenting a brighter and exciting tomorrow!

## Forward-looking statement

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and upto-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# INSIDE THE **REPORT**

## Corporate Overview

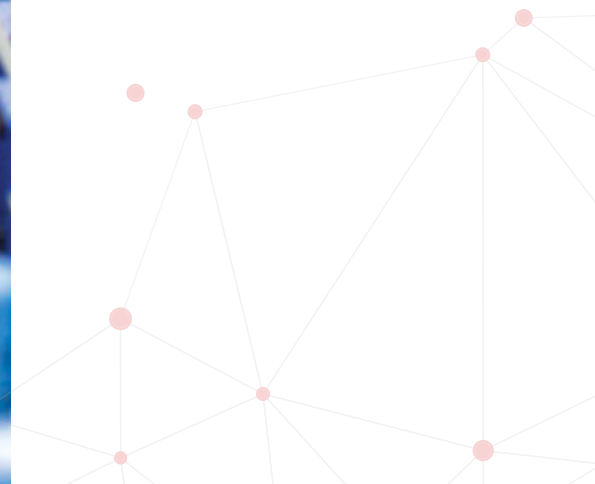
|    |                                 |
|----|---------------------------------|
| 02 | Dixon at a Glance               |
| 04 | Quarterly Highlights            |
| 06 | Our Business Model              |
| 08 | Message from Chairman           |
| 10 | Q&A with Managing Director      |
| 12 | Financial Highlights            |
| 14 | Building Scale                  |
| 16 | Backward Integration            |
| 17 | Multiplying the Clientele       |
| 18 | Corporate Social Responsibility |
| 20 | Profile of Board of Directors   |
| 22 | Management Team                 |
| 23 | Corporate Information           |

## Statutory Reports

|    |                                  |
|----|----------------------------------|
| 24 | Directors' Report                |
| 75 | Management Discussion & Analysis |
| 84 | Corporate Governance             |

## Financial Statements

|     |                                   |
|-----|-----------------------------------|
| 108 | Standalone Financial Statements   |
| 173 | Consolidated Financial Statements |



# DIXON AT A GLANCE

Dixon Technologies (India) Limited (henceforth referred at Dixon) is the leading player in electronic services manufacturing (EMS) space in India with diversified product in various sub-segments of the electronics vertical.

We offer cost-effective consumer products in India through leading domestic as well as global retail brands. Our ten state-of-art manufacturing facilities are strategically located in the states of Uttar Pradesh, Uttarakhand and Andhra Pradesh supported by 3 R&D centres (2 are located in India and 1 is located in China) that focuses on continuous addition of new end-user products.

29,900

Topline earnings  
(₹ in million)

10

State-of-art manufacturing  
facility across India

35 years

Average age of employees

28%

Female employees

33

R&D team strength

2

Service centres across the  
country

Revenue split  
by product  
category

(in %)



|                      |      |
|----------------------|------|
| Consumer Electronics | 40   |
| Lighting Products    | 30.8 |
| Home appliance       | 12.5 |
| Mobile phones        | 11.9 |
| Reverse Logistics    | 1.0  |
| Security systems     | 3.8  |

Original Design  
Manufacturer  
(ODM) Revenue  
share

(in %)



|                      |     |
|----------------------|-----|
| Consumer Electronics | 9   |
| Lighting Products    | 71  |
| Home appliance       | 100 |

Note :- aforesaid data is on consolidated basis.



## Our Divisions



### Consumer Electronics

With wide range of offering including smart TVs, ultra-high definition, commercial display and signage display, we enable our customers to introduce innovative product offerings to end-users.

**Operating profit**  
**₹ 2,493 Lakhs**

FY 2018:  
₹ 2,305 Lakhs

8% YoY  
growth

**37% ROCE**



### Home appliance

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

**Operating profit**  
**₹ 3,701 Lakhs**

FY 2018:  
₹ 3,068 Lakhs

21% YoY  
growth

**26% ROCE**



### Lighting Solutions

Dixon is one of the top global manufacturer of indoor lighting and LED bulbs. Within this product portfolio we also provide main electronic board designing, mechanical and light source and packaging designing.

**Operating profit**  
**₹ 6,600 Lakhs**

FY 2018:  
₹ 4,692 Lakhs

41% YoY  
growth

**28% ROCE**



### Mobile Phones

(in joint venture as  
on 31st March, 2019)

With increasing penetration of internet usage, mobile phone segment is on a high growth path, giving opportunity to widen our product offering. We currently manufacture feature phones, smart phones, PCBA for mobiles and in the phase of implementing backward integration in this segment.

**Operating profit**  
**₹ 742 Lakhs**

FY 2018:  
₹ 652 Lakhs

14% YoY  
growth

**43% ROCE**



### Security Devices

(in joint venture  
as on 31st March,  
2019)

Security Devices is a new vertical started by us in January 2018, under the trademark "CP Plus".

**Operating profit**  
**₹ 121 Lakhs**

FY 2018:  
₹ (91) Lakhs

233% YoY  
growth

**11% ROCE**



### Reverse Logistics

Dixon provides repair and refurbishment services for products including Set top box, Mobile phones, LCD and LED TVs, LED Panel and other devices.

**Operating profit**  
**₹ (171) Lakhs**

FY 2018:  
₹ 575 Lakhs

(130)% YoY  
growth

N.A

# QUARTERLY **HIGHLIGHTS**



## Quarter 1

Inclusion of 'Wipro high beam LED Bulb' in lighting portfolio



Expansion of capacity in Home appliance to



**12**  
lakhs



from **7.6 lakhs**  
in previous year

Added Syska and Orient in our lighting clientele

## Quarter 2

Initiated production of LED TV's for Xiaomi



Expanded our clientele base of Lighting segment by adding Orient, Ajanta, RR kabel and Polycab

Inclusion of Batten in ODM in lighting portfolio



Started SMT Line for Mobile Phone PCB



Added Flipkart in our Home Appliance segments

Expansion of capacity in CCTV division to

**5.0** Lacs/months



and DVR division to **1.5** Lacs/months



Received an award for electronic company of the year by ELCINA-EFY



## Quarter 3

Included Luker in the lighting segment clientele

Diversified lighting portfolio further and added 30, 40 & 50 watt bulb



Samples of Smart bulb prototype sent to customers



Expanded capacity of LED bulb to

**18** mn per month  
from **14** mn per month

Expanded capacity of Batten to **1** mn per month

Established **R&D centre for Home Appliance** Segment in Dehradun

Started SMT Line for LED TV PCB with capacity of **1 Lac** per month



In LED segment, all Analog categories of **Sanyo** (Panasonic Brand) converted to **ODM**

# OUR BUSINESS MODEL

|                                                                                                                    | Capital input                                                                                                                                                                                                                                                           | How it depicts our values                                                                                                                                                                        | Key inputs                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Human</b>                     | <p>Our workforce consists of diversified employees coming from various backgrounds to generate value for the organisation through their knowledge and values. Safety of our employees is the top most priority of the organisation and is imperative to our success</p> | <p>Training and development of employees on a regular basis.</p> <p>Association with key stakeholders to facilitate a base for growing skills and competences.</p>                               | <ul style="list-style-type: none"> <li>Dixon has employed around <b>1,119</b> permanent employees for smooth functioning of its operations across all business units</li> <li>A strong and motivating management team</li> <li>Appropriate training and development programmes</li> <li>Provide state-of-art technology training to enhance their skills and add value to the organisation</li> </ul> |
|  <b>Manufacturing</b>            | <p>Our ten state-of-the-art manufacturing units help us to provide end-to-end solutions to our customers in consumer durables, lighting and mobile phones markets across the country</p>                                                                                | <p>Investing in technology and equipment to improve the product offering with the commitment of creating value by offering top quality products that exceeds their expectations</p>              | <ul style="list-style-type: none"> <li>Capital Expenditure across various segments of Company (in ₹ lakhs)</li> <li>Consumer Electronics <b>1,852</b></li> <li>Home Appliances <b>2,722</b></li> <li>Mobile phones <b>1,108</b></li> <li>Lighting Solutions <b>1,744</b></li> <li>Security Devices <b>1,348</b></li> </ul>                                                                            |
|  <b>Financial</b>               | <p>The pool of funds to support our functioning without interruption.</p> <p>Our financial capital is reinvested in all the other capitals in a measured way to grow and sustain our business, after careful consideration of the returns they will generate</p>        | <p>Provide shareholder value with growth in dividend and earning per share (EPS) on year on year basis</p>                                                                                       | <ul style="list-style-type: none"> <li>Market Capitalization of ₹ <b>2,662</b> crores approx. as on 31<sup>st</sup> March, 2019</li> <li>Capital expenditure and investment in other capitals</li> <li>Interest bearing debt</li> <li>Investment by the shareholders/investors in the organization</li> </ul>                                                                                         |
|  <b>Social and Relationship</b> | <p>At Dixon, we believe in developing and maintaining long-lasting trusted relationships with our stakeholders as they form an integral part of our organisation.</p>                                                                                                   | <p>Identifying our key stakeholders, understanding their requirements and how we can create a shared value for all.</p>                                                                          | <ul style="list-style-type: none"> <li>Partnership with suppliers and customers</li> <li>Social Investment</li> <li>Investor relationship meetings</li> <li>Mutual respect for and understanding of society as a whole</li> </ul>                                                                                                                                                                     |
|  <b>Natural</b>                 | <p>Our day-to-day conduct has an unavoidable impact on the environment as we require natural resources to generate value</p>                                                                                                                                            | <p>Vouching on opportunities to mitigate the environmental impact of our operations by continuously reviewing our activities and initiating improvements to reduce the environmental impact.</p> | <p>As a part of manufacturing operations, we rely on consumption of gas, water and energy</p>                                                                                                                                                                                                                                                                                                         |

### Transformation of Capital

- Employees skills and capabilities are used in enhancing manufacturing capital to produce finish goods for our customers
- Where ever necessary, we provide our employees with various self-development opportunities through various development programmes.
- During the current fiscal year, the company spend ₹ **953.46** lakhs on employee welfare and benefit expenses

- ₹ **767.59** lakhs Spent on repair and maintenance
- ₹ **2,165** lakhs Depreciation expenditure

- Shareholder's Book value of ₹ **37,821.78** lakhs
- Borrowings: ₹ **14,124.23** lakhs
- Net debt: ₹ **11,920.98** lakhs
- Net interest Cost: ₹ **2,504** lakhs

- Creation of employment
- Contribution towards society by conducting sports activity and helping youth in achieving their dreams
- ₹ **112.5 lakhs** spends towards CSR activities
- Development of trust-based relationship with the stakeholders

During the manufacturing process, Dixon strives to reduce its consumption of finite resources and efficient utilization of available resources.

### Strategies to enhance outcome

- Honouring and rewarding our employees for their efforts and hard work
- Encouraging, developing and empowering employees to improve central co-ordination and strategic accountability to drive decision making
- Hiring the right person for the right job
- Ensuring talented and hardworking employees are retained

- Asset enhancement to deliver products to niche markets and provide value to our customers
- Invest in new assets and technology for expansion and growth of the company
- Focus on cost effective production

- Cost and operational efficiency to improve returns for shareholders and increases coverage ratio for the fund providers
- Better cash flow management procedures

- Enhancing customer relationship by focusing on quality and on-time delivery
- Focus on improving relationship with stakeholders by interacting with them
- Interest and security free short term loans for suppliers and enterprise development

- Minimise the impact on environment
- Electricity saving initiates within the organisation
- Proper disposal of hazardous waste

# MESSAGE FROM **CHAIRMAN**

Dixon achieved remarkable results in FY 2019, boosting

**5%**

growth in revenue to

**₹2,99,008**

lakhs



DEAR SHAREHOLDERS,

Dixon has been earnestly committed to reach the highest echelon of success since its inception. The team at Dixon is a pool of dedicated, smart and talented individuals, brimming with the prospects of enabling the company to achieve more with each step. This is exactly what we at Dixon have triumphantly effected for the past fiscal year and have been able to transform budding thoughts into acts of success.

The year has been exemplary for Dixon in terms of performance and results. Catering to the needs of our stakeholders is an agenda of paramount importance and we have been successfully capable in meeting the requisites of value creation for all. For our shareholders, the plan of action concerning the delivery of differentiated value was streamlined through the economies of scale, shifting towards the ODM model and focusing on backward integration whereas for customers, we

created value by leveraging superior technology in creating innovative product offering.

However, 2018-19 was yet another challenging year for electronics manufacturers in terms of depreciating rupee value and hardening commodity prices in the first half of the year in the domestic market. Post the arrival of the festive season and GST rate cuts, the industry saw an upward trend. Nevertheless, with discrepancies in global trade, India is expected to emerge as a major electronic manufacturing hub globally, giving opportunities to manufacturers like Dixon to expand our business footprints in the domestic as well as the international market.

Despite all the volatility presented by the market conditions, Dixon achieved remarkable results in FY 2019, boosting 5% growth in revenue to ₹ 2,99,008 lakhs. The growth in revenue was robust across

the majority of our segments, with the consumer electronics segment having maximum share of 40% followed by lighting solutions with 30.8% share in total. With the changes in cost structure, we were able to maintain healthy EBITDA and PAT margins. Our ODM business contribution has increased as compared to previous year representing a significant shift over last year.

Our strategy of backward integration has borne fruitful results across segments. This has resulted in healthy margins, strengthened relationship with customers and enabled us to enter the global market. During the year under review, we added many top-notch clients across most of our verticals including in the ODM segment. We were able to reach amongst the top five manufacturers global, in terms of scale, in LED bulbs and offered the largest bouquet of the ODM model in the washing machine segment.



We continue to put efforts in enhancing, strengthening and integrating our standard for how we conduct our business, across all our operations, and stay true to our vision of empowering society.



We, at Dixon, continue to focus on fostering internal growth and seize market opportunities in consumption and technological upgradation. On the technological side, we have installed SAP to drive efficiency and improve the information flow in the organisation. Investments for improving the quality of our products with an aim to achieve zero defects have been continuous and remain solid. With regard to the same, we have adopted six sigma projects and continuously monitored our customer complaints which have resulted in reduction in process rejection of goods as well as return of goods.

As a modern business organization, our aim is to build a user-centric business model and an innovation driven organization with amplified investment in R&D. We have been investing in capacity expansion, productivity improvement in almost all the segments and development of smart solutions in order to

accomplish our vision of being a 'one-stop-shop-solution' in our areas of operation.

The upcoming year rings a note of optimism in us, owing to a plethora of positives - firstly we have completed backward integration in the washing machine and consumer electronics segment and the order book for the same is very healthy. Secondly, in the lighting segment we have been successful in building a large scale and have been migrating more towards the ODM model and are planning to explore the global market. Lastly, the mobile segment has favorably been providing us many opportunities in terms of top brands outsourcing their production, opportunity to shift towards the ODM model and possibility of backward integration in this segment.

Apart from financial prospects, Dixon has an ambition to responsibly contribute towards economic, environmental and social development in our areas of operation. The key to being a responsible business is to create long-term value for all our stakeholders. In 2018-19, we made significant contributions to our society as a part of our CSR activities. These activities included active contribution in the field of child education, well-being of the senior citizens and eradicating hunger and malnutrition. We continue to put efforts in enhancing, strengthening and integrating our standard for how we conduct our business, across all our operations, and stay true to our vision of empowering society.

Our strategy for the coming year would be to diversify our product pipeline and enter into newer segments to capitalize on the

growing market opportunity in domestic as well as international market. In the washing machine segment, we plan to enter into fully-automatic washing machine. While, in the lighting business, we further plan to penetrate the street lighting market. We also plan to swift towards the ODM solution for mobile segment as well.

On behalf of the board, I would like to take this opportunity to express our heartfelt appreciation to all the employees of Dixon for their invaluable contribution to the company's success. I would also like to thank the board and the board members for their wisdom, guidance, support and dedicated efforts. I would also like to extend my vote of thanks to our shareholders, business partners and other stakeholders for their ongoing engagement and support.

We look forward to many more years of innovation, rewarding experiences and greater operational efficiencies and as one of the leaders in our industry space, we shall continue to invest in organic growth, R&D and scaling-up our business. The path of our evolution to become a global enterprise and to achieve a double-digit operating margin is long and arduous. However, we are making steady progress towards our goal and remain resolute in our resolve to speed up the actions needed to realize these ambitions.

**Sunil Vachani**

Executive Chairman

# Q&A WITH **MANAGING DIRECTOR**

## **Q FY 2019 was the first full year for Dixon Technologies as a listed entity. In your view, what message would best summarize the achievements of the year?**

**A** It has been another year of pleasing performance in a challenging operating environment. Our performance across all the sectors continued to be robust, supported by strong customer gain

and good growth in volume. If I had to summarize the year in one line, it would be that our strong overall performance was achieved through building of scale, shifting towards the ODM business model, completion

of backward integration in most segments, new customer additions and strengthened relationship with existing clients.

## **Q How pleased were you with the financial performance of the company?**

**A** In line with our strategy to increase revenues via an organic route, we registered a robust growth of 5% from ₹ 28,575 million in FY 2018 to ₹ 29,900 million in FY 2019. Consequently, our EBITDA grew by 21% to ₹ 1,405 million with an increase in EBITDA margin of 60 bps to 4.7%. Our PAT showed an improvement of 4% to ₹ 633 million from ₹ 609 million in the previous year with the PAT margin remaining stable at 2.12%. The highest operating

profit earning segment is the lighting segment with an operating margin of 7.2% followed by home appliance segment with an operating profit margin of 9.9%.

As far as our balance sheet is concerned, we were able to maintain a healthy balance sheet. The CAPEX invested in our business segment stood at ₹ 1852 lakhs in Consumer Electronics, ₹ 1744 lakhs in Lighting

segment, ₹ 2722 lakhs in Home appliance, ₹ 1108 lakhs in mobile segment and ₹ 1348 lakhs in security devices segment. The investment is funded by a mix of debt and equity, and as of 31st March, 2019 it stood at 0.26 times with ROE and ROCE of 18.3% and 27.3% respectively.

## **Q What were the major highlights on the operational front?**

During the year under review, overall volume growth across all the verticals was quite good. In consumer electronics segment, the production and sales volume of LED TV remained healthy with revenue by 11%. The growth was mainly on account of our association with Xiaomi, dominating market share of more than 10% in India. Our completion of backward integration of LCM, a fairly large R&D team in China & India and shifting more towards the ODM model added to our growth.

In the home appliances segment, revenue grew by 50%. We have around 140 models across all the categories catering to almost 30% of

the Indian market. This is backed by our large manufacturing capacity of 1 lac washing machines per month – one of the largest in the country.

Moving on to the lighting segment, we registered revenue growth of 19%. Currently, we are supplying LED bulbs to almost all the brands in India, offering them more than 2000 models. We have even initiated exporting bulbs from India for some of the clients.

In the mobile phone segment, we have initiated backward integration under this segment and have built a capacity of almost 300k to 350k of smartphones and 750k of future

phones. We have also acquired 100% share in Padget Electronics Pvt. Ltd making it our wholly owned subsidiary to strengthen the mobile segment further.

Under our security system segment, revenue from CCTV and DVR remained healthy at ₹ 11,204 lakhs during the year under review. We expanded our capacity in both these divisions with healthy order book for next year. Lastly, in the reverse logistic system, we consolidated the business and focused mainly on panel repair and mobile repair.



**Q Dixon is planning to enter the global market especially in the LED segment. Does the company have the required resources to foray the global market?**

**A** Dixon is pursuing the organic growth strategy through which we are ramping up our capacity and engaging new customers. Currently, we are one of the most competitive players and rank amongst the top five manufacturers in terms of volume of indoor lighting and LED bulbs, in the global sphere. We are experiencing major tailwinds in the sector with the given opportunity in the global lighting market. This makes us very optimistic about having a good transaction from export of LED Bulbs in the next fiscal year.

**Q What steps are you taking towards sustainability and a positive environmental impact?**

**A** As an organization, we are committed to the goal of sustainable and inclusive growth. We work towards reducing the impact of our operations on the environment and we are putting in place, policies to support the same. Our endeavor is to provide eco-friendly innovative solutions to our customers and address all the challenges of environmental impact. Our 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, we have adopted the Restriction of Hazardous Substances Directive (RoHS) process. Through this process we 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, we are in the process of installing solar roof tops panels to reduce our dependency on non-renewable sources. This will also enable us to reduce our costs and increase our efficiency.

**Q What is your outlook for the company going forward?**

**A** The opportunity landscape that lies ahead of us is wide and attractive. We can recognize significant potential in the ODM business model. Hence, we plan to penetrate the ODM solution for mobile segment as well. Our continued emphasis would remain focused on expanding our product offerings and entering into

newer segments, including street lighting and fully-automatic washing machines, to augment our domestic business. With our focus fixed on brand building initiatives, we are optimistic about leveraging various business opportunities to boost order intake in the market.

With the Indian economy on a growth trajectory and evolving industry landscape, we believe the outlook is positive and we are confident of reaching out across new boundaries of growth.

# FINANCIAL HIGHLIGHTS

(on consolidated basis, except as provided)

## ROE

(In %)



## EBITDA Margin

(In %)



## PAT Margin

(In %)



## Debt-Equity Ratio

(in times)



## Net Worth

(₹ in lakhs)



## Dividend payout ratio

(on standalone basis) (in %)



**Capital Employed**

(on consolidated basis)



|                        |        |
|------------------------|--------|
| ● Consumer Electronics | 27.36% |
| ● Lightning Products   | 41.32% |
| ● Home appliance       | 24.19% |
| ● Mobile phones        | 4.17%  |
| ● Security systems     | 2.96%  |

(₹ in lakhs)

**13,618****20,568****12,041****2,073****1,472**

# BUILDING SCALE

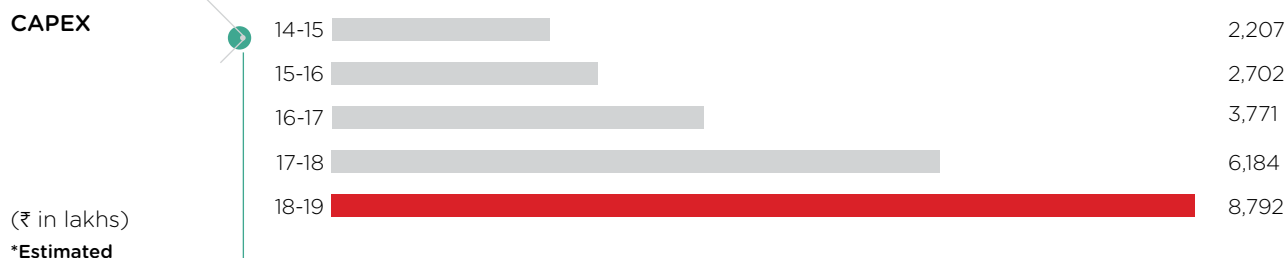
At Dixon, our business is constantly in a state of positive evolution and development and we as a team are making headway to build our scale to meet the ever changing needs of our customers.

Our goal is to generate innovative and transforming solutions that shall accommodate the customer's needs and capture all the opportunities that come our way. In order to build a long lasting relationship with our clients and secure the opportunities both in the domestic as well as the international market, we have come up with a solution, in the form of a new manufacturing plant in Tirupati. We are in the process of expanding our operations in the global market by strengthening and building our capacity further.

## Our Plant location

- |                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• B-14 and 15, Phase II, Noida, Gautam Buddha Nagar, UP- 201305</li> <li>• B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305</li> <li>• C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305</li> <li>• B-45, Phase II Extension, Noida, UP- 201305</li> </ul> | <ul style="list-style-type: none"> <li>• Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun,</li> <li>• Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand</li> <li>• Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand</li> </ul> | <ul style="list-style-type: none"> <li>• Shed No. 1 and 3, EMC II, Govindavaram, Chittoor- 517526</li> <li>• Shed No. 2, 4, 5, 6 and 7, EMC II, Govindavaram, Chittoor- 517526</li> <li>• Plot No. C-2/1, UPSIDC, Industrial Area, Tehsil Vikash Nagar, Dehradun, Uttarakhand</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Amount invested in building the capacity (on consolidated basis)



## Capacity as on 31st March 2019

# 3.4 mn p.a

LED TVs

# 20 mn p.m

LED bulbs

# 1.5 lakhs p.m

DVR

# 12 lakhs p.a

Washing Machine

# 7 lakhs p.m

CCTV



# BACKWARD **INTEGRATION**

Considering the current economic scenario, challenges extend well beyond technological and manufacturing capabilities. The needs of the modern customer is now transitional and dynamic and thus a challenge to business stability. In order to resolve all issues and create a sustainable business, Dixon has gradually implemented backward integration across all the business verticals.



# MULTIPLYING **THE CLIENTELE**— A SNEAK PEEK INTO OUR CRESCENDO OF SUCCESS

Dixon believes in, and is committed to, delivering significant long-term value for our esteemed and invaluable consumers through innovative and high-quality products. We vouch on building a strong, reliable and long lasting relationship with our existing as well as new customers in the domestic and global market. To enrich customer experience, we develop new products and foray into new markets through organic expansion and partnership.



# CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate, we are committed to create a positive impact on the communities that we operate in. We strive to grow our business responsibly by managing the impact of our business to the environment and society, and creating value for the socio-economic stakeholders.

## ₹1,12,50,317

Spent towards CSR activities for FY 2018-19



### Rural Infrastructure Development

In order to provide quality of life and uplift economic well-being of the people especially in the rural areas, we associated with Manju Memorial Charitable Trust and contributed towards installation of Solar Street Lights in the area of Alawalpur of Patna, Bihar.



## 75

Solar street lights installed during FY 2018-19



### Eradicating Hunger

Education forms an integral part in development of any country. We, at Dixon, associated with Akshaya Patra Foundation and ensured that children receive proper nutrition and are able to attend school by providing Mid-Day Meal in government schools and government-aided schools in Vrindavan. We even extended our help in terms of eradicating hunger amongst the widows in the areas of Vrindavan by providing them with basic necessities such as food. At Dixon, we contributed in Delhi Langar Seva Society which works towards eradicating hunger through their feeding programmes.

## 30

Langar programmes conducted by Delhi Langar Seva Society on behalf of Dixon in FY 2018-19

## 3273

Children benefited from our Mid-day meal programme in FY 2018-19





## Socio-Economic Development

We proactively contributed towards social and economic development of people through various activities including:

- Promoting education and literacy
- Social upliftment by providing vocational training
- Supporting economically weaker section of the society
- Upliftment and rehabilitation of mentally disabled Children

During the year under review, we have associated with Nav Abhiyan and Jan Madhyam wherein a strategically designed activity based curriculum was organized under which children were provided knowledge, vocational skills and development opportunities. These activities were mainly conducted in Delhi region. In order to reach out to the children of backward regions of the Society, we engaged with Rugmark Foundation wherein formal education in different fields, along with medical support and organization of sports activities were extended to children of poor carpet weavers in area of Bhadohi, Varanasi, Allahabad, Uttar Pradesh. Through our various contribution in education space, we focused on providing education to differently abled children and enabled them to mix with the society



## Welfare of Senior Citizen

To take care of the welfare of helpless, old and other oppressed people of the society, we associated with Guru Vishram Vridh Ashram ('SHEOWS') and contributed towards successful running of 2 old age homes at Delhi and Garhmukteswar providing shelter to more than 320 old aged people.



## Natural Disaster Relief

We extended our help to the victims of Kerala floods and Cyclone Titli in Andhra Pradesh to empower people to resume their normal life. Over all contribution by the Company during the FY 18-19 towards the rehabilitation and Natural Disaster relief was to the tune of ₹10,00,000/-

# ₹10,00,000

Rehabilitation and Natural Disaster relief



## Sanitation

In order to promote hygiene and sanitation, we conducted Sanitation Drive on the Service Lane of Noida, Phase II Dadri Main Road covering approximately 11,000 square feet for initiating cleanliness drive. The Company spent ₹ 600,000/- towards the sanitation drive to ensure free flow of rain water into sewage and to prevent the clogging of rain water/ sewage on the road.

# ₹600,000

Towards the sanitation drive

# PROFILE OF **BOARD OF DIRECTORS**



**Mr. Sunil Vachani**  
Executive Chairman

Mr. Sunil Vachani is currently the Executive Chairman of our Company. He holds a degree of Associate of Applied Arts in business 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 two decades 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](http://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.



**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 more than 26 years of experience in the EMS industry. He has served as a member of the Technical Evaluation Committee for Electronic Manufacturing Services under M-SIPS (Electronic Manufacturing Services-EMS) constituted by the DeitY and served as a representative of ELCINA on the Committee for Reliability of Electronic and Electrical Components and Equipment (LITD. 02) of the BIS. He has also authored the book, 'Gita and India Inc.'.



**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 an experience of over 29 years in finance functions encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fund raising as debt and equity.

**Ms. Poornima Shenoy**

Non-Executive  
Independent Director

Ms. Poornima Shenoy, is a non-executive independent director of our Company. She is a serial entrepreneur and an industry veteran. She is the Co-Founder & CEO of a tech Accelerator -THE GAIN. She is the founding President of the India Electronics & Semiconductor Association IESA and is a member of its Executive Council. She is a TiE Charter Member. Ms. Poornima has done her BA from Bangalore University and MBA from TAPMI, Manipal. 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.

**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 for 26 years and retired as its Chairman cum Managing Director in August 2005. He was member of the working group on development of R&D and IP in electronics formed at DeitY.

**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



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



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



**Mr. Abhijit Kotnis**  
President - COO  
- Television



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



**Mr. Rajeev Lonial**  
President - COO  
- Washing Machine



**Mr. Pankaj Sharma**  
President - COO  
- Mobile Phone



**Mr. Ashish Kumar (KMP)**  
Group Company Secretary  
& Compliance Officer



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



**Mr. Vinay Pradhan**  
Vice President, HR



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



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



For more details  
scan the QR Code

# CORPORATE INFORMATION

## Board of Directors

**Mr. Sunil Vachani**

Executive Chairman

**Mr. Atul B. Lall**

Managing Director (MD)

**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 (MD)

**Mr. Saurabh Gupta**

Chief Financial Officer (CFO),

**Mr. Ashish Kumar**Group Company Secretary and  
Compliance Officer (CS)

## 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  
Contact Person: Mr. B.L. Choraria  
Ph.: 0120-2970005  
E-mail Id: newdelhi@singhico.com  
Website: www.singhico.com

## Key Bankers to Our Company

IDFC Bank Limited  
Yes Bank Limited  
Standard Chartered Bank Limited  
RBL Bank Limited

## Annual General Meeting

Date: 31<sup>st</sup> July, 2019  
Time: 11:00 A.M.  
Day: Wednesday  
Venue: International Trade Expo Center Limited,  
Hall-C, Expo Drive, A- II, sector-62, Noida-201301

## 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 26<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019. The consolidated performance of the Company and its Subsidiaries and Joint Ventures has been referred to wherever required.

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

The Company's financial results are as under:

| Particulars                                                                        | Standalone                   |                  | Consolidated                 |                  |
|------------------------------------------------------------------------------------|------------------------------|------------------|------------------------------|------------------|
|                                                                                    | For the financial year ended |                  | For the financial year ended |                  |
|                                                                                    | 31-Mar-19                    | 31-Mar-18        | 31-Mar-19                    | 31-Mar-18        |
| Revenue from Operations                                                            | 2,52,576.62                  | 2,21,585.37      | 2,98,444.62                  | 2,85,339.14      |
| Other Income                                                                       | 418.37                       | 338.86           | 563.40                       | 417.47           |
| Total Income                                                                       | 2,52,994.99                  | 2,21,924.23      | 2,99,008.02                  | 2,85,756.61      |
| Profit/Loss Before Depreciation, Finance Costs, Exceptional items and Tax Expenses | 12,845.36                    | 10,918.33        | 14,050.10                    | 11,619.27        |
| Less: Depreciation/Amortisation/Impairment                                         | 2003.76                      | 1,434.62         | 2,165.25                     | 1,518.24         |
| Profit/Loss Before Finance Costs, Exceptional items and Tax Expenses               | 10,841.60                    | 9,483.71         | 11,884.85                    | 10,101.03        |
| Less: Financial Costs                                                              | 2,430.16                     | 1,250.95         | 2,503.59                     | 1,277.87         |
| Profit/Loss Before Exceptional items and Tax Expenses                              | 8,411.44                     | 8,232.76         | 9,381.26                     | 8,823.16         |
| Add/(less): Exceptional items                                                      | -                            | -                | -                            | -                |
| <b>Profit/Loss Before Tax</b>                                                      | <b>8,411.44</b>              | <b>8,232.76</b>  | <b>9,381.26</b>              | <b>8,823.16</b>  |
| Less: Taxes (current & Deferred)                                                   | 2,774.02                     | 2,532.07         | 3,045.45                     | 2,733.08         |
| <b>Profit/Loss for the year</b>                                                    | <b>5,637.42</b>              | <b>5,700.69</b>  | <b>6,335.81</b>              | <b>6,090.08</b>  |
| <b>Total Comprehensive Income/Loss</b>                                             | <b>5,629.77</b>              | <b>5,686.82</b>  | <b>6,329.10</b>              | <b>6,078.81</b>  |
| Balance of Profit/Loss for earlier years                                           | 18,968.78                    | 13,268.09        | 20,083.91                    | 13,993.83        |
| Add: Profit during the year                                                        | 5,637.42                     | 5,700.69         | 6,335.81                     | 6,090.08         |
| Less: Transfer to Reserves                                                         | -                            | -                | -                            | -                |
| Less: Dividend paid on Equity Shares                                               | 226.50                       | -                | 226.50                       | -                |
| Less: Dividend Distribution Tax                                                    | 46.56                        | -                | 46.56                        | -                |
| <b>Balance carried forward</b>                                                     | <b>24,333.14</b>             | <b>18,968.78</b> | <b>26,146.66</b>             | <b>20,083.91</b> |

## Overview and State of Company's Affairs

Indian economy continues to emerge as the fastest growing major economy in the world for the second time in a row despite a fall in the GDP growth rate. During 2018-19, the country's growth rate was hampered by various headwinds including decline in private consumption, tepid increase in investments and muted exports. The growth of electronics manufacturers also witnessed slower growth rate due to depreciating rupee value and hardening commodity prices in the first half of the year in the domestic market.

Despite these challenges in the domestic market, the performance of your Company in the year under review remained robust in terms of growth and sustainability. Your Company continued to emphasis on scaling up of operations and increase its portfolio of customers across all segments.

In line with our vision to emerge as the largest and the most cost-effective 'Complete Solution Provider' in Consumer Electronics, Home Appliances, Lighting Electronics, Mobile Phone sectors and security surveillance systems in the domestic and international market, your Company has achieved 20% to 25% of the internal target requirement

across all the verticals enabling us to strengthen our market share and giving us an edge over our competitors. Moreover, your company has successfully developed in-house capabilities to ensure backward integration in plastics moulding products, sheet metal products, polymers, wound components and LED TV Panel assembly. Also, your company has been migrating towards developing own solutions and hence not confining themselves to an EMS company. In case of washing machines, customers use the design of your Company, whereas, in the television segment, your Company is moving step by step towards creating its in-house designs. This will be a key accelerator for product indigenization. For the growth of your Company, we incurred CAPEX of ₹87.92 crore in FY 2018-19 as against ₹75.83 crore in previous year across all our segments.

Also, on 12<sup>th</sup> 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 the said Company a Wholly owned subsidiary of your Company. Apart from the said acquisition, there has been no other acquisition, merger, expansion, modernization and diversification during the year under review.

During the year under review, the trademark “Dixon” got registered with the Trade Mark registry on 17<sup>th</sup> October, 2018 under class 37. Apart from the said registration, your Company has not developed, acquired or assigned any material Intellectual Property Rights during the year under review.

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 Directors are pleased to recommend a dividend of ₹2 per equity share of face value of ₹10/- each (@20%), payable to those shareholders whose name appears in the Register of Members of your Company as on 24<sup>th</sup> July, 2019. The payment of Dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting (“AGM”) to be held on 31<sup>st</sup> July, 2019.

An amount of ₹46.56 Lakhs would be paid as Dividend Distribution tax on the Dividend.

The Board of Directors of your Company had approved and adopted the Dividend Distribution Policy containing all the necessary details as required as per SEBI (LODR) 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/dividend-distribution-policy/>. There has been no change in the said policy during the year. The said policy forms the part of the Annual report as **Annexure-I**.

The Register of Members and Share Transfer Books of your Company shall remain closed from 25<sup>th</sup> July, 2019 to 31<sup>st</sup> July, 2019 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31<sup>st</sup> March, 2019 and the ensuing Annual General Meeting. The Annual General Meeting is scheduled to be held on 31<sup>st</sup> July, 2019.

### **Transfer to Reserves**

The provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) do not mandate any transfer of profits to any Reserve. Your Company has neither transferred nor proposes to transfer any amount to any reserves.

## **Share Capital Structure**

There has been no change in the Authorised, issued, subscribed and paid up share capital of your Company during the year under review. 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 and there has been no change in the voting rights of the shareholders.

### **Details of Employees Stock Options**

Your Company has established share incentive scheme viz. Dixon Technologies (India) Limited-Employee Stock Option Plan, 2018 (“Dixon ESOP 2018” or “Plan”) pursuant to approval of members at the 25<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> 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. A certificate from M/s S.N. Dhawan & Co., LLP, Statutory Auditors, in this regard would be placed at the ensuing Annual General Meeting of the Company for inspection by the members. The Company has not changed its Employee Stock Option Plan during the year. Pursuant to the said Plan, options to acquire shares could be granted to selected employees and Directors, whether a whole time director or not, but excluding Independent Director(s) of your Company and its present and future subsidiaries in India or outside India.

During the financial year, stock options have been granted to the employees of your Company and its subsidiaries under Dixon ESOP 2018. Upon exercise of the options so granted, the paid-up equity share capital of the Company will increase in terms of the Plan. 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.

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 | 20 <sup>th</sup> September, 2018 | Fund Based and Non fund based | Long Term ICRA A+ and Short term ICRA A1+ | Credit rating for ₹294.50 Crores (enhanced from ₹148 Crores)    |
|                    | 1 <sup>st</sup> March, 2019      | Fund Based and Non fund based | Long Term ICRA A+ and Short term ICRA A1+ | Credit Rating for ₹444.50 Crores (enhanced from ₹294.50 Crores) |
| Commercial Paper   | 14 <sup>th</sup> September, 2018 | 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 2018-19. 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 Pvt Ltd:

Dixon Global Pvt Ltd ("DGPL") is a 100% subsidiary of your Company and is a material subsidiary of your Company pursuant to Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 ₹109.23 Lakhs in F.Y. 2018-19 (previous year: ₹53.56 Lakhs)

### 2. Padget Electronics Pvt Ltd

As on 31<sup>st</sup> March, 2019 Padget Electronics Private Limited ("PEPL") was a Joint Venture of the Company. However, after the close of financial year 2018-19, your Company has vide, Share Purchase Agreement dated 12<sup>th</sup> April, 2019 acquired remaining 50% shareholding of PEPL, thus making it a Wholly Owned subsidiary of your Company.

Brief details with respect to the acquisition are as follows:

- No. of shares held by your Company prior to acquisition: 75,00,000

- b. No. of Share acquired by your Company: 75,00,000
- c. Total no. of shares held by your Company post acquisition: 1,50,00,000
- d. Consideration Amount: ₹27 Crores

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 ₹967.70 Lakhs in FY 2018-19 (previous year: ₹790.18 Lakhs)

### 3. AIL Dixon Technologies Pvt. Ltd.

AIL Dixon Technologies Pvt Ltd. (“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 ₹212.32 Lakhs in FY 2018-19 (previous year loss of (₹116.08) Lakhs)

Report on performance and financial position of each of the subsidiary and joint venture companies included in the consolidated financial statement in Form AOC-1 which forms part of the Financial Statements of your Company.

In accordance with Section 136 of the Act, the Audited Financial Statements including the Consolidated Financial Statements and related information of your Company and audited accounts of subsidiaries are available on the website of your Company at [www.dixoninfo.com](http://www.dixoninfo.com). These documents will also be available for inspection till the date of Annual General Meeting during business hours at the registered office of the Company at Noida, Uttar Pradesh, India.

None of the above named Subsidiary and Joint venture Companies declared Dividend during the Financial Year 2018-19.

### 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 statement 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/related-party-transaction-rpt-policy/>.

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.

During the Financial Year ended 31<sup>st</sup> March 2019, all the contracts or arrangements or transactions with Related Parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

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, the Company has not entered into any 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 or which are not in the ordinary course of business or which are not on an arm's length basis. In view of the above, disclosure in Form AOC-2 is not applicable.

### 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. After the closure of financial year under review, your Company has acquired remaining 50% equity shareholding of PEPL, effective 12<sup>th</sup> April, 2019, thereby making PEPL a wholly owned subsidiary of your Company.

### Future Outlook

Considering that your Company now holds 100% shareholding of Padget Electronics Private Limited, the Group revenue is expected to rise in Fiscal year 2020.

Your Company's Board and management remain committed to maximising all the strategic opportunities while continuing

to grow the company's base business. Also, there are certain key factors which must be addressed for the growth of electronic manufacturing in India are:

- Lack of components manufacturing which has increased the import costs as well the delay in delivery of finished products.
- Need for endearing manpower equipped with varied skillsets which can be leveraged for high end manufacturing.
- Adherence and thorough implementation of governmental policies is vital in the growth of electronics manufacturing. Various policy provisions such as flexible labour and subsidized land and power tariffs will boost the manufacturing sector.

The scale of production has given your Company the operational leverage to make it competitive. The next factor which has contributed to the success of your Company is the backward integration and this has been achieved by developing in-house capabilities which were acquired over the period of time in plastics moulding products, sheet metal products, polymers, wound components and LED TV Panel assembly. Also, your Company is migrating towards developing their own solutions and hence not confining themselves to an EMS company. Your Company has adhered to its B2B business model which has allowed it to have long lasting relationship with its clients.

## **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 31<sup>st</sup> March 2019, 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.

During the year under review, your Company introduced "The Handbook of Directors" which is a field guide to your Director's duties, responsibilities and liabilities. This handbook is an endeavour of your Company towards better governance initiated by Group Company Secretary and Compliance officer of the Company.

The Securities and Exchange Board of India ("SEBI") accepted some of the recommendations with or without modifications on 28<sup>th</sup> March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9<sup>th</sup> May, 2018 the SEBI amended SEBI Listing Regulations. Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. Your Company shall ensure that its governance

framework incorporates the amendments introduced in the SEBI Listing Regulations 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 endeavor 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.

## **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.

## **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 six Committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Executive Committee of the Board and Share Allotment Committee.

During the year under review, the designation of Dr. Ramesh Chandra Chopra (Dr. R. C. Chopra) was changed from Independent Director to Non- Executive and Non Independent Director as Dr. R. C. Chopra had been associated as an Independent Director of your Company since 14<sup>th</sup> July, 2008, whose term of 10 years under Companies Act, 2013 to serve as an Independent Director expired on 13<sup>th</sup> July, 2018.

Dr. R. C. Chopra was subsequently appointed as Additional director in the capacity of Non-Executive and Non-Independent Director by the Board at the Board Meeting

held on 26<sup>th</sup> May, 2018 which was effective from 14<sup>th</sup> July, 2018 and his appointment was subsequently regularized at the 25<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> July, 2018. However, Dr. R. C. Chopra, resigned from the said position vide his resignation letter dated 6<sup>th</sup> August, 2018 as he can no longer serve as an Independent Director on the Board.

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

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of your Company met 6 (six) times during the Financial Year 2018-19 i.e. 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018, 30<sup>th</sup> January, 2019 and 18<sup>th</sup> March, 2019.

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 entitled to attend | Leave of absence |
|----------------------|----------------------|------------------------------------|------------------|
| Mr. Sunil Vachani    | Executive Chairman   | 6                                  | Nil              |
| Mr. Atul B. Lall     | Managing Director    | 6                                  | Nil              |
| *Dr. R. C. Chopra    | Independent Director | 1                                  | 2                |
| Dr. Manuji Zarabi    | Independent Director | 6                                  | Nil              |
| Ms. Poornima Shenoy  | Independent Director | 5                                  | 1                |
| Mr. Manoj Maheshwari | Independent Director | 6                                  | Nil              |
| #Mr. Keng Tsung Kuo  | Independent Director | Not Applicable                     | -                |

\*Resigned w.e.f. 6<sup>th</sup> August, 2018.

#appointed as Additional Director in the capacity of Non- Executive & Independent Director w.e.f 12<sup>th</sup> 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 2018-19 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 which is in line with the provisions of the Act read with SEBI Listing Regulations.

Considering the change of designation of Dr. R C Chopra from Independent Director to Non- Executive and Non Independent Director, the Board, at its Meeting held on

26<sup>th</sup> May, 2018, re-constituted the Audit Committee by appointing Ms. Poornima Shenoy in place of Dr. R. C. Chopra as member of the said Committee.

As on 31<sup>st</sup> March, 2019 and as on date of this report, 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.

All members of Audit Committee are financially literate. The Audit Committee met 6 (six) times during the financial year 2018-19 on 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018, 30<sup>th</sup> January, 2019 and 18<sup>th</sup> March, 2019. 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 Nomination and Remuneration Committee has been constituted by the Board at its Meeting held on 20<sup>th</sup> September, 2016.

There was no change in the constitution of the Nomination and Remuneration Committee of the Board during the year under review.

As on 31<sup>st</sup> March, 2019 and as on the date of this Report the Committee comprises of 1 (One) Executive Director viz. Mr. Sunil Vachani and 3 (Three) Independent Directors viz. Ms. Poornima Shenoy (Chairperson), Dr. Manuji Zarabi and Mr. Manoj Maheshwari.

The Nomination and Remuneration Committee met 4 (four) times during the financial year 2018-19 on 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 31<sup>st</sup> October, 2018 and 18<sup>th</sup> March, 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 is 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.

Considering the change of designation of Dr. R. C. Chopra from Independent Director to Non-Executive and Non-Independent Director, the Board, at its Meeting held on 26<sup>th</sup> May, 2018, re-constituted the CSR Committee by appointing Dr. Manuji Zarabi in place of Dr. R. C. Chopra as member of the said Committee.

As on 31<sup>st</sup> March, 2019 and as on date of this Report, 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.

The CSR Committee met 4 (four) times during the financial year 2018-19 on 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018, 30<sup>th</sup> January, 2019.

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

### **Stakeholders’ Relationship Committee**

The Stakeholders’ Relationship Committee was constituted by the Board at its Meeting held on 6<sup>th</sup> March, 2017.

During the year under review, there has been no change in the constitution of the said Stakeholders’ Relationship Committee.

As on 31<sup>st</sup> March, 2019 and as on the date of this Report 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).

The Stakeholders Relationship Committee met 4 (four) times during the financial year 2018-19 viz. on 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018 and 30<sup>th</sup> January, 2019. During the year, all the recommendations made by the Stakeholders’ Relationship Committee were accepted by the Board.

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

### **Risk Management Committee**

The Provisions of Regulation 21 of SEBI Listing Regulation became applicable on your Company w.e.f. 1<sup>st</sup> April, 2019

The Board of Directors had constituted Risk Management Committee at its Meeting held on 24<sup>th</sup> 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 Group Company Secretary & Compliance Officer acts as the Secretary to the 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.

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 31<sup>st</sup> March, 2019 and as on the date of this Report the Committee comprises of two Executive Directors, viz. Mr. Sunil Vachani and Mr. Atul B Lall as members of this Committee and the Group Company Secretary & Compliance Officer acts as the Secretary to the Committee.

## Share Allotment Committee

Your Board had constituted the Share Allotment Committee during the period under review. 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 viz. Mr. Sunil Vachani and Mr. Atul B Lall.

## 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 2018-19.

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](http://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/insider-trading-policy/>.

## 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.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the top 500 listed entities determined on the basis of market capitalisation, as at the end of the immediate previous financial year are required to constitute Risk Management Committee. In line with the said amendment Regulations, your Company has set up a Risk Management Committee to monitor the risks and their mitigating actions.

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/risk-management-policy/>.

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

## Adequacy of Internal Controls 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’s internal control system aims at safeguarding assets from inappropriate use, maintaining proper accounts and ensuring compliance with regulations. The management is primarily responsible for the implementation and maintenance of the internal control system. The system is 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 has 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 2018-19 in Form MGT-9 is annexed herewith as **ANNEXURE-III**

Also, the Annual Return of your Company for the FY 2018-19 shall be placed on the website at [www.dixoninfo.com](http://www.dixoninfo.com).

### **Directors and Key Managerial Personnel who were Appointed or Have Resigned During the Year**

#### **Directors**

#### **A. Resignation of Dr. R C Chopra**

During the year under review, the designation of Dr. R.C. Chopra was changed from Independent Director to Non- Executive and Non Independent Director as he had been associated as an Independent Director of your Company since 14<sup>th</sup> July, 2008, whose term of 10 years under the Act to serve as an Independent Director expired on 13<sup>th</sup> July, 2018.

Dr. R.C. Chopra was subsequently appointed as Additional Director in the capacity of Non-Executive and Non-Independent Director by the Board at the Board

Meeting held on 26<sup>th</sup> May, 2018 which was effective 14<sup>th</sup> July, 2018 and his appointment was subsequently regularized at the 25<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> July, 2018. However, Dr. R.C. Chopra, resigned from the said position vide his resignation letter dated 6<sup>th</sup> August, 2018.

The Board wishes to place on record its deep gratitude and sincere appreciation for the valuable services rendered by Dr. R.C. Chopra and guidance extended by him during his tenure as Director of your Company.

#### **B. Appointment of Mr. Keng Tsung Kuo**

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 Additional Director in the capacity of "Non- executive and Independent Director". He is proposed to be appointed as Independent Director at the ensuing Annual General Meeting.

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

#### **C. Re-appointment of Mr. Manoj Maheshwari, Dr Manuji Zarabi and Ms. Poornima Shenoy as Independent Director for second term**

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 3<sup>rd</sup> May, 2017 and had appointed Dr. Manuji Zarabi & Ms. Poornima Shenoy as Non- Executive and Independent Directors on the Board w.e.f 23<sup>rd</sup> February, 2017 for a period of three years. Accordingly, the term of Mr. Manoj Maheshwari is due for expiry on 2<sup>nd</sup> May, 2020 and that of Dr. Manuji Zarabi & Ms. Poornima Shenoy is due for expiry on 22<sup>nd</sup> February, 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 is prudent to re-appoint these directors for another consecutive term of five years. Therefore, it is proposed to re-appoint the said Directors, subject to approval of the members at the ensuing Annual General Meeting, as Non- Executive and Independent 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.

Also, the performance evaluation of Mr. Manoj Maheshwari, Dr. Manuji Zarabi and Ms. Poornima Shenoy was conducted by the entire Board of your Company (excluding the Director being evaluated) on the basis of criteria such as attendance in the Board Meetings, Committee meetings in which he/she is either a member or Chairman, involvement in discussions being held at the Meeting, maintenance of level of Transparency, Analytical Capabilities, Leadership, Ethics and exercising of Independent approach in the discussions.

#### **Key Managerial Personnel (“KMPs”)**

Pursuant to the provisions of Section 203 of the Act, as on 31<sup>st</sup> March, 2019 Mr. Sunil Vachani, Executive Chairman, Mr. Atul B Lall, Managing Director, Mr. Saurabh Gupta, Chief Financial Officer and Mr. Ashish Kumar, Group Company Secretary and Compliance Officer are the KMPs of your Company.

Your Company had appointed Mr. Saurabh Gupta as a Chief Financial Officer of the Company effective 4<sup>th</sup> May, 2018 in place of Mr. Gopal Jagwan. Mr. Saurabh Gupta has been considered as Key Managerial Personnel effective the same date.

#### **Directors Liable to Retire by Rotation**

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

#### **Declaration of Independent Directors of the Company**

As on date of this report, the Board comprises of 6 (six) Directors. The composition includes 4 (four) Independent Directors which includes 1 (one) Additional Director who

has been appointed in the capacity of Non-Executive and Independent Director effective 12<sup>th</sup> April, 2019. The said Additional Director is proposed to be appointed at ensuing Annual General Meeting. 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/code-for-independent-director-and-familiarization-programme/>.

#### **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 18<sup>th</sup> March, 2019, 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 4<sup>th</sup> May, 2019.

### **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 25<sup>th</sup> 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 14<sup>th</sup> November, 2017 has appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2018-19.

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 2018-19. The Cost Audit Report for the FY 2018-19 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 6<sup>th</sup> August, 2018.

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

### **Corporate Social Responsibility (CSR)**

Your Company has been constantly working towards promoting equity, 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/corporate-social-responsibility/>

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 reported its performance for the financial year ended 31<sup>st</sup> March, 2019 as per the BRR framework, describing initiatives taken from an environmental, social and governance perspective.

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. 2018-2019 and notice of the 26<sup>th</sup> Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s) as on the record date decided by the Board of your Company i.e. 28<sup>th</sup> June, 2019. For members, who have not registered their e-mail addresses, physical copies of the Annual Report for the F.Y. 2018-2019 and the Notice of the 26<sup>th</sup> Annual General Meeting will be sent in permitted mode. Members requiring a physical copy of the Annual Report may send a request to the Group Company Secretary and Compliance Officer at [investorrelations@dixoninfo.com](mailto:investorrelations@dixoninfo.com).

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 26<sup>th</sup> Annual General

Meeting beginning 28<sup>th</sup> July, 2019 from 9:00 a.m. to 30<sup>th</sup> July, 2019 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](http://www.dixoninfo.com). These documents will also be available for inspection during business hours on all working days at our registered office at B-14 & 15, Phase-II, Noida-201305.

## Human Resources

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

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.

Your Company has an excellent record on industrial relations. Your Company recognizes people as its most valuable asset. Your Company's Human Resource is commensurate with the size, nature and operations of your Company. As on 31<sup>st</sup> March, 2019, your Company has 894 permanent employees and 5713 contractual employees / staff.

During the year under review, the Human Resource department undertook many new initiatives for employee engagements. Programmes like, Yoga Sessions, eye check-up, health check-ups were organised for benefit of the employees. Also, a well-structured induction process was introduced which is an initiative towards learning and development and it has also helped in integrating and familiarising the newly recruited manpower.

During the year under review, your Company had organised "Dixon Cricket League" on 16<sup>th</sup> February, 2019. The said League was a huge hit amongst the employees.

Your Company's grievance redressal mechanisms ensure that all employees can raise issues and concerns. The Whistle Blower Policy provides for reporting of issues like child labour, forced labour etc. The Company has established a vigil mechanism for Directors and employees

to report their genuine concerns, details of which have been given elsewhere in this Report. During the year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

Company's Industrial Relations continued to be harmonious during the period under review.

## 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:

- Ratio of Remuneration to Non- Executive / Independent Directors (refer table 2)
- Percentage increase in the remuneration of the CFO and Company Secretary (refer table 3)
- Details of remuneration to Non-Executive /Independent Directors (refer table 4)
- Statement containing the names of top 10 employees in terms of remuneration drawn (refer table 5)
- Details of employees employed throughout the Financial Year and in receipt of remuneration of not less than ₹1.02 Crore or more per annum (refer table 6)
- 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)
- 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)
- 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 2018-19 was 10.2%. Also, the average percentile increase in the salaries of employees

other than the managerial personnel is 15% as compared to 13.10% 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.

## 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: <http://www.dixoninfo.com/nomination-and-remuneration-policy/>

## 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 had received one complaint of sexual harassment at workplace during the year under review. The same was investigated and disposed as per the provisions of the aforesaid Act. 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.

### Explanation for 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 11<sup>th</sup> September, 2017. The Statement of utilization of Initial Public Offer proceeds forms parts of the Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### 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.

### 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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019 is a part of the Management Discussion and Analysis Report which forms the part of the Annual 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/-

**Sunil Vachani**

(Executive Chairman)

DIN:00025431

Place: NOIDA

Date: 24<sup>th</sup> May, 2019

## 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:

- At present, the issued, subscribed and paid up share capital comprises only one class of equity shares.
- The payment of dividend shall be based on the respective rights attached to each class of shares as their terms of issue.
- The dividends shall be paid out of the Company's distributable profits and / or general reserves and from such other reserves as may be statutorily permissible, and shall be allocated among shareholders on a pro-rate basis according to the number of each type and class of shares held.

## 4. Rate/ Quantum of Dividend:

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

## 5. The Policy shall not apply to:

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

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

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

## 6. Amendments to the Policy:

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

## ANNEXURE- II

### Disclosure Pursuant to the Provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

**A.** Relevant disclosures in terms of the “Guidance Note on Accounting for Employee Share-based Payments” issued by ICAI has been made in Note no. 43 of the Notes to Accounts forming part of the Annual Report 2018-19 of the Company. The said disclosure have also been placed on the website of your Company and can be accessed at <https://dixoninfo.com/wp-content/uploads/2019/06/ESOP-NOTE.pdf>.

#### B. General Terms and Conditions

| S. No. | Particulars                                                  | Dixon ESOP 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                   |                                                  |                              |
|--------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------|
| 1      | General Terms and Conditions                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                   |                                                  |                              |
| a      | Date of shareholders' approval                               | 25 <sup>th</sup> July, 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                   |                                                  |                              |
| b      | Total number of options approved under ESOS                  | 500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                   |                                                  |                              |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                   |                                                  |                              |
| d      | Exercise price or pricing formula                            | <p>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.</p> <p>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.</p> <p>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.</p> |                                   |                                                  |                              |
| e      | Maximum term of options granted                              | <p>The options granted under Scheme will vest over a period of Three years from the date of grant of options.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                 |                                   |                                                  |                              |
| 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: | Following senior managerial personnel, including KMPs were granted stock options under the Dixon ESOP 2018 at an exercise price of ₹1864.80/- per option                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                  |                              |
|        | Senior Managerial Personnel (including KMP)                  | <b>Name of the Employee</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Designation</b>                | <b>Number of Options granted during the year</b> | <b>Exercise Price (in ₹)</b> |
|        |                                                              | Saurabh Gupta                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Chief Financial Officer           | 65,000                                           | 1864.80/-                    |
|        |                                                              | Abhijeet Kotnis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | COO & President (LED TV Division) | 55,000                                           | 1864.80/                     |

| S. No. | Particulars                                                                                                                                                                                            | Dixon ESOP 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                              |        |          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------|----------|
|        |                                                                                                                                                                                                        | Ashish Kumar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Group Company Secretary & Compliance Officer | 45,000 | 1864.80/ |
|        |                                                                                                                                                                                                        | Vinay Pradhan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | V.P. Human Resource                          | 20,000 | 1864.80/ |
|        |                                                                                                                                                                                                        | Muneesh Dhawan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Vice President Business Development          | 25,000 | 1864.80/ |
|        |                                                                                                                                                                                                        | Suneel Kumar Singh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Vice President                               | 20,000 | 1864.80/ |
|        | 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                                                                                                                                                                        | <ul style="list-style-type: none"> <li>when the exercise price is equal/exceeds to market price: <b>Not Applicable</b></li> <li>when the exercise price is less than market price: ₹1864.80/-</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                              |        |          |
| 4      | Weighted-average fair values of options                                                                                                                                                                | <ul style="list-style-type: none"> <li>when the exercise price is equal/exceeds to market price: <b>Not Applicable</b></li> <li>when the exercise price is less than market price: ₹768.65/-</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                              |        |          |
| 5      | Description of the method and significant assumptions used during the year to estimate the fair value of options                                                                                       | <p>Fair Value Method (Black Scholes Model).</p> <p>Some of the basic assumptions used in the Black-Scholes model are -</p> <ul style="list-style-type: none"> <li>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</li> <li>Interest rates remain constant and known: The Black -Scholes model uses the risk-free rate to represent this constant and known rate.</li> <li>Returns are normally distributed: This assumption suggests returns on the underlying stock are normally distributed.</li> <li>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.</li> <li>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.</li> </ul> |                                              |        |          |

| S. No. | Particulars                                                                                                                                    | Dixon ESOP 2018                                                                                                                                                                                                                                                                                         |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a      | Weighted-average values of share price                                                                                                         | 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 ₹2072/- per share.                                                                                                  |
| b      | Exercise Price                                                                                                                                 | ₹1864.80/-                                                                                                                                                                                                                                                                                              |
| c      | Expected Volatility                                                                                                                            | 36.37%                                                                                                                                                                                                                                                                                                  |
| d      | Expected Option Life                                                                                                                           | The options granted will vest over a maximum period of 3 years from the date of grant.                                                                                                                                                                                                                  |
| e      | Expected Dividends                                                                                                                             | The Dividend Yield is 0.06%.                                                                                                                                                                                                                                                                            |
| f      | The risk-free interest rate                                                                                                                    | The Risk free rate for first, second and third vesting is 7.65%, 7.65% and 7.68% respectively.                                                                                                                                                                                                          |
| g      | The method used and the assumptions made to incorporate the effects of expected early exercise                                                 | Not Applicable, as options granted cannot be exercised before the vesting of option.                                                                                                                                                                                                                    |
| 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.                                                                                                                                                                                                                                    |
| j      | Diluted EPS on issue of shares pursuant to Dixon ESOP 2018                                                                                     | ₹49.06 per share (Standalone basis)<br>₹55.14 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                                | NIL            |
| Number of options granted during the year                                                   | 497,600        |
| Number of options forfeited / lapsed during the year                                        | NIL            |
| Number of options vested during the year                                                    | NIL            |
| Number of options exercised during the year                                                 | NIL            |
| Number of shares arising as a result of exercise of options                                 | NIL            |
| Money realized by exercise of options (₹), if scheme is implemented directly by the company | NIL            |
| Loan repaid by the Trust during the year from exercise price received                       | Not Applicable |
| Number of options outstanding at the end of the year                                        | 497,600        |
| Number of options exercisable at the end of the year                                        | NIL            |

**Disclosures in Respect of Grants Made in Three Years Prior to IPO Under Each ESOP**

Your company made an initial public offer (the "IPO") of its Equity Shares for a total of 3,393,425 Equity Shares of face value of ₹10/- each for cash and successfully listed its Equity Shares on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 18<sup>th</sup> September, 2017. Further, as on the close of the financial year under review and as on the date of writing this report, employee stock option plan granted by the Company during the three years prior to the IPO of the Company have either lapsed or have been fully exercised by the employees and there are no outstanding options pertaining to the said employee stock options outstanding or pending to be exercised.

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

Sd/-

**Sunil Vachani**

(Executive Chairman)

DIN:00025431

Place: NOIDA

Date: 24<sup>th</sup> May, 2019

## ANNEXURE-III

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31<sup>st</sup> March, 2019

[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                                                           | 15 <sup>th</sup> 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 Noida Gautam Buddha Nagar Noida -201305<br>Tel : 0120-4737200<br>Fax : 0120-4737273<br>email : investorrelations@dixoninfo.com<br>Website : www.dixoninfo.com                                        |
| VI  | Whether listed Company                                                      | Yes                                                                                                                                                                                                                     |
| VII | Name, Address and Contact details of Registrar and Transfer Agent, if any:- | <b>M/s Karvy Fintech Pvt. Ltd</b><br>Karvy Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda, Hyderabad - 500 032<br>Ph: +91 40 6716 1602   M: +91 9870495653<br>www.karvycomputershare.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:-

| S. No. | Name and Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|--------|------------------------------------------------|----------------------------------|------------------------------------|
| 1      | LED TV                                         | 264                              | 44.16                              |
| 2      | LED Bulb                                       | 274                              | 25.91                              |
| 3      | Washing Machine                                | 275                              | 14.82                              |

**III. Particulars of Holding, Subsidiary & Associate Companies**

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

\* Padget Electronics Private Limited was converted into Wholly owned Subsidiary of the Company on 12<sup>th</sup> 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 31 <sup>st</sup> March, 2018] |          |                  |                   | No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2019] |          |                  |                    | % Change during the year# |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------|------------------|-------------------|--------------------------------------------------------------------------------|----------|------------------|--------------------|---------------------------|
|                                                                                | Demat                                                                                | Physical | Total            | % of Total Shares | Demat                                                                          | Physical | Total            | % of Total Shares# |                           |
| <b>A. Promoters</b>                                                            |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| <b>(1) Indian</b>                                                              |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| a) Individual/ HUF                                                             | 41,96,208                                                                            | -        | 41,96,208        | 37.05             | 41,96,208                                                                      | -        | 41,96,208        | 37.05              | -                         |
| b) Central Govt                                                                | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| c) State Govt(s)                                                               | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| d) Bodies Corp.                                                                | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| e) Banks / FI                                                                  | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| f) Any other                                                                   | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| <b>Sub Total =A(1)</b>                                                         | <b>41,96,208</b>                                                                     | <b>-</b> | <b>41,96,208</b> | <b>37.05</b>      | <b>41,96,208</b>                                                               | <b>-</b> | <b>41,96,208</b> | <b>37.05</b>       | <b>-</b>                  |
| <b>(2) Foreign</b>                                                             |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| a) NRI Individuals                                                             | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| b) Other Individuals                                                           | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| c) Bodies Corp.                                                                | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| d) Any other                                                                   | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| <b>Sub Total=A(2)</b>                                                          | <b>-</b>                                                                             | <b>-</b> | <b>-</b>         | <b>-</b>          | <b>-</b>                                                                       | <b>-</b> | <b>-</b>         | <b>-</b>           | <b>-</b>                  |
| <b>TOTAL (A)= A(1) + A(2)</b>                                                  | <b>41,96,208</b>                                                                     | <b>-</b> | <b>41,96,208</b> | <b>37.05</b>      | <b>41,96,208</b>                                                               | <b>-</b> | <b>41,96,208</b> | <b>37.05</b>       |                           |
| <b>B. Public Shareholding/ Other than Promoters</b>                            |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| <b>1. Institutions</b>                                                         |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| a) Mutual Funds                                                                | 18,86,412                                                                            | -        | 18,86,412        | 16.66             | 26,86,462                                                                      | -        | 26,86,462        | 23.73              | 7.07                      |
| b) Banks / FI                                                                  | 15,894                                                                               | -        | 15,894           | 0.14              | 4,609                                                                          | -        | 4,609            | 0.04               | -0.10                     |
| c) Central Govt                                                                | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| d) State Govt(s)                                                               | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| e) Venture Capital Funds                                                       | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| f) Insurance Companies                                                         | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| g) FII's                                                                       | 8,56,237                                                                             | -        | 8,56,237         | 7.56              | -                                                                              | -        | -                | -                  | -7.56                     |
| h) Foreign Venture Capital Funds                                               | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| i) Others (specify)                                                            |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| Foreign Portfolio Corporation                                                  | 1,83,629                                                                             | -        | 1,83,629         | 1.62              | 11,31,809                                                                      | -        | 11,31,809        | 9.99               | 8.37                      |
| Alternate Investment Funds                                                     | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| Foreign Portfolio Investors                                                    | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| <b>Sub-total=B(1):-</b>                                                        | <b>29,42,172</b>                                                                     | <b>-</b> | <b>29,42,172</b> | <b>25.98</b>      | <b>38,22,880</b>                                                               | <b>-</b> | <b>38,22,880</b> | <b>33.76</b>       | <b>7.78</b>               |
| <b>2. Non-Institutions</b>                                                     |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| a) Bodies Corp.                                                                |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| i) Indian                                                                      | 4,55,036                                                                             | -        | 4,55,036         | 4.02              | 3,80,423                                                                       | -        | 3,80,423         | 3.36               | -0.66                     |
| ii) Overseas                                                                   | -                                                                                    | -        | -                | -                 | -                                                                              | -        | -                | -                  | -                         |
| b) Individuals                                                                 |                                                                                      |          |                  |                   |                                                                                |          |                  |                    |                           |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh          | 7,23,231                                                                             | 24       | 7,23,255         | 6.39              | 6,11,181                                                                       | 24       | 6,11,205         | 5.40               | -0.99                     |
| ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 5,14,901                                                                             | -        | 5,14,901         | 4.55              | 3,91,644                                                                       | -        | 3,91,644         | 3.46               | -1.09                     |

| Category of Shareholders                    | No. of Shares held at the beginning of the year [As on 31 <sup>st</sup> March, 2018] |           |                    |                   | No. of Shares held at the end of the year [As on 31 <sup>st</sup> March, 2019] |           |                    |                    | % Change during the year# |
|---------------------------------------------|--------------------------------------------------------------------------------------|-----------|--------------------|-------------------|--------------------------------------------------------------------------------|-----------|--------------------|--------------------|---------------------------|
|                                             | Demat                                                                                | Physical  | Total              | % of Total Shares | Demat                                                                          | Physical  | Total              | % of Total Shares# |                           |
| c) Others                                   |                                                                                      |           |                    |                   |                                                                                |           |                    |                    |                           |
| HUF                                         | 19,998                                                                               | -         | 19,998             | 0.18              | 21,927                                                                         | -         | 21,927             | 0.19               | 0.02                      |
| CLEARING MEMBERS                            | 6,059                                                                                | -         | 6,059              | 0.05              | 4,559                                                                          | -         | 4,559              | 0.04               | -0.01                     |
| DIRECTORS AND THEIR RELATIVES               | 4,66,667                                                                             | -         | 4,66,667           | 4.12              | 4,66,667                                                                       | -         | 4,66,667           | 4.12               | -                         |
| FOREIGN BODIES                              | 3,39,751                                                                             | -         | 3,39,751           | 3                 | -                                                                              | -         | -                  | -                  | -3                        |
| Foreign Bodies Corporate                    | 3,60,313                                                                             | -         | 3,60,313           | 3.18              | 1,09,279                                                                       | -         | 1,09,279           | 0.97               | -2.22                     |
| FOREIGN NATIONALS                           | 184                                                                                  | -         | 184                | -                 | -                                                                              | -         | -                  | -                  | -                         |
| NON RESIDENT INDIANS                        | 11,144                                                                               | -         | 11,144             | 0.10              | 34,534                                                                         | -         | 34,534             | 0.30               | 0.21                      |
| NRI NON-REPATRIATION                        | 10,68,603                                                                            | -         | 10,68,603          | 9.44              | 10,73,275                                                                      | -         | 10,73,275          | 9.48               | 0.04                      |
| TRUSTS                                      | 8,415                                                                                | -         | 8,415              | 0.07              | 55                                                                             | -         | 55                 | 0                  | -0.07                     |
| Promoters Group                             | 2,12,385                                                                             | -         | 2,12,385           | 1.87              | 2,12,435                                                                       | -         | 2,12,435           | 1.87               | -                         |
| <b>Sub-total=B(2)</b>                       | <b>41,86,687</b>                                                                     | <b>24</b> | <b>41,86,711</b>   | <b>36.97</b>      | <b>33,05,979</b>                                                               | <b>24</b> | <b>33,06,003</b>   | <b>29.19</b>       | <b>-7.77</b>              |
| <b>Total Public =(B) [B(1) +B(2)]</b>       | <b>71,28,859</b>                                                                     | <b>24</b> | <b>71,28,883</b>   | <b>62.95</b>      | <b>71,28,859</b>                                                               | <b>24</b> | <b>71,28,883</b>   | <b>62.95</b>       | <b>-</b>                  |
| C. Shares held by Custodian for GDRs & ADRs | --                                                                                   | -         | -                  | -                 | -                                                                              | -         | -                  | -                  | -                         |
| <b>Grand Total (A+B+C)</b>                  | <b>1,13,25,067</b>                                                                   | <b>24</b> | <b>1,13,25,091</b> | <b>100</b>        | <b>1,13,25,067</b>                                                             | <b>24</b> | <b>1,13,25,091</b> | <b>100</b>         |                           |

**(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      | Mr. Sunil Vachani  | 41,96,208                                 | 37.05                            | -                                                | 41,96,208                           | 37.05                             | -                                                | -                                         |
|        | <b>Total</b>       | <b>41,96,208</b>                          | <b>37.05</b>                     | <b>-</b>                                         | <b>41,96,208</b>                    | <b>37.05</b>                      | <b>-</b>                                         | <b>-</b>                                  |

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

There is no change in the shareholdings of Promoters during the financial year ended 31<sup>st</sup> March, 2019

| 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 |
|        |                      |                                           |                   |                                                                                                                  |              |        |                                         |                   |                                     |                   |
|        |                      |                                           |                   |                                                                                                                  |              |        |                                         |                   |                                     |                   |

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

| S. 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 |
| <b>1</b> | <b>KAMLA VACHANI</b>                                         |                                           |                   |                                         |                   |
|          | At the beginning of the year                                 | 10,64,144                                 | 9.40              | 10,64,144                               | 9.40              |
|          | Shares acquired on 01/06/2018                                | 37                                        | -                 | 10,64,181                               | 9.40              |
|          | <b>At the end of the year</b>                                | <b>10,64,181</b>                          | <b>9.40</b>       | <b>10,64,181</b>                        | <b>9.40</b>       |
| <b>2</b> | <b>SBI MAGNUM GLOBAL FUND</b>                                |                                           |                   |                                         |                   |
|          | At the beginning of the year                                 | 8,92,343                                  | 7.88              | 8,92,343                                | 7.88              |
|          | Shares Sold on 06/04/2018                                    | -200                                      |                   | 8,92,143                                | 7.88              |
|          | Sale sold on 25/05/2018                                      | -1,600                                    |                   | 8,90,543                                | 7.86              |
|          | Shares acquired on 10/08/2018                                | 55,653                                    |                   | 9,46,196                                | 8.35              |
|          | Shares acquired on 17/08/2018                                | 44,347                                    |                   | 9,90,543                                | 8.75              |
|          | Shares acquired on 31/08/2018                                | 14,300                                    |                   | 10,04,843                               | 8.87              |
|          | Shares acquired on 12/10/2018                                | 2,29,526                                  |                   | 12,34,369                               | 10.90             |
|          | Sale sold on 12/10/2018                                      | -1,50,000                                 |                   | 10,84,369                               | 9.57              |
|          | Shares acquired on 23/11/2018                                | 6,000                                     |                   | 10,90,369                               | 9.63              |
|          | Shares acquired on 21/12/2018                                | 11,000                                    |                   | 11,01,369                               | 9.73              |
|          | Shares acquired on 08/02/2019                                | 18,000                                    |                   | 11,19,369                               | 9.88              |
|          | Shares sold on 08/02/2019                                    | -18,000                                   |                   | 11,01,369                               | 9.73              |
|          | <b>At the end of the year</b>                                | <b>11,01,369</b>                          | <b>9.73</b>       | <b>11,01,369</b>                        | <b>9.73</b>       |
| <b>3</b> | <b>RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE</b> |                                           |                   |                                         |                   |
|          | At the beginning of the year                                 | 61,000                                    | 0.54              | 61,000                                  | 0.54              |
|          | Shares acquired on 22/06/2018                                | 8,300                                     |                   | 69,300                                  | 0.61              |
|          | Shares acquired on 24/08/2018                                | 5,185                                     |                   | 74,485                                  | 0.66              |
|          | Shares acquired on 31/08/2018                                | 917                                       |                   | 75,402                                  | 0.67              |
|          | Shares acquired on 05/10/2018                                | 1,78,426                                  |                   | 2,53,828                                | 2.24              |
|          | Shares acquired on 12/10/2018                                | 1,24,595                                  |                   | 3,78,423                                | 3.34              |
|          | Shares acquired on 19/10/2018                                | 1,50,000                                  |                   | 5,28,423                                | 4.67              |
|          | Shares acquired on 26/10/2018                                | 59,900                                    |                   | 5,88,323                                | 5.19              |
|          | Shares acquired on 09/11/2018                                | 2,49,600                                  |                   | 8,37,923                                | 7.40              |
|          | Shares acquired on 18/01/2019                                | 3,500                                     |                   | 8,41,423                                | 7.43              |
|          | Shares acquired on 25/01/2019                                | 762                                       |                   | 8,42,185                                | 7.44              |
|          | Shares sold on 15/03/2019                                    | -697                                      |                   | 8,41,488                                | 7.43              |
|          | <b>At the end of the year</b>                                | <b>8,41,488</b>                           | <b>7.43</b>       | <b>8,41,488</b>                         | <b>7.43</b>       |
| <b>4</b> | <b>STEADVIEW CAPITAL MAURITIUS LIMITED</b>                   |                                           |                   |                                         |                   |
|          | At the beginning of the year                                 | 3,46,066                                  | 3.06              | 3,46,066                                | 3.06              |
|          | Shares acquired on 13/04/2018                                | 22,326                                    |                   | 3,68,392                                | 3.25              |
|          | Shares acquired on 06/07/2018                                | 21,000                                    |                   | 3,89,392                                | 3.44              |
|          | Shares acquired on 11/01/2019                                | 58,843                                    |                   | 4,48,235                                | 3.96              |
|          | <b>At the end of the year</b>                                | <b>4,48,235</b>                           | <b>3.96</b>       | <b>4,48,235</b>                         | <b>3.96</b>       |
| <b>5</b> | <b>GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES</b>    |                                           |                   |                                         |                   |
|          | At the beginning of the year                                 | 3,39,751                                  | 3.00              | 3,39,751                                | 3.00              |
|          | Shares sold on 21/09/2018                                    | -1,660                                    |                   | 3,38,091                                | 2.99              |
|          | Shares sold on 28/09/2018                                    | -1,80,000                                 |                   | 1,58,091                                | 1.40              |
|          | Shares sold on 19/10/2018                                    | -94,000                                   |                   | 64,091                                  | 0.57              |
|          | Shares sold on 02/11/2018                                    | -64,091                                   |                   | 0                                       | 0.00              |
|          | <b>At the end of the year</b>                                | <b>0</b>                                  | <b>0</b>          | <b>0</b>                                | <b>0</b>          |

| S.<br>No. | Name of the Shareholder                      | Shareholding at the<br>beginning of the year |                      | Cumulative Shareholding<br>during the year |                      |
|-----------|----------------------------------------------|----------------------------------------------|----------------------|--------------------------------------------|----------------------|
|           |                                              | No. of<br>shares                             | % of total<br>shares | No. of<br>shares                           | % of total<br>shares |
| <b>6</b>  | <b>DSP BLACKROCK EQUITY &amp; BOND FUND</b>  |                                              |                      |                                            |                      |
|           | At the beginning of the year                 | 3,22,574                                     | 2.85                 | 3,22,574                                   | 2.85                 |
|           | Shares Acquired on 06/04/2018                | 354                                          |                      | 3,22,928                                   | 2.85                 |
|           | Shares Acquired on 10/08/2018                | 16,147                                       |                      | 3,39,075                                   | 2.99                 |
|           | Shares Acquired on 17/08/2018                | 44,254                                       |                      | 3,83,329                                   | 3.38                 |
|           | Shares Acquired on 24/08/2018                | 26,751                                       |                      | 4,10,080                                   | 3.62                 |
|           | Shares sold on 26/10/2018                    | -52,180                                      |                      | 3,57,900                                   | 3.16                 |
|           | Shares sold on 02/11/2018                    | -60,000                                      |                      | 2,97,900                                   | 2.63                 |
|           | Shares sold on 09/11/2018                    | -1,57,726                                    |                      | 1,40,174                                   | 1.24                 |
|           | Shares sold on 16/11/2018                    | -2,064                                       |                      | 1,38,110                                   | 1.22                 |
|           | Shares sold on 23/11/2018                    | -1,03,500                                    |                      | 34,610                                     | 0.31                 |
|           | Shares sold on 30/11/2018                    | -34,610                                      |                      | 0                                          | 0.00                 |
|           | <b>At the end of the year</b>                | <b>0</b>                                     | <b>0.00</b>          | <b>0</b>                                   | <b>0.00</b>          |
| <b>7</b>  | <b>GOLDMAN SACHS INDIA LIMITED</b>           |                                              |                      |                                            |                      |
|           | At the beginning of the year                 | 2,18,049                                     | 1.93                 | 2,18,049                                   | 1.93                 |
|           | Shares acquired on 24/08/2018                | 3,259                                        |                      | 2,21,308                                   | 1.95                 |
|           | Shares acquired on 31/08/2018                | 57,211                                       |                      | 2,78,519                                   | 2.46                 |
|           | <b>At the end of the year</b>                | <b>2,78,519</b>                              | <b>2.46</b>          | <b>2,78,519</b>                            | <b>2.46</b>          |
| <b>8</b>  | <b>SUNITA MANKANI</b>                        |                                              |                      |                                            |                      |
|           | At the beginning of the year                 | 1,70,259                                     | 1.50                 | 1,70,259                                   | 1.50                 |
|           | Shares sold/acquired on                      | -                                            | -                    |                                            |                      |
|           | <b>At the end of the year</b>                | <b>1,70,259</b>                              | <b>1.50</b>          | <b>1,70,259</b>                            | <b>1.50</b>          |
| <b>9</b>  | <b>SOBHA SIPPY</b>                           |                                              |                      |                                            |                      |
|           | At the beginning of the year                 | 1,70,259                                     | 1.50                 | 1,70,259                                   | 1.50                 |
|           | Shares sold/acquired on                      | -                                            | -                    |                                            |                      |
|           | <b>At the end of the year</b>                | <b>1,70,259</b>                              | <b>1.50</b>          | <b>1,70,259</b>                            | <b>1.50</b>          |
| <b>10</b> | <b>KOTAK MAHINDRA BALANCE UNIT SCHEME 99</b> |                                              |                      |                                            |                      |
|           | At the beginning of the year                 | 1,69,874                                     | 1.50                 | 1,69,874                                   | 1.50                 |
|           | Shares sold on 06/04/2018                    | -384                                         |                      | 1,69,490                                   | 1.50                 |
|           | Shares acquired on 20/04/2018                | 5,000                                        |                      | 1,74,490                                   | 1.54                 |
|           | Shares acquired on 27/04/2018                | 3,000                                        |                      | 1,77,490                                   | 1.57                 |
|           | Shares sold on 11/05/2018                    | -14,628                                      |                      | 1,62,862                                   | 1.44                 |
|           | Shares sold on 18/05/2018                    | -6,211                                       |                      | 1,56,651                                   | 1.38                 |
|           | Shares sold on 25/05/2018                    | -265                                         |                      | 1,56,386                                   | 1.38                 |
|           | Shares acquired on 01/06/2018                | 2,000                                        |                      | 1,58,386                                   | 1.40                 |
|           | Shares acquired on 22/06/2018                | 12,000                                       |                      | 1,70,386                                   | 1.50                 |
|           | Shares acquired on 06/07/2018                | 710                                          |                      | 1,71,096                                   | 1.51                 |
|           | Shares acquired on 03/08/2018                | 10,000                                       |                      | 1,81,096                                   | 1.60                 |
|           | Shares acquired on 17/08/2018                | 10,000                                       |                      | 1,91,096                                   | 1.69                 |
|           | Shares sold on 31/08/2018                    | -5,000                                       |                      | 1,86,096                                   | 1.64                 |
|           | Shares sold on 28/09/2018                    | -8,221                                       |                      | 1,77,875                                   | 1.57                 |
|           | Shares sold on 05/10/2018                    | -7,000                                       |                      | 1,70,875                                   | 1.51                 |
|           | Shares sold on 12/10/2018                    | -386                                         |                      | 1,70,489                                   | 1.51                 |
|           | Shares sold on 19/10/2018                    | -400                                         |                      | 1,70,089                                   | 1.50                 |
|           | Shares sold on 26/10/2018                    | -10,300                                      |                      | 1,59,789                                   | 1.41                 |
|           | Shares acquired on 02/11/2018                | 2,679                                        |                      | 1,62,468                                   | 1.43                 |
|           | Shares acquired on 09/11/2018                | 15,000                                       |                      | 1,77,468                                   | 1.57                 |
|           | Shares acquired on 01/03/2019                | 1,018                                        |                      | 1,78,486                                   | 1.58                 |
|           | <b>At the end of the year</b>                | <b>1,78,486</b>                              | <b>1.58</b>          | <b>1,78,486</b>                            | <b>1.58</b>          |

| S.<br>No. | Name of the Shareholder                                | Shareholding at the<br>beginning of the year |                      | Cumulative Shareholding<br>during the year |                      |
|-----------|--------------------------------------------------------|----------------------------------------------|----------------------|--------------------------------------------|----------------------|
|           |                                                        | No. of<br>shares                             | % of total<br>shares | No. of<br>shares                           | % of total<br>shares |
| <b>11</b> | <b>TAIYO GREATER INDIA FUND LTD</b>                    |                                              |                      |                                            |                      |
|           | At the beginning of the year                           | 0                                            | 0.00                 | 0                                          | 0.00                 |
|           | Shares acquired on 09/11/2018                          | 34,000                                       |                      | 34,000                                     | 0.30                 |
|           | Shares acquired on 30/11/2018                          | 34,000                                       |                      | 68,000                                     | 0.60                 |
|           | Shares acquired on 28/12/2018                          | 25,000                                       |                      | 93,000                                     | 0.82                 |
|           | Shares acquired on 11/01/2018                          | 1,305                                        |                      | 94,305                                     | 0.83                 |
|           | Shares acquired on 18/01/2019                          | 4,949                                        |                      | 99,254                                     | 0.88                 |
|           | Shares acquired on 25/01/2019                          | 1,812                                        |                      | 1,01,066                                   | 0.89                 |
|           | Shares acquired on 01/02/2019                          | 1,134                                        |                      | 1,02,200                                   | 0.90                 |
|           | Shares acquired on 08/02/2019                          | 11,412                                       |                      | 1,13,612                                   | 1.00                 |
|           | Shares acquired on 15/02/2019                          | 3,653                                        |                      | 1,17,265                                   | 1.04                 |
|           | Shares acquired on 22/02/2019                          | 2,735                                        |                      | 1,20,000                                   | 1.06                 |
|           | Shares acquired on 01/03/2019                          | 10,067                                       |                      | 1,30,067                                   | 1.15                 |
|           | Shares acquired on 08/03/2019                          | 5,452                                        |                      | 1,35,519                                   | 1.20                 |
|           | Shares acquired on 15/03/2019                          | 27,304                                       |                      | 1,62,823                                   | 1.44                 |
|           | Shares acquired on 22/03/2019                          | 2,177                                        |                      | 1,65,000                                   | 1.46                 |
|           | <b>At the end of the year</b>                          | <b>1,65,000</b>                              | <b>1.46</b>          | <b>1,65,000</b>                            | <b>1.46</b>          |
| <b>12</b> | <b>ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED</b> |                                              |                      |                                            |                      |
|           | At the beginning of the year                           | 1,24,538                                     | 1.10                 | 1,24,538                                   | 1.10                 |
|           | Shares acquired on 06/04/2018                          | 534                                          |                      | 1,25,072                                   | 1.10                 |
|           | Shares acquired on 13/04/2018                          | 522                                          |                      | 1,25,594                                   | 1.11                 |
|           | Shares acquired on 27/04/2018                          | 288                                          |                      | 1,25,882                                   | 1.11                 |
|           | Shares acquired on 04/05/2018                          | 171                                          |                      | 1,26,053                                   | 1.11                 |
|           | Shares acquired on 11/05/2018                          | 44,467                                       |                      | 1,70,520                                   | 1.51                 |
|           | Shares acquired on 18/05/2018                          | 23,553                                       |                      | 1,94,073                                   | 1.71                 |
|           | Shares acquired on 25/05/2018                          | 28,327                                       |                      | 2,22,400                                   | 1.96                 |
|           | Shares acquired on 01/06/2018                          | 3,045                                        |                      | 2,25,445                                   | 1.99                 |
|           | Shares acquired on 15/06/2018                          | 3,159                                        |                      | 2,28,604                                   | 2.02                 |
|           | Shares acquired on 22/06/2018                          | 1,557                                        |                      | 2,30,161                                   | 2.03                 |
|           | Shares acquired on 29/06/2018                          | 3,544                                        |                      | 2,33,705                                   | 2.06                 |
|           | Shares acquired on 06/07/2018                          | 6,631                                        |                      | 2,40,336                                   | 2.12                 |
|           | Shares acquired on 13/07/2018                          | 2,165                                        |                      | 2,42,501                                   | 2.14                 |
|           | Shares acquired on 20/07/2018                          | 1,863                                        |                      | 2,44,364                                   | 2.16                 |
|           | Shares acquired on 27/07/2018                          | 388                                          |                      | 2,44,752                                   | 2.16                 |
|           | Shares acquired on 03/08/2018                          | 1,961                                        |                      | 2,46,713                                   | 2.18                 |
|           | Shares sold on 10/08/2018                              | -912                                         |                      | 2,45,801                                   | 2.17                 |
|           | Shares acquired on 24/08/2018                          | 463                                          |                      | 2,46,264                                   | 2.17                 |
|           | Shares acquired on 31/08/2018                          | 46,008                                       |                      | 2,92,272                                   | 2.58                 |
|           | Shares acquired on 07/09/2018                          | 9,454                                        |                      | 3,01,726                                   | 2.66                 |
|           | Shares acquired on 14/09/2018                          | 802                                          |                      | 3,02,528                                   | 2.67                 |
|           | Shares acquired on 21/09/2018                          | 9,333                                        |                      | 3,11,861                                   | 2.75                 |
|           | Shares acquired on 28/09/2018                          | 164                                          |                      | 3,12,025                                   | 2.76                 |
|           | Shares acquired on 05/10/2018                          | 27,492                                       |                      | 3,39,517                                   | 3.00                 |
|           | Shares acquired on 12/10/2018                          | 5,370                                        |                      | 3,44,887                                   | 3.05                 |
|           | Shares acquired on 19/10/2018                          | 15,038                                       |                      | 3,59,925                                   | 3.18                 |
|           | Shares acquired on 26/10/2018                          | 12,607                                       |                      | 3,72,532                                   | 3.29                 |
|           | Shares sold on 02/11/2018                              | -30,704                                      |                      | 3,41,828                                   | 3.02                 |
|           | Shares acquired on 09/11/2018                          | 259                                          |                      | 3,42,087                                   | 3.02                 |
|           | Shares sold on 23/11/2018                              | -11,427                                      |                      | 3,30,660                                   | 2.92                 |

| S. 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 07/12/2018     | -4,353                                    |                   | 3,26,307                                | 2.88              |
|        | Shares sold on 21/12/2018     | -9,886                                    |                   | 3,16,421                                | 2.79              |
|        | Shares sold on 28/12/2018     | -7,034                                    |                   | 3,09,387                                | 2.73              |
|        | Shares acquired on 31/12/2018 | 345                                       |                   | 3,09,732                                | 2.73              |
|        | Shares acquired on 11/01/2019 | 5                                         |                   | 3,09,737                                | 2.73              |
|        | Shares sold on 18/01/2019     | -203                                      |                   | 3,09,534                                | 2.73              |
|        | Shares sold on 25/01/2019     | -8,208                                    |                   | 3,01,326                                | 2.66              |
|        | Shares sold on 01/02/2019     | -11,876                                   |                   | 2,89,450                                | 2.56              |
|        | Shares sold on 08/02/2019     | -3,346                                    |                   | 2,86,104                                | 2.53              |
|        | Shares sold on 22/02/2019     | -2,238                                    |                   | 2,83,866                                | 2.51              |
|        | Shares acquired on 01/03/2019 | 63                                        |                   | 2,83,929                                | 2.51              |
|        | Shares sold on 08/03/2019     | -6,580                                    |                   | 2,77,349                                | 2.45              |
|        | Shares sold on 15/03/2019     | -31,335                                   |                   | 2,46,014                                | 2.17              |
|        | Shares sold on 22/03/2019     | -1,281                                    |                   | 2,44,733                                | 2.16              |
|        | Shares sold on 29/03/2019     | -882                                      |                   | 2,43,851                                | 2.15              |
|        | <b>At the end of the Year</b> | <b>2,43,851</b>                           | <b>2.15</b>       | <b>2,43,851</b>                         | <b>2.15</b>       |

**(v) Shareholding of Directors and Key Managerial Personnel**

| S. 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      | Mr. 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                                  | 4.12              | 4,66,667                                | 4.12              |
| 2      | *Mr. Gopal Jagwan                                                |                                           |                   |                                         |                   |
|        | At the beginning of the year                                     | 20,000                                    | 0.18              | 20,000                                  | 0.18              |
|        | At the end of the year                                           | 146                                       | 0.00              | 146                                     | 0.00              |

\*Note: Mr. Gopal Jagwan cease to exist as Key Managerial Personnel of the Company w.e.f 04<sup>th</sup> May, 2018

**(vi) Indebtedness**

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

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Deposits | (₹ in Lakhs)       |
|------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
|                                                            |                                  |                 |          | Total Indebtedness |
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount                                        | 4,454.65                         | -               | -        | 4,454.65           |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 26.29                            | -               | -        | 26.29              |
| <b>Total (i+ii+iii)</b>                                    | <b>4,480.94</b>                  | <b>-</b>        | <b>-</b> | <b>4,480.94</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| * Addition                                                 | 9,378.55                         | -               | -        | 9,378.55           |
| * Reduction                                                | -                                | -               | -        | -                  |
| <b>Net Change</b>                                          | <b>9,378.55</b>                  | <b>-</b>        | <b>-</b> | <b>-</b>           |

(₹ in Lakhs)

| Particulars                                          | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|------------------------------------------------------|----------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the end of the financial year</b> |                                        |                    |          |                       |
| 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                 |
| <b>Total (i+ii+iii)</b>                              | <b>13,859.49</b>                       | <b>-</b>           | <b>-</b> | <b>13,859.49</b>      |

**(vii) Remuneration of Directors and Key Managerial Personnel****a. Remuneration to Managing Director, Whole time Director and/or Manager:**

(₹ in Lakhs)

| S.<br>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 (₹) | 216.12                                                                                                                                                                                                                                                                                                                                 | 153.26           | 369.38        |
|           | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (₹)                 | -                                                                                                                                                                                                                                                                                                                                      | -                | -             |
|           | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961(₹)   | -                                                                                                                                                                                                                                                                                                                                      | -                | -             |
| 2         | Stock option(₹)                                                                    | -                                                                                                                                                                                                                                                                                                                                      | -                | -             |
| 3         | Sweat Equity                                                                       | -                                                                                                                                                                                                                                                                                                                                      | -                | -             |
| 4         | Commission as a % of profit                                                        | 123.10                                                                                                                                                                                                                                                                                                                                 | 123.10           | 246.20        |
| 5         | others (specify)                                                                   | -                                                                                                                                                                                                                                                                                                                                      | -                | -             |
|           | <b>Total (A)</b>                                                                   | <b>339.22</b>                                                                                                                                                                                                                                                                                                                          | <b>276.36</b>    | <b>615.58</b> |
|           | Ceiling as per the Act                                                             | The maximum amount payable to Executive Directors individually was ₹418.25 Lakhs being 5% of the net profits of the Company and maximum aggregate amount payable to the Executive Directors was ₹836.50 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)

| S.<br>No. | Particulars of Remuneration                  | Name of MD/WTD/ Manager |                         |                           |                         | Total<br>Amount |
|-----------|----------------------------------------------|-------------------------|-------------------------|---------------------------|-------------------------|-----------------|
|           |                                              | #Dr. R.C.<br>Chopra     | Mr. Manoj<br>Maheshwari | Ms.<br>Poornima<br>Shenoy | Dr.<br>Manuji<br>Zarabi |                 |
| 1         | Independent Directors                        |                         |                         |                           |                         |                 |
|           | Fee for attending board committee meetings   | 0.30                    | 2.20                    | 1.70                      | 2.90                    | 7.10            |
|           | Commission                                   | 5.00                    | 5.00                    | 5.00                      | 5.00                    | 20.00           |
|           | Others, please specify                       | -                       | -                       | -                         | -                       | -               |
|           | <b>Total (1)</b>                             | <b>5.30</b>             | <b>7.20</b>             | <b>6.70</b>               | <b>7.90</b>             | <b>27.10</b>    |
| 2         | Other Non-Executive Directors                |                         |                         |                           |                         |                 |
|           | Fee for attending board & committee meetings | -                       | -                       | -                         | -                       | -               |
|           | Commission                                   | -                       | -                       | -                         | -                       | -               |
|           | Others, please specify                       | -                       | -                       | -                         | -                       | -               |
|           | <b>Total (2)</b>                             | <b>-</b>                | <b>-</b>                | <b>-</b>                  | <b>-</b>                | <b>-</b>        |
|           | <b>Total (B)=(1+2)</b>                       | <b>5.30</b>             | <b>7.20</b>             | <b>6.70</b>               | <b>7.90</b>             | <b>27.10</b>    |

(₹ in Lakhs)

| S. No. | Particulars of Remuneration    | Name of MD/WTD/ Manager                                                                                                                                         |                      |                     |                   | Total Amount |
|--------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|-------------------|--------------|
|        |                                | #Dr. R.C. Chopra                                                                                                                                                | Mr. Manoj Maheshwari | Ms. Poornima Shenoy | Dr. Manuji Zarabi |              |
|        | 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: ₹83.65 Lakhs |                      |                     |                   |              |
|        | Total Managerial Remuneration  | Total Managerial remuneration paid to all Directors- ₹642.68 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- ₹920.15 Lakhs                         |                      |                     |                   |              |

#Dr. R. C. Chopra resigned w.e.f. 6<sup>th</sup> August, 2018

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

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration                                                          | Chief Financial Offiicier | **Mr. Gopal Jagwan | Company Secretary | Total         |
|---------|--------------------------------------------------------------------------------------|---------------------------|--------------------|-------------------|---------------|
|         |                                                                                      | *Mr. Saurabh Gupta        |                    | Mr. Ashish Kumar  |               |
|         | Gross Salary (PER ANNUM)                                                             |                           |                    |                   |               |
| 1       | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 64.39                     | 9.43               | 38.76             | 112.58        |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                         | -                  | -                 | -             |
|         | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -                         | -                  | -                 | -             |
| 2       | #Stock Option                                                                        | -                         | -                  | -                 | -             |
| 3       | Sweat Equity                                                                         | -                         | -                  | -                 | -             |
| 4       | Commission as % of profit others, specify                                            | -                         | -                  | -                 | -             |
| 5       | Others, please specify ( including Bonus)                                            | 9.60                      | 1.25               | 7.74              | 18.59         |
|         | <b>Total</b>                                                                         | <b>73.99</b>              | <b>10.68</b>       | <b>46.50</b>      | <b>131.17</b> |

\*The remuneration of Mr. Saurabh Gupta has been provided for entire Financial Year. However, Mr. Saurabh has been appointed as Chief Financial Officer of the Company w.e.f. 4<sup>th</sup> May, 2018.

\*\*Mr. Gopal Jagwan was the Chief Financial Officer of the Company upto 3<sup>rd</sup> May, 2018.

#Note on Stock option - Mr. Saurabh Gupta and Mr. Ashish Kumar have been granted stock options under DIXON ESOP 2018 - 65,000 and 45,000 in Numbers respectively, during the FY 2018-19.

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

**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) |
|-------------------------------------|------------------------------|-------------------|--------------------------------------------------------|-----------------------------|-----------------------------------|
| <b>A. Company</b>                   |                              |                   |                                                        |                             |                                   |
| Penalty                             | -                            | -                 | -                                                      | -                           | -                                 |
| Punishment                          | -                            | -                 | -                                                      | -                           | -                                 |
| Compounding                         | -                            | -                 | -                                                      | -                           | -                                 |
| <b>B. Directors</b>                 |                              |                   |                                                        |                             |                                   |
| Penalty                             | -                            | -                 | -                                                      | -                           | -                                 |
| Punishment                          | -                            | -                 | -                                                      | -                           | -                                 |
| Compounding                         | -                            | -                 | -                                                      | -                           | -                                 |
| <b>C. Other Officers in Default</b> |                              |                   |                                                        |                             |                                   |
| Penalty                             | -                            | -                 | -                                                      | -                           | -                                 |
| Punishment                          | -                            | -                 | -                                                      | -                           | -                                 |
| Compounding                         | -                            | -                 | -                                                      | -                           | -                                 |

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

Sd/-

**Sunil Vachani**

(Executive Chairman)

DIN:00025431

Place: NOIDA

Date:24<sup>th</sup> May, 2019

## ANNEXURE-IV

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31<sup>st</sup>, 2019

[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 my 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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup>, 2019 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, 2009;
  - iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
  - v) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - vi) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - vii) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - viii) \*The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) (Amendment) Regulations, 2006 regarding the Companies Act and dealing with client;

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

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.

The Company is engaged in the business of manufacturing of consumer electronics, home appliances, lighting products etc., apart from solutions in reverse logistics. As confirmed by the management following key laws are specifically applicable to the company:

- a) The Employees State Insurance Act, 1948
- b) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- c) Environment Protection Act, 1986 and other environment Laws
- d) Air (Prevention and Control of Pollution) Act, 1981
- e) Water (Prevention and Control of Pollution) Act, 1974
- f) The Payment of Wages Act, 1936
- g) Equal Remuneration Act 1976
- h) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- i) The Payment of Bonus Act 1965
- j) Factories Act, 1948
- k) Industrial Dispute Act, 1947
- l) Payment of Wages Act, 1936

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:

- a) The shareholders of the Company at their Annual General Meeting held on July 25<sup>th</sup>, 2018 passed the following special resolutions:
  - i) pursuant to Section 180(1)(c) of the Act, for increase in the borrowing limits from one or more banks, financial institutions and other persons, firms, bodies corporate of which shall not exceed apart from temporary loans obtained from the company's bankers in the ordinary course of business, at any given time (including money already borrowed), ₹800 Crore (Rupees Eight Hundred Crore only) or aggregate of its paid-up share capital, free reserves and securities premium, whichever is higher;
  - ii) pursuant to Section 180(1)(a) for creation of charge/ mortgage etc. on all or any of the immovable and/ or movable property, tangible or intangible assets of the Company, both present & future, and/ or the whole or any part of the undertaking(s) of the Company in favor of lenders for securing borrowings of the Company from time to time subject to limits approved under Section 180(1)(c) of the Act together with interest etc.

- iii) pursuant to Section 186, to approve the limits to make loan to any person or other bodies corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹400 Crores; give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by any body corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹400 Crores; acquire by way of subscription, purchase or otherwise the securities of any other body corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of ₹400 Crores.
- iv) iv) 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 (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") approval of Dixon Technologies (India) Limited- Employee Stock Option Plan - 2018 ("Dixon ESOP 2018") and to the Board to grant, vest and allot, from time to time and in one or more tranches, under Dixon ESOP 2018, a maximum of 5,00,000 (Five Lakh) 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 5,00,000 (Five Lakh) equity shares of face value ₹10/- each
- v) 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 (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations") to extend the benefits of Dixon ESOP 2018 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 Employees")
- vi) pursuant to the provisions of Section 185 of the Companies Act, 2013 members accorded approval for making of loan(s) including loan represented by way of Book Debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by AIL Dixon Technologies Private Limited and Padget Electronics Private Limited, being entities covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section 2 of the said Section, of an aggregate outstanding amount not exceeding ₹100 Crores (Rupees Hundred Crores only) per annum, respectively for each entity.

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

Sd/-  
**Shirin Bhatt**  
Proprietor  
C.P. No. 9150  
M.No. F8273

Place : NOIDA  
Date : 24<sup>th</sup> May, 2019

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 Secretarial Auditor Report**

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

Sd/-

**Shirin Bhatt**

Proprietor

C.P. No. 9150

M.No. F8273

Place : Delhi

Date : 24<sup>th</sup> May, 2019

**ANNEXURE - V****CORPORATE SOCIAL RESPONSIBILITY REPORT****1. Brief outline of the Corporate Social Responsibility (CSR) Policy**

Dixon Technologies (India) Limited ("Company") has long been actively involved in promoting equity, including empowering the under-privileged members of our society through their social and community development. In line with the primary CSR philosophy of the Company and the specified activities under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has laid down its Corporate Social Responsibility Policy ('CSR Policy') to determine its objectives for the CSR activities of the Company. The CSR Policy provides for the activities relating to areas identified under schedule VII to the Companies Act, 2013 as may be amended from time to time. The Company undertakes its CSR activities in line with CSR Policy with primary focus on child education, development of rural areas, eradicating hunger and welfare of helpless old people of the society. Our Community partnership also reached new levels, with wider and more developed CSR programmes involving sanitation drive, solar based rural electrification, vocational skills training and child education. The Company is focused on creating a shared value and making difference through its Corporate Social Responsibility ('CSR') initiatives. Brief outline of the Company's CSR objectives and its projects/programmes are mentioned in 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/corporate-social-responsibility/>.

**2. Composition of CSR Committee**

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

| <b>S. No.</b> | <b>Name of the Director</b> | <b>Category</b> |
|---------------|-----------------------------|-----------------|
| 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:** ₹56,25,15,862 /- (Rupees Fifty Six Crore Twenty-Five Lakh Fifteen Thousand Eight Hundred Sixty Two Only)

**4. Prescribed CSR Expenditure being two percent of the Average net profit:** ₹1,12,50,317/- (Rupees One Crore Twelve lakh Fifty Thousand Three Hundred Seventeen only).

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

- (a) Total amount to be spent for the financial year; ₹1,12,50,317/- (Rupees One Crore Twelve Lakh Fifty Thousand Three Hundred Seventeen Only)
- (b) Amount unspent, if any: 0
- (c) Reason for not spending the amount: N.A.

(d) Manner in which the amount spent during the financial year 2018-19 is detailed below:

| (1)   | (2)                                                             | (3)                                                                                                                                     | (4)                                                                                                                             | (5)                                             | (6)                                                                                                                      | (7)                                                 | (8)                                                                 |
|-------|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------|
| S. No | CSR project or activity identified                              | Sector in which The Project is covered                                                                                                  | Projects or programs<br>(1) Local area or other<br>(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:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative expenditure upto to the reporting period | Amount spent                                                        |
| 1     | Eradicating hunger and promotion of education & help for widows | 1. providing mid day meal to school children<br>2. providing support for 1 distribution vehicle (Mahindra Bolero)                       | Vrindavan & Jhalawar, Rajasthan                                                                                                 | ₹24,00,000/-                                    | ₹24,00,000/-                                                                                                             | ₹24,00,000/-                                        | Through The Akshaya Patra Foundation                                |
| 2     | Rural Area Development                                          | Project of supply and installation of Solar Street Light for Development of Rural Areas.                                                | Alawalpur, Bihar                                                                                                                | ₹17,62,500/-                                    | ₹17,62,500/-                                                                                                             | ₹17,62,500/-                                        | Through Manju Memorial Charitable Trust                             |
| 3     | Welfare of Senior Citizens                                      | Old Age Home                                                                                                                            | Delhi                                                                                                                           | ₹13,87,817/-                                    | ₹13,87,817/-                                                                                                             | ₹13,87,817/-                                        | Through Guru VishramVridh Ashram                                    |
| 4     | Child Education                                                 | Imparting value based education                                                                                                         | Delhi                                                                                                                           | ₹12,50,000/-                                    | ₹12,50,000/-                                                                                                             | ₹12,50,000/-                                        | Through Nav Abhiyan                                                 |
| 5     | Providing education, rehabilitation and health care             | Providing education, rehabilitation and health care to children removed from carpet weaving and also to children of poor carpet weavers | Jagapur, Cherapur, Devnathpur, Kichkila, handia, Newada Pradesh                                                                 | ₹7,50,000/-                                     | ₹7,50,000/-                                                                                                              | ₹7,50,000/-                                         | Through Rugmark Foundation                                          |
| 6     | 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                                                                                                                           | ₹12,50,000/-                                    | ₹12,50,000/-                                                                                                             | ₹12,50,000/-                                        | Through Jan Madhyam                                                 |
| 7     | Eradicating Hunger                                              | Set up Langar Seva for the poor and needy people                                                                                        | Outside AIIMS Hospital, Delhi                                                                                                   | ₹7,50,000/-                                     | ₹7,50,000/-                                                                                                              | ₹7,50,000/-                                         | Through Delhi Langar Seva Society                                   |
| 8     | Education                                                       | Education                                                                                                                               | Maharashtra                                                                                                                     | ₹1,00,000/-                                     | ₹1,00,000/-                                                                                                              | ₹1,00,000/-                                         | Through Chhatrapati Shivaji Samaj Kalyan and Shiksha Prachar Samiti |
| 9     | Human Welfare                                                   | Relief fund for rehabilitation of people affected by the Kerala floods                                                                  | Kerala                                                                                                                          | ₹5,00,000/-                                     | ₹5,00,000/-                                                                                                              | ₹5,00,000/-                                         | Through CM's Relief Fund                                            |

| (1)   | (2)                                | (3)                                                                                                                  | (4)                                                                                                                             | (5)                                             | (6)                                                                                                                      | (7)                                                 | (8)                                       |
|-------|------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------|
| S. No | CSR project or activity identified | Sector in which The Project is covered                                                                               | Projects or programs<br>(1) Local area or other<br>(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:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative expenditure upto to the reporting period | Amount spent                              |
| 10    | Human Welfare                      | Fund towards the distress created by Cyclone Titli for the betterment and rehabilitation of people of Andhra Pradesh | Andhra Pradesh                                                                                                                  | ₹5,00,000/-                                     | ₹5,00,000/-                                                                                                              | ₹5,00,000/-                                         | Through CM's Relief Fund                  |
| 11    | Cleanliness Drive*                 | With the approval of Noida Authority carried out Sanitation drive on the Service lane                                | Noida                                                                                                                           | ₹6,00,000/-                                     | ₹6,00,000/-                                                                                                              | ₹6,00,000/-                                         | Through Contractor engaged by the Company |

**\*Note:** The Company has carried out sanitation drive on the service lane of Noida Phase II. The funds allocated for the purpose has been completely outlayed by the Company during the financial year ended under review and invoices raised until 31<sup>st</sup> March, 2019 amounting to ₹292,022/- has been paid in full. The invoices for the balance amount was raised by the contractors subsequent to the close of the financial year which has been paid in full. As on the date of writing this report, the project has been successfully completed with Company having spent the entire CSR Amount outlayed for the purpose.

## 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.

Place: NOIDA  
Date: 24<sup>th</sup> May, 2019

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

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

**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 2018-19.

**Section A - General Information**

|                                                                                                                                                                                                                                        |                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Identity Number                                                                                                                                                                                                              | L32101UP1993PLC066581                                                                                                                                                              |
| Name of the Company                                                                                                                                                                                                                    | Dixon Technologies (India) Limited                                                                                                                                                 |
| Registered Address                                                                                                                                                                                                                     | B-14 & 15 Phase-II Noida Gautam Buddha Nagar Noida -201305                                                                                                                         |
| Website                                                                                                                                                                                                                                | www.dixoninfo.com                                                                                                                                                                  |
| Email id                                                                                                                                                                                                                               | investorrelations@dixoninfo.com                                                                                                                                                    |
| Financial Year reported                                                                                                                                                                                                                | F.Y 2018-19                                                                                                                                                                        |
| Sector(s) that the Company is engaged in (industrial activity code-wise)                                                                                                                                                               | LED TV: 264<br>LED Bulb- 274                                                                                                                                                       |
| National Industrial Classification - Ministry of Statistics and Programme Implementation                                                                                                                                               | Washing Machine- 275                                                                                                                                                               |
| List three key products / services that the Company manufactures / provides (as in balance sheet)                                                                                                                                      | 1. TELEVISIONS<br>2. LED BULB<br>3. WASHING MACHINE                                                                                                                                |
| Total number of locations where business activity is undertaken by the Company                                                                                                                                                         | Manufacturing Locations:                                                                                                                                                           |
| a. Number of International Locations (Provide details of major 5)                                                                                                                                                                      | a. Nil                                                                                                                                                                             |
| b. Number of National Locations                                                                                                                                                                                                        | b. The Company's businesses and operations are spread across 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 31 <sup>st</sup> March, 2019, the Company has one subsidiary Company- Dixon Global Private Limited.                                                                          |
| Details of the Company's subsidiaries participating in BR initiatives                                                                                                                                                                  | There is no direct participation                                                                                                                                                   |
| 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%) | No such Entities                                                                                                                                                                   |

**Section B - Financial Details**

|                                                                                                                                        |                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Paid up capital                                                                                                                        | ₹11,32,50,910/-                                                                                               |
| Total turnover                                                                                                                         | ₹ 2,52,576.62 Lakhs                                                                                           |
| Total profit after taxes                                                                                                               | ₹5,637.42 Lakhs                                                                                               |
| Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years. | 2%<br>(calculated as per Section 135 of the Companies Act, 2013)                                              |
| List of activities in which CSR expenditure as above has been incurred                                                                 | Please refer "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 |

| 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 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. |    |    |    |    |    |    |    |    |
| 6.      | Indicate the link for the policy to be viewed online?                                                                     | www.dixoninfo.com                                                                                                                                                                               |    |    |    |    |    |    |    |    |

| Sl. No. | Questions                                                                                                                                                 | P1                                                                                                                                                                                                     | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 7.      | Has the policy been formally communicated to all relevant internal and external stakeholders?                                                             | Yes, the policies have been formally communicated to internal stakeholders and are available on <a href="http://www.dixoninfo.com">www.dixoninfo.com</a> 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?                               | Yes, the Managing Director has carried out the independent audit/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 <a href="http://www.dixoninfo.com">www.dixoninfo.com</a> . |

### 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? | <p>Our Corporate Governance practices apply across the entire Dixon Group.</p> <p>At Dixon, we believe in performing well by doing good and right things. The Company has adopted the Code of Conduct which complies with all the legal requirements of the applicable rules and regulations including anti bribery and corruption &amp; guides its employees and directors to conduct business in an ethical, responsible and transparent manner. 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.</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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**Section D- Principle-wise Performance**


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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 54 Investor complaints were received during the FY 2018-19 which have been duly addressed and satisfactorily resolved.

**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 manufacturing products in the consumer durables, lighting, home appliances, mobile phones and other electronic items in India and strives to make:

- Our business Sustainable
- Our ecosystem Sustainable

Keeping the aforesaid in mind the Company aims to have negligible negative impact on the environment by identifying ways to optimise resource consumption in its operations, although because of the very nature of the businesses of the Company, it has limited impact on environment and its components.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

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.

(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NA

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

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. Our contracts have appropriate clauses and checks to ensure that employment of child labour and forced labour are prevented. We engage with local suppliers for sustainable sourcing.

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

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 during the manufacturing process. Appropriate treatment of the waste ensures that we send minimum waste to landfills. In the future, the Company will strive to continue the mechanism in all spirits.

**Principle 3:** Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.
2. Please indicate the Total number of employees hired on temporary/ contractual/causal basis
3. Please indicate the number of permanent women employees

Permanent: 894 & Contractual: 5713

Contractual: 5713

40

### Section D- Principle-wise Performance

|                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 at each of its 7 units consisting of 5 members in each of the association (Total employees - 35).                                                                                                                                                                                                                                                                                           |
| 6. What percentage of your permanent employees is member of this recognised employee association?                                                                                                       | 4%, 35( in number)                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 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.<br><br>One 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)                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Principle 4: Stakeholder Engagement</b>                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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 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.<br><br>Yes, as a socially responsible organization, we are committed to work for the welfare of the communities around us.                                                                                                       |
| <b>Principle 5 – Human Rights:</b>                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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.                                                                                |
| 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?                                                        | The Company received one complaint pertaining to sexual harassment during the year under review which was duly disposed off. Apart from the said complaint, no other complaint was received during the year.                                                                                                                                                                                                                                 |

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**Section D- Principle-wise Performance**


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**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, we have developed a policy that defines our commitment to ensure environmental protection. The Policy covers all the employees of Dixon Group and to all the interested parties and public.                                                                                                                                                                         |
| 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc?                         | The Company 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 are addressed as a part of our business context and our moral duty towards the environment. We strive to reduce consumption of Non-renewable resources and switch to renewable energy resources like solar power in all of its plants and making efficient use of the available resources for business operations.                                                                          |
| 3. Does the Company identify and assess potential environment risks? Y/N                                                                                                                                   | Though the very nature of the businesses of the Company has limited impact on environment, the Company firmly believes in sustainable development which is reinforced by environmental management systems practiced across manufacturing units. The Company identifies and assesses potential environmental risks. 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. |
| 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? | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 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. The Company has replaced fluorescent lamps (CFL) with LED Bulbs across its Manufacturing Facilities and offices which has significantly reduced the energy consumption and efficiency.                                                                                                                                                                                                                                  |
| 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                                                           | There were no legal notices received during the year that remain outstanding as on 31 <sup>st</sup> March, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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**Section D- Principle-wise Performance**


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**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.                                                                                                                                                                                         | NA |
| 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) | NA |

**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.                                                              |
| 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/ any other organization?   | The CSR projects have been carried out by the Company by partnering with NGOs and government organizations. Details of CSR initiatives are available in the Annual Report for financial year 2018-19 annexed to the Directors' Report.                                                                                                                                                                                                                                                                                                |
| 3. Have you done any impact assessment of your initiative?                                                                                    | The Company periodically reviews the impact of its initiatives. 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 ensures 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 ₹1,12,50,317 towards various CSR initiatives during the year 2018-19. 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.                                                                                                                                                                                                                      |
| 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. 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. Further, the CSR projects are evaluated by the CSR Committee to ensure maximum impact of their initiatives on regular basis. |

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**Section D- Principle-wise Performance**

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**Principle 9 – Customer Value:**

|                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.                                                                                                                                                                                       | We are into B2B business. Therefore, not applicable                                                                                                                                                                                                                                                                                               |
| 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)                                                                                                                      | 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. |

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**ANNEXURE- VII****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTFLOW****a. Conservation of energy:**

As an organization, your Company is committed to the goal of sustainable and inclusive growth. Your Company work towards reducing the impact of Company's operations on the environment and is putting in place, policies to support the same. Your Company's endeavor is to provide eco-friendly innovative solutions to its customers and address all the challenges of environmental impact. 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 is in the process of installing solar roof tops panels to reduce dependency on non-renewable sources. This will also enable your Company to reduce costs and increase operational efficiency.

Also, your Company has not incurred any capex on conservation of energy during the year under review.

**b. Technology absorption:**

- (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)-

| <b>S No.</b> | <b>Particulars</b>                                                                                         |     |
|--------------|------------------------------------------------------------------------------------------------------------|-----|
| (a)          | Technology imported.                                                                                       | Nil |
| (b)          | Year of import.                                                                                            | NA  |
| (c)          | Has technology been fully absorbed?                                                                        | NA  |
| (d)          | If not fully absorbed, areas where this has not taken place. reasons there for and future plans of action. | NA  |

- (i) the expenditure incurred on Research and Development.

|                                                                 |                                               |
|-----------------------------------------------------------------|-----------------------------------------------|
| (a) Capital                                                     | ₹258.50 Lakhs (Previous year - ₹80.46 Lakhs)  |
| (b) Recurring                                                   | ₹432.12 Lakhs (Previous year - ₹352.61 Lakhs) |
| (c) Total                                                       | ₹690.62 Lakhs (Previous year - ₹433.07 Lakhs) |
| (d) Total R & D expenditures as a percentage of total turnovers | 0.27%. (Previous year - 0.19%)                |

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                     | 2018-19            | 2017-18            |
|---------------------------------|--------------------|--------------------|
| CIF VALUE OF IMPORTS GOODS      | 1,16,678           | 1,01,702.11        |
| EXPENDITURE IN FOREIGN CURRENCY | 519.21             | 210.67             |
| <b>Total</b>                    | <b>1,17,197.21</b> | <b>1,01,912.78</b> |

#### Foreign Exchange Earnings:

|                      |                              |                              |
|----------------------|------------------------------|------------------------------|
| Export (FOB Basis) - | <b>2018-19</b><br>₹2566.10/- | <b>2017-18</b><br>₹7328.86/- |
|----------------------|------------------------------|------------------------------|

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

Sd/-

**Sunil Vachani**

(Executive Chairman)

DIN:00025431

Place: NOIDA

Date: 24<sup>th</sup> May, 2019

## 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 2019 (in ₹ Lakhs)# | Remuneration in fiscal 2018 (in ₹ Lakhs)# | % increase of remuneration in fiscal 2019 as compared to fiscal 2018 | Ratio of remuneration to MRE | Commission (in ₹ Lakhs) |
|-------------------|----------|---------------------|------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------|------------------------------|-------------------------|
| Mr. Sunil Vachani | 00025431 | Whole time Director | 216.12                                         | 192.12                                    | 12.50%                                                               | 69:1                         | 123.10                  |
| Mr. Atul B. Lall  | 00781436 | Managing Director   | 153.26                                         | 134.81                                    | 13.70%                                                               | 49:1                         | 123.10                  |

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 2019 and 2018 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 2019 (₹ in Lakhs)* | Remuneration fiscal 2018 (₹)* | % increase of remuneration in fiscal 2019 over 2018 | Ratio of remuneration to MRE |
|----------------------|----------|----------------------------------------|-------------------------------|-----------------------------------------------------|------------------------------|
| Mr. Manoj Maheshwari | 02581704 | 7.20                                   | 2.18                          | 159%                                                | 2.30:1                       |
| Dr. Manuji Zarabi    | 00648928 | 7.90                                   | 3.38                          | 134%                                                | 2.53:1                       |
| Ms. Poornima Shenoy  | 02270175 | 6.70                                   | 1.43                          | 368%                                                | 2.14:1                       |
| #Dr. R.C. Chopra     | 01525964 | 5.30                                   | 2.06                          | 99%                                                 | 1.69:1                       |

MRE- Median remuneration of Employees

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

#Dr R C Chopra resigned as Non- Executive Director w.e.f. 6<sup>th</sup> August, 2018.

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

| Name of KMP        | Title                   | Remuneration in fiscal year 2019 (in ₹ Lakhs)# | Remuneration in fiscal 2018 (in ₹ Lakhs)# | % increase of remuneration in fiscal 2019 as compared to fiscal 2018# |
|--------------------|-------------------------|------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------|
| Mr. Ashish Kumar   | Company Secretary       | 46.50                                          | 40.00                                     | 16.25%                                                                |
| *Mr. Saurabh Gupta | Chief Financial Officer | 73.99                                          | 34.64                                     | 13.80%                                                                |

\*Mr. Saurabh Gupta had joined the Company on 19<sup>th</sup> September, 2017 and was appointed as KMP w.e.f 4<sup>th</sup> May, 2018. His remuneration in fiscal 2018 has been calculated on proportionate basis. The % age increase has been calculated considering the last salary drawn by him during Fiscal 2018 and Fiscal 2019, excluding bonus.

The details in the above table are on accrual basis.

For the purpose of comparison, remuneration for both fiscal 2019 and 2018 are given for the full year.

Accordingly, the percentage increase and ratio of remuneration are computed on an annualized basis wherever applicable.

#Remuneration includes fixed pay, variable pay(excluding Bonus), reimbursement forming part of Cost to Company ('CTC'). The value of stock incentives granted during the year shall form part of the remuneration during the year of exercise and hence excluded from remuneration.

**Note:** 1. Mr. Ashish Kumar and Mr. Saurabh Gupta were paid one time Bonus during the FY 2017-18. The Remuneration of Mr. Ashish Kumar and Mr. Saurabh Gupta during the FY 2017-18 after bonus was ₹55.57 lakhs and 44.64 Lakhs, respectively.

2. Also, Mr. Ashish Kumar and Mr. Saurabh Gupta were granted ESOP under DIXON ESOP 2018 - 45,000 and 65,000, respectively.

**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                  | 2.90        | 5.00         | 7.90         |
| Ms. Poornima Shenoy                | 1.70        | 5.00         | 6.70         |
| Mr. Manoj Maheshwari               | 2.20        | 5.00         | 7.20         |
| #Dr. R.C. Chopra                   | 0.30        | 5.00         | 5.30         |
| <b>Total</b>                       | <b>7.10</b> | <b>20.00</b> | <b>27.10</b> |

#Dr. R. C. Chopra resigned w.e.f. 6<sup>th</sup> August, 2018

**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 2019 (₹)# (in Lakhs) | % Equity Shares held | Previous employment & designation | Whether relative of any director of the Company | Date of Commencement of employment |
|---------------------|------------------------------------|-----|----------------------|--------------------------------------------------------------------------|-----------|---------------------------------------------|----------------------|-----------------------------------|-------------------------------------------------|------------------------------------|
| Sunil Vachani       | Chairman                           | 50  | Permanent            | Associate of Applied Arts in business administrations                    | 25        | 339.22                                      | 37.05%               | -                                 | No                                              | 01/12/1993                         |
| Atul B. Lall        | Managing Director                  | 57  | Permanent            | MMS DIP IN ELEC B.A                                                      | 25        | 276.36                                      | 4.12%                | -                                 | No                                              | 01/12/1993                         |
| Vineet Kumar Mishra | President- COO (Lighting Division) | 43  | Permanent            | Diploma in Electronics                                                   | 23        | 246.55                                      | 0.17%                | Onida Savak Ltd                   | No                                              | 05/02/2004                         |
| Abhijit Kotnis      | President -COO (LED TV Division)   | 50  | Permanent            | MBA in Marketing & Operations & B.E. in Electronics & Telecommunications | 29        | 134.00                                      | Nil                  | Videocon Industries Ltd           | No                                              | 03/07/2018                         |
| Pankaj Sharma       | President- COO (Mobile Division)   | 57  | Permanent            | BA                                                                       | 29        | 96.04                                       | 0.17%                | PG Electronics                    | No                                              | 25/03/2010                         |

| Employee name       | Designation                                | Age | Nature of Employment                     | Educational qualification             | Exp (yrs) | Remuneration in fiscal 2019 (₹)#<br>(in Lakhs) | % Equity Shares held | Previous employment & designation | Whether relative of any director of the Company | Date of Commencement of employment |
|---------------------|--------------------------------------------|-----|------------------------------------------|---------------------------------------|-----------|------------------------------------------------|----------------------|-----------------------------------|-------------------------------------------------|------------------------------------|
| Saurabh Gupta       | Chief Financial Officer                    | 36  | Permanent                                | B.Com (Hons), CA and MBA (Executive)  | 17        | 73.99                                          | Nil                  | PVR LTD                           | No                                              | 19/09/2017                         |
| Rajender C Badgujar | Vice President                             | 51  | Permanent                                | Diploma in Mechanical Engineering     | 30        | 72.13                                          | Nil                  | Videocon Industries               | No                                              | 22/12/2017                         |
| Rajeev Lonial       | President- COO (Home Appliances)           | 56  | Permanent                                | PGD in Plastic Processing Technology  | 31        | 55.26                                          | 0.11%                | Shree Krishna Keshav Lab Ltd      | No                                              | 21/07/2010                         |
| Muneesh Dhawan      | Vice President (Business Development)      | 55  | Permanent                                | PG in Marketing, Sales and Management | 32        | 51.52                                          | Nil                  | Samsung India Pvt. Ltd            | No                                              | 15/12/2015                         |
| Gopal Jagwan        | COO & President                            | 45  | Resigned w.e.f 4 <sup>th</sup> Feb, 2019 | CA                                    | 18        | 50.75                                          | Negligible           | Ballarpur Industries              | No                                              | 06/07/2010                         |
| Ashish Kumar        | Gr. Company Secretary & Compliance Officer | 39  | Permanent                                | B.Com, FCS, EPBM-IIM(C)               | 17        | 46.50                                          | Nil                  | Narayana multispeciality Hospital | No                                              | 06/03/2017                         |

#Remuneration includes fixed pay, variable pay, reimbursements forming part of CTC, incentive (if any), Commission accrued during the year (if any). The value of stock incentives granted during the year shall form part of the remuneration during the year of exercise and hence excluded from remuneration.

**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**

| Name                | Age      | Designation & nature of employment              | Educational qualification                                                | D.O.J.     | Exp (yrs) | Whether related to Director | Gross Remuneration paid (₹)#<br>(in Lakhs) | Previous employment & designation | % Equity Shares Held |
|---------------------|----------|-------------------------------------------------|--------------------------------------------------------------------------|------------|-----------|-----------------------------|--------------------------------------------|-----------------------------------|----------------------|
| Sunil Vachani       | 50 years | Chairman & Permanent                            | Associate of Applied Arts in business administrations                    | 01/12/1993 | 25        | No                          | 339.22                                     | -                                 | 37.05%               |
| Atul B. Lall        | 57 years | Managing Director & Permanent                   | MMS DIP IN ELEC B.A                                                      | 01/12/1993 | 25        | No                          | 276.36                                     | -                                 | 4.12%                |
| Vineet Kumar Mishra | 43 years | President - COO (Lighting Division & permanent) | Diploma in Electronics                                                   | 05/02/2004 | 23        | No                          | 246.55                                     | Onida Savak Limited               | 0.17%                |
| Abhijit Kotnis      | 50 years | President -COO (LED TV Division) & Permanent    | MBA in Marketing & Operations & B.E. in Electronics & Telecommunications | 03/07/2018 | 29        | No                          | 134.00                                     | Videocon Industries Ltd           | Negligible           |

The above table is based on payouts made during the year.

#Remuneration includes fixed pay, variable pay, reimbursements forming part of CTC, incentive (if any). The value of stock incentives granted during the year shall form part of the remuneration during the year of exercise and hence excluded from remuneration.

**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 a remuneration of not less than 8.5 Lakh 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 of 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 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 of 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:**

| Name                | Designation & Nature of Employment | Educational qualification         | Age (yrs) | Exp (yrs) | D.O.J.                          | Gross Remuneration paid (₹)# (in Lakhs) | Previous employment & designation | Whether related to Director | % Equity shares held |
|---------------------|------------------------------------|-----------------------------------|-----------|-----------|---------------------------------|-----------------------------------------|-----------------------------------|-----------------------------|----------------------|
| Rajender C Badgujar | Vice President (R&D) & Permanent   | Diploma in Mechanical Engineering | 51        | 30        | 22 <sup>nd</sup> December, 2017 | 72.13                                   | Videocon Industries & President   | No                          | Nil                  |

The above table is based on payouts made during the year.

#Remuneration includes fixed pay, variable pay, reimbursement forming part of CTC. The value of stock incentives granted during the year is not included in the remuneration. The value of stock incentives granted during the year shall form part of the remuneration during the year of exercise and hence excluded from remuneration.

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

Sd/-

**Sunil Vachani**

(Executive Chairman)

DIN:00025431

Place: NOIDA

Date: 24<sup>th</sup> May, 2019

# MANAGEMENT DISCUSSION & ANALYSIS (MD&A)



## Indian Economy Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnership. (Source: IBEF)

India is the fastest-growing trillion-dollar economy in the world and the sixth-largest with a nominal GDP of USD 2.61 trillion. India is poised to become the fifth-largest economy overtaking the United Kingdom by 2019 as per the IMF projection. The country ranks third when GDP is compared in terms of purchasing power parity at USD 9.45 trillion. (Source: Top 20 Economies in the World, Investopedia)

Manufacturing has emerged as one of the high growth sectors in India. Govt had launched the 'Make in India' program to place India on the world map as a manufacturing hub.

Foreign companies are investing in India to take advantage of relatively lower wages, special investment privileges such as tax exemptions, etc. The Indian government's favorable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. According to Department for Promotion of Industry and Internal Trade (DPIIT).

The manufacturing sector of India has the potential to reach USD 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of USD 2.61 trillion along with a population of 1.32 billion people, which will be a big draw for investors. (Source: IBEF)

India has all the necessary ingredients for its major industrial push – a huge semi-skilled labour force, multiple government initiatives like Make in India, high investments and a big domestic market. Necessary support infrastructure is being developed with areas such as power being the prime focus. National Investment and Manufacturing Zones are being developed to create an ecosystem for industries in India. Initiatives like 'Make in India' and sector specific incentives to various manufacturing companies are aimed at making India a global manufacturing hub. Skill India, a multi skill development programme has been started to equip the workforce with the necessary skills required by the sector.

## Industry Overview

Demand growth is likely to accelerate with rising disposable incomes, growing aspirational middle class & easy availability of consumer finance, along with investments by players to enhance distribution reach beyond the major cities. Increasing electrification of rural areas and wide usability of online sales would also aid growth in demand. Rise in working age population will also stimulate demand. Also industry factors like low product penetration levels, rising per capita incomes with sustained economic growth & in addition to Government's push for housing for all & GST rate reduction will give strong impetus to the industry & increase the affordability & consumption for these products.

### Government Initiative in Consumer durable industries

- National Policy on Electronics Policy was passed by the Ministry of Electronics & Information Technology in February 2019. The policy aims to create an ecosystem for a globally competitive electronic manufacturing sector & to achieve a turnover of about USD 400 bn by 2025, target production of 1 billion mobile handsets for export. It also aims to create 10 million employment opportunities in the country by 2025.
- Rural electrification program and improved electricity supply & Government's elevated spends for rural development.
- The Union Cabinet has approved incentives up to ₹10,000 crore (USD 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivise investments in electronics sector, create employment opportunities and reduce dependence on imports by 2020.
- The Government of India has allowed 100% Foreign Direct Investment (FDI) under the automatic route in Electronics Systems Design & Manufacturing sector. FDI into single brand retail has been increased from 51% to 100%; the government is planning to hike FDI limit in multi-brand retail to 51%. (Source: IBEF)

## EMS Industry

The Indian Electronic Manufacturing Services (EMS) has witnessed a 26% CAGR over FY 13-17 to reach ₹192 bn in revenues & is expected to see a CAGR of 32% over FY 18-21E. The low penetration of consumer electronics, increased focus of brand owners to outsourcing production, and government incentives for Make-in-India are the key growth factors. Further, rising labour cost in China, along with INR depreciation and the recent increase in import duty, on various products augur well for indigenous EMS providers. Rising cost of imports from China could also potentially open export opportunities. Backward integration & economies of scale by contract manufacturers can drive better control over cost & product quality.

## Segment wise Overview

### Consumer Electronics: LED Television (TV):

LED TVs present a huge opportunity in India with a penetration level of just 14% households. Production of LED TVs have also grown at a fast pace in India from 8.7 million units in FY 15 to 14 million units in FY 18 and is likely to grow at CAGR of 4.4% till FY 2023. A fall in price due to a reduction in import duty on LCD panels, increasing penetration levels are driving the growth of LED or LCD TVs. (Source: Industry Reports)

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 should continue to drive growth (Source: CEAMA, Electronic Industries Association of India)

The consumer electronics segment of the company mainly comprises of LED TVs. This segment contributed 40% to overall revenues of the company in FY 18-19. The capacity

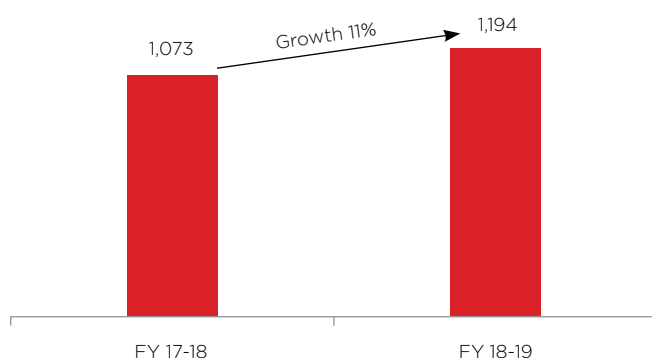
in the LED TVs have been expanded from 2.4 mn to 3.4 mn annually which will take care of 26% of the Indian Market requirement.

In line with the company's strategy to focus on backward integration, the Company has deepened their manufacturing facility with LCM manual insertions & have expanded the capacity there from 2.4 mn to 3.6 mn annually. Further the SMT lines have been installed & has a capacity of 1 million per annum & are making further investments and by second half of the current financial year the capacity would be expanded to 3 mn per annum

Volumes in LED TV segment were 11.3 lacs in FY 18-19, a 13% growth from FY 17-18, while the revenues were ₹1,194 crs as against ₹1,073 crs in FY 17-18, a growth of 11%. The major customers in this segment are Xioami, Panasonic, Llyod, Flipkart, Philips, Koryo.

Strong order book from Anchor customer Xiaomi & further rationalising of GST rates on larger TV's (above 32 inches) should lead to strong growth in FY 19-20

#### Consumer electronics (₹ crores)



#### Home Appliances (Washing Machine):

Production of washing machines in India increased 5.1% year on year in FY 2018 to 5.79 million units & is likely to grow at a CAGR of 9.6% till FY 2023. Washing machine market in India was estimated at around ₹7,000 crore (USD 1.09 billion) in FY 2018. The overall penetration level is just 15% in this category & semi-automatic accounts for 62% of the industry volume. Fully automatic washing machines are garnering an increasing share of the market due to reduction in prices & higher disposable incomes. (Source: CEAMA, Electronic Industries Association of India)

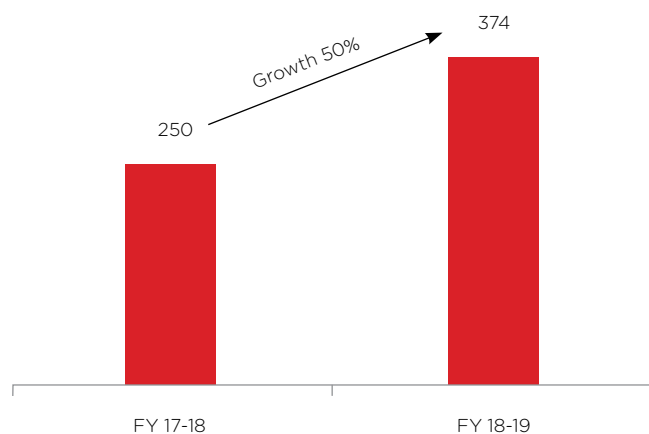
The Home appliances segment of the company presently comprises of semi-automatic washing machines. This segment contributed 12.5% to overall revenues of the company in FY 18-19. The company currently has 140 models from 6.0 Kg to 9.0 Kg & the capacity in this segment have been expanded from 7.2 lacs to 12 lac per annum which is 33% 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 company undertake in-house early life test of parts as well as complete washing machines, water leakage testing and noise testing.

Volumes in Home Appliances segment grew to 7.5 lacs in FY 18-19, a stellar growth of 40% from FY 17-18, while the revenues were ₹374 crs as against ₹250 crs in FY 17-18, a strong growth of 50%. The major customers in this segment are Samsung, Godrej, Panasonic, Llyod, Flipkart.

The company has finalized the solution for top loading fully automatic washing machine & should commence production by end of Q4 of the current financial year

Strong order book in semi-automatic category, introduction of new and attractive models in the Fully Automatic category and the GST rate cut should aid growth in the medium to long term. Fully Automatic machines should continue to attract demand from metros and large urban towns due to time constraints of working class, less intervention required to operate & space constraints.

#### Home Appliances (₹ crores)



## Lighting

Indian lighting market is one of the key drivers for growth in electronics manufacturing. The need for efficient energy lead to creation of efficient energy products and pushed the market towards LED. The Lighting market would be one of the fastest growing categories, driven by multiple factors such as 1) rising availability of electricity in rural India; 2) various government programs to drive demand through EESL; 3) government capex on roads, infrastructure and logistics, 4) continued construction of new houses across the urban areas; 5) significant reduction in LED bulbs/tube light prices; and 6) replacement of CFL bulbs and tubes along with demand for decorative lighting.

Over the past 12-15 months, the government has announced various energy saving schemes to deploy LED lighting and it has been aiding growth for the sector. Schemes such as Domestic Efficient Lighting Programme (DELP), Street Light National Programme (SLNP) are increasing awareness drives for LED lighting. These schemes had also significantly reduced the MRP of LED bulbs over the last three years. Significant reduction in cost to the consumer, lower electricity consumption, longer product life augur well for strong demand from both residential and government/ industrial projects. Robust volume growth will offset the impact of declining prices.

The Indian lighting market, which stood at ₹220 billion in 2018, is expected to grow at a CAGR of 13.6% to reach at ₹415 billion by FY 2023 (Source: CEAMA, Electronic Industries Association of India)

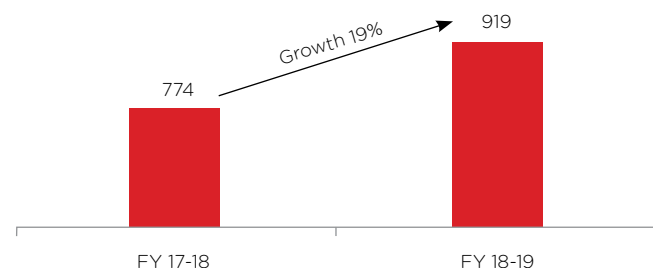
Lighting segment contributed 31% to overall revenues of the company & Revenues were ₹919 crs in FY 18-19 as against ₹774 crs in FY 17-18, a strong growth of 19%. The major customers in this segment are Philips, Bajaj, Wipro, Panasonic, Syska, Jacquar, C&S, Polycab.

The company has acquired in-house capabilities for designing LED lighting solutions from 0.5W to 50W & include main electronic board designing, mechanical, light source & packaging designing. Backward Integration include sheet metal, plastic moulding and wound components which has led Dixon to emerge as an ODM player in this segment. Almost 90% of the revenues in Lighting segment today come from own design solutions.

The company has expanded the capacity from 16 mn per month to 20 mn per month which is 50% of the total organized market of Lighting in India. The company is

expanding capacities in battens from 500 k per month to 2 mn per month (Total Indian requirement is 5 mn), almost all the customers that are there in LED bulb category can become customers for Battens as well. In Lighting segment the company has now become globally competitive as far as volumes & cost is concerned which will open opportunities for exports.

### Lighting (₹ crores)



## Mobile phones

The Demand for the mobile phone is expected to grow from USD 28 billion in FY 2017 to USD 61 billion in FY 2021. Domestic production of smart phones will rise to 360 units and that of feature phones will rise to 221 mn units by FY 2021 translating into total domestic production volume of 581 mn units Mobile Phones.

OEMs are increasingly outsourcing manufacturing to EMS partners. 66% of the manufacturing market shall be with EMS players in FY21, presenting an opportunity of 383 mn units in FY21 for the EMS industry (Source: Frost & Sullivan report)

The strong and rapid growth of the smartphone market has been made possible by several liberal policies of the Indian government, along with huge consumer demand According to IDC India, easy financing, with widely available equated monthly schemes (EMI), is driving smartphone sales in India. Also, convenience in purchasing handsets online is a key factor.

The Indian smartphone industry looks fertile, with new brands entering the market and making space with the existing ones. With budget phones a big hit with the educated middle class, more and more brands are jostling for space in the segment. At the same time, more expensive models are also gaining popularity. Market researchers predict that it isn't too difficult for India to become the leading handset market in the years to come.

This is one of the key segments where India is likely to see more growth in terms of local value addition and it will serve as the front-runner for the country's economic development. The government has announced the phase manufacturing programme (PMP) in order to raise the production of mobile components in the country.

The company manufactures both feature phones and smart phones and the company commenced SMT Line for mobile phone PCBA Manufacturing in Nov 2018. PCB is one of the most important components of the smart phone & contributes nearly 50% of the value add of the phone.

Mobile segment contributed 12 % to overall revenues of the company & Dixon 50% share of revenues for FY 18-19 was ₹355 crs. EBITDA Margins also expanded from 1% in FY 17-18 to 2.1% in FY 18-19 on account of the PCBA backward integration which has resulted in the increase the value add & the profitability. The company bought the balance 50% stake of the JV partner in Mobile business in April, 19 & will account for 100% of the revenues & profitability in FY 19-20.

### Security Systems

The electronic security surveillance equipment market is growing at a CAGR of 27% over the last few years & clocked ₹5,467 crs in FY 17-18 (Dataquest estimates). 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 & 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 Indian security surveillance market is projected to grow at a CAGR over 10.5% during 2018-24. Currently, though analog-based surveillance systems have accounted for majority of the share (68%) in the overall market, yet IP-based surveillance systems are expected to increase in the next five years due to increasing IP infrastructure, declining prices and demand for remote access.

"CP Plus", trademark owned by Aditya Infotech Ltd is one of the leading industry players in the field of physical security with a market share of 24% & have been No.1 security and surveillance brand for the past 6 years.

The company entered into Security surveillance system in 2017 through a JV with Aditya Infotech Ltd for manufacturing of security devices including CCTV'S & Digital Video Recorders (DVR's)

The capacity in CCTV has been expanded from 3 lacs per month to 7 lacs per month & DVR from 50 k per month to 1.5 lacs per month from Jan, 2019. Dixon 50% share of the revenues for FY 18-19 was ₹112 crs, the order book for FY 19-20 is extremely healthy & the customer Aditya Infotech is doing very well in the market place & the company expects significant growth in profitability as capacity utilization improves

### Reverse logistics

The Reverse Logistics business of the company involves repair & refurbishment of set top boxes, LED TV panels & mobile phones. This business is more strategic in nature, more to enhance the stickiness with the customers & provide them end-to-end solution. The company's LED TV Repair business is doing well & have added Panasonic & Xioami as customers lately. The mobile phone repair business continues to grow as well & the company is talking to some new accounts in that vertical as well.

## Company Overview

Dixon Technologies (India) Limited ('Dixon') is the leading Electronic Manufacturing Services (EMS) provider in India. It is the largest home-grown design-focused and solution company with reputed anchor clientele engaged in manufacturing products in the consumer durables, lighting, mobile phones & security surveillance equipment. It provides fully integrated end-to-end product & solutions to Original Equipment Manufacturers (OEMs) ranging from Global Sourcing, Manufacturing, Quality Testing & Packaging to Logistics. They also are Original Design Manufacturer (ODM) of lighting products, LED TVs and semi-automatic washing machines in India.

### 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.

## 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. The mobile phone division suffered a challenge because of this in FY 18-19.

## 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. The company imports its raw materials from China. An increase in customs duty for this will lead to a rise in cost of production of various products.

## Research and 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 in China & 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.

# 33

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Employees in R&D team

## Segment Overview

| Verticals            | Products / Services                                    | Revenue                                                                        |
|----------------------|--------------------------------------------------------|--------------------------------------------------------------------------------|
| Consumer Electronics | LED TVs, AC PCB                                        | 11% YoY growth from ₹1,073.48 crores in FY 2018 to ₹1,193.65 crores in FY 2019 |
| Home Appliance       | Washing Machines                                       | 50% YoY growth from ₹250.28 crores in FY 2018 to ₹374.37 crores in FY 2019     |
| Lighting Products    | LED Products, Ballast, LED Drivers, Batten, DECO       | 19% YoY growth from ₹774.17 crores in FY 2018 to ₹919.35 crores in FY 2019     |
| Mobile Phones        | Feature Phones, Smart Phones and PCB for Mobile Phones | 47% YoY de-growth from ₹669.8 crores in FY 2018 to ₹354.88 crores in FY 2019   |
| Reverse logistics    | Repair Services                                        | 59% YoY de-growth from ₹73.41 crores in FY 2018 to ₹30.17 crores in FY 2019    |
| Security Devices     | CCTV camera and Digital Video Recorders (DVRs)         | Growth from ₹0.49 crores in FY 2018 to ₹112.04 crores in FY 2019*              |

\*The YOY growth percentage is not shown for the Security Devices segment as in the FY 2017-18, the Company operated during the last quarter only in the FY. 2017-18. So the data and figures for the FY 2017-18 and 2018-19 are not comparable.

## Financial Overview

During the year, the Company recorded growth in its numbers despite various challenges such as GST. The company registered growth in almost all its segments except for mobile which had shown a de-growth. The company has a strong cash and cash equivalents which it plans to utilise to grow and expand in the coming six months.

Moving ahead, the company will take various steps that will be directed towards increasing its revenue and profitability margins.

| Particulars                          | FY 2019 | FY 2018 |
|--------------------------------------|---------|---------|
| Total Income (₹ Crore)               | 2,990   | 2,858   |
| EBITDA (₹ Crore)                     | 140     | 116     |
| PAT (₹ Crore)                        | 63      | 61      |
| Net Debt equity Ratio**              | 0.32    | 0.07    |
| Interest coverage Ratio <sup>#</sup> | 4.75    | 7.90    |
| Current Ratio <sup>##</sup>          | 1.15    | 1.19    |
| Debtors Turnover Days <sup>!</sup>   | 59      | 37      |
| Inventory Turnover Days <sup>!</sup> | 51      | 44      |
| Operating Profit Margin <sup>^</sup> | 4.5%    | 3.9%    |
| Net Profit Margin <sup>^^</sup>      | 2.1%    | 2.1%    |
| Return on Net worth <sup>^!</sup>    | 18.3%   | 23.8%   |

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

<sup>#</sup> Finance cost / EBIT

<sup>##</sup> Current assets / current liabilities

<sup>!</sup> Average receivables / income from operations x 365 days

<sup>!</sup> Average Inventory / Cost of good sold x 365 days

<sup>^</sup> Operating profit / Income from operation

<sup>^^</sup> PAT / Income from operation

<sup>^!</sup> Net Profit / Average Shareholder fund

Reason for variation (>25%):

<sup>!</sup> Debtors Turnover days : Debtors turnover days increased due to increase in receivable from customers

<sup>#</sup> Interest Coverage Ratio reduced mainly due to higher interest cost

<sup>\*\*</sup> Net debt to equity increased due to increase in working capital deployment mainly on account of ODM business & increase in capex for capacity expansion & backward integration

**ODM % share in revenue**

|         | Consumer Electronics | Lighting Products | Home Appliances |
|---------|----------------------|-------------------|-----------------|
| FY 2019 | 9%                   | 71%               | 100%            |
| FY 2018 | 6%                   | 40%               | 100%            |
| FY 2017 | 12%                  | 45%               | 100%            |
| FY 2016 | 9%                   | 40%               | 100%            |
| FY 2015 | 4%                   | 12%               | 100%            |

**Key Business Developments**

The fiscal year 2019 saw many developments on the operational front for the Company in terms of expanding capacities, shifting towards ODM business model, completing backward integration, acquiring new customers and strengthening relationship with the existing ones across all the segments. Through all these factors, Dixon has been able to strengthen its market share and differentiate itself from peers. To further strengthen our market share in the home appliance segment, we have established R&D centre which will enable us to deliver improved and innovative products. Dixon was even facilitated with electronic company of the year by ELCINA-EFY for its phenomenal growth and development over the years.

**Risk Mitigation**

|                           |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                      |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Globalization Risk        | The electronics industry of India faces tough competition by the electronic goods imported from China. Cheap imports from China will further pose a challenge in front of the electronics industry.                                                              | 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                | 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 1994, thus having an experience of 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             | 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 taste or preference but it will never cease to exist. |
| Client Concentration Risk | Depending on limited number of clients for a majority share of the revenue poses a risk to the company. This risk is in terms of the fact that company may lose any of its key customers or a problem in the customer's business may affect the company as well. | Dixon has successfully maintained a strong relationship with its key customers. Some of its customers are connected with the company since last 4-5 years. Also, Dixon is constantly expanding its customer base which will help it to deal with this risk.          |
| Regulatory Risk           | The business in which Dixon deals in, requires the company to obtain or renew permits and licenses in a timely manner. The failure to do so may 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 | 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.

The Company recognizes people as its most valuable asset and the Company has kept a sharp focus on Employee Engagement. The Company’s Human Resources is commensurate with the size, nature and operations of the Company. As on 31st march 2019, employee strength (directly & indirectly) of the company stood at 6607.

Company’s industrial relations continued to be harmonious during the period under review. We also engage contract labour to facilitate our manufacturing operations.



# CORPORATE GOVERNANCE REPORT

## Company's Philosophy on Code of Governance

The Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force (hereinafter referred as "the **Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the **SEBI Listing Regulations**") has strengthened the framework of Corporate Governance for India Inc. For Dixon Technologies (India) Limited ("Dixon/Company"), however, Corporate Governance has always been a cornerstone of the entire management process, the emphasis being on professional management. Dixon's Board believes that a robust framework and implementation of highest standards of Corporate Governance provides a sustainable competitive advantage to an entity. Together, the Management and the Board ensure that your Company remains a Company of uncompromised integrity and excellence.

Corporate Governance at Dixon encompasses the structure, practices and processes adopted in every sphere of the Company's operations to provide long term value to its stakeholders through ethical business standards. Dixon strongly believes that the spirit of Corporate Governance stretches beyond statutory acquiescence.

Dixon internally follows a growth trajectory along four parameters of growth which are competitiveness, consistency, profitability and responsibility to benefit our employees, customers and the community at large.

Your Company has complied with the governance requirements of SEBI Listing Regulations and hereby presents the Corporate Governance Report for the financial year ended 31<sup>st</sup> March, 2019.

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](http://www.dixoninfo.com).

## Board of Directors

Your Company believes that an effective Board requires an optimum combination of professionals from different spheres with diversity and independence. The primary responsibility of the Board is to provide effective governance over the Company's affairs.

Board of Directors are central to the governance of companies. The Board plays a key role in providing direction to the management in terms of strategy and also ensuring that the company operate in the best interests of the shareholders and other stakeholders. Board independence is seen as a cornerstone of accountability. The changes which have been witnessed in the recent past in the regulatory environment in India has enhanced the role of Directors including Independent Director in corporate governance a few notches higher.

The primary role of the Board is that of trusteeship to protect and enhance stakeholder value through strategic supervision of your Company, its subsidiary and Joint Venture Companies. As trustees, the Board ensures that your Company has clear goals aligned to stakeholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role and also evaluates the performance of the Directors and the Board Committees.

## Composition and Category of Board of Directors as on 31<sup>st</sup> March, 2019

In line with the applicable provisions of the Act and the SEBI Listing Regulations, 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    | 50 Years |
| Executive Director                           | Mr. Atul B. Lall     | 57 Years |
| Independent Director/ Non-Executive Director | Ms. Poornima Shenoy  | 54 Years |
|                                              | Dr. Manuji Zarabi    | 71 Years |
|                                              | Mr. Manoj Maheshwari | 53 Years |
|                                              | Mr. Keng Tsung Kuo   | 60 Years |

**Note:**

1. Mr. Keng Tsung Kuo was appointed as Additional Director in the capacity of Non- Executive and Independent Director on 12<sup>th</sup> April, 2019.

**Attendance of Directors at Board Meeting(s) as on 31<sup>st</sup> March, 2019**

During the period under review, 6 (six) Board meetings were held on 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018, 30<sup>th</sup> January, 2019 and 18<sup>th</sup> March, 2019 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 31<sup>st</sup> March, 2019:

| 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 as on 31 <sup>st</sup> March, 2019 | 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 as on 31 <sup>st</sup> March, 2019 <sup>^</sup> |                |
|----------------------|-----------------------------------------------|-------------------------------------------|--------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------|
|                      |                                               |                                           |                                      |                                                                |                                                                                   | Chairperson                                                                                                                     | Member         |
| Mr. Sunil Vachani    | 6                                             | Present                                   | 41,96,208                            | 5                                                              | Nil                                                                               | 0                                                                                                                               | 0              |
| Mr. Atul B. Lall     | 6                                             | Present                                   | 4,66,667                             | 2                                                              | Nil                                                                               | 0                                                                                                                               | 0              |
| *Dr. R. C. Chopra    | 1                                             | Absent                                    | -                                    | -                                                              | -                                                                                 | -                                                                                                                               | -              |
| Dr. Manuji Zarabi    | 6                                             | Present                                   | Nil                                  | 3                                                              | Nil                                                                               | 0                                                                                                                               | 1              |
| Ms. Poornima Shenoy  | 5                                             | Present                                   | Nil                                  | 5                                                              | Moschip Technologies Limited- Independent Director                                | 0                                                                                                                               | 2              |
| Mr. Manoj Maheshwari | 6                                             | Present                                   | Nil                                  | 2                                                              | Nil                                                                               | 0                                                                                                                               | 0              |
| #Mr. Keng Tsung Kuo  | Not Applicable                                | Not Applicable                            | Not Applicable                       | Not Applicable                                                 | Not Applicable                                                                    | Not Applicable                                                                                                                  | Not Applicable |

\*Resigned w.e.f. 6<sup>th</sup> August, 2018. He was eligible to attend 3 Board Meetings.

#Appointed as Additional Director in the capacity of Non- Executive and Independent Director w.e.f 12<sup>th</sup> April, 2019.

<sup>^</sup>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 Board level committees in listed companies where they are directors

#### **Inter-se Relationship among Directors**

None of the Directors are related with other Directors.

#### **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/stakeholder-relations/terms-of-appointment-of-independent-directors/>. 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.

Dr. R. C. Chopra resigned from the position of Non-Executive Director on 6<sup>th</sup> August, 2018 stating that he had been serving as the Independent Director of your Company for the past 10 years and taking into consideration the provisions of the Companies Act, 2013, he can no longer serve as Independent Director of your Company. He resigned from the post of the Non-Executive Director of your Company effective the said date.

#### **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 18<sup>th</sup> March, 2019, to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole. All the 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/code-for-independent-director-and-familiarization-programme/>

Also, during the year under review, 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 and those actually available with the board :

| <b>Collective Skill</b>                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Skill Area</b>                                                 | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Strategy and planning</b>                                      | Ability to think strategically to fulfil the objectives of the Company and tackle the threats that may arise in the future; identify and critically assess strategic opportunities and threats and accordingly develop effective strategies for the Company.                                                                                                                                                                                                                   |
| <b>Policy Development</b>                                         | Ability to identify key issues and opportunities for the Company and develop appropriate policies to define the parameters within which the organisation should operate and restricts the actions not beneficial and in the interests of the Company.                                                                                                                                                                                                                          |
| <b>Application of corporate governance principles</b>             | Experience in the application of corporate governance principles                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Identification of Risks</b>                                    | Ability to identify key risks to your Company in a wide range of areas including strategic, operational, external and financial.                                                                                                                                                                                                                                                                                                                                               |
| <b>Qualifications and experience in Accounting and/or finance</b> | Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>Analyse key financial statements;</li> <li>Critically assess financial viability and performance;</li> <li>Contribute to strategic financial planning;</li> <li>Oversee budgets and the efficient use of resources;</li> <li>Oversee funding arrangements and accountability</li> </ul>                                                                  |
| <b>Government Relations</b>                                       | Experience in managing relations with the Governmental, regulatory and other statutory authorities and industry advocacy strategies.                                                                                                                                                                                                                                                                                                                                           |
| <b>Marketing &amp; Communications</b>                             | Possess good marketing and communication skills                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Business Experience</b>                                        | A broad range of commercial/business experience, preferably in strategy, planning, branding, good practices and improvement in business systems.                                                                                                                                                                                                                                                                                                                               |
| <b>Information Technology / Digital Skills</b>                    | Having basic knowledge of IT operations and have ability to adapt new technologies.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Industry Skills</b>                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Skill Area</b>                                                 | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Expertise in Electronics Industry</b>                          | Experience as a Director or a Senior Managerial Personnel in Electronic Industry to cope up with the upgradations coming up in the Electronic Sector and advising the Board on diversification of its business and capitalizing on the opportunities.                                                                                                                                                                                                                          |
| <b>Identification of Challenges and providing solutions</b>       | Capability to identify various challenges which the company may face in the EMS sector and providing solutions to deal with them.                                                                                                                                                                                                                                                                                                                                              |
| <b>Personal Attributes</b>                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Attributes</b>                                                 | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Integrity and ethics</b>                                       | A commitment to: <ul style="list-style-type: none"> <li>Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;</li> <li>Putting the Company's interests before any personal interests;</li> <li>Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;</li> <li>Maintaining Board confidentiality at all times.</li> </ul> |
| <b>Effective Communicator</b>                                     | The ability to: <ul style="list-style-type: none"> <li>Listen to, and constructively and appropriately debate, other people's viewpoints;</li> <li>Develop and deliver cogent arguments;</li> <li>Communicate effectively with a broad range of stakeholders.</li> </ul>                                                                                                                                                                                                       |
| <b>Commitment</b>                                                 | A visible commitment to the purpose for which the Company has been established and operates, and its on-going success including effective and attentive participation in the Meetings organised by the Company.                                                                                                                                                                                                                                                                |

|                                        | Personal Attributes                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Influencer and negotiator</b>       | The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.                                                                                                                                                                                                                                                                   |
| <b>Critical and innovative thinker</b> | The ability to critically analyse complex and detailed information, readily distil key issues, and develop innovative solutions to problems.                                                                                                                                                                                                                                                                                       |
| <b>Leadership skills</b>               | <p>Innate leadership skills, including the ability to:</p> <ul style="list-style-type: none"> <li>• Appropriately represent ;</li> <li>• Set appropriate Board and organisation culture;</li> <li>• Make and take responsibility for decisions and actions.</li> </ul> <p>Additionally, extended leadership experience resulting in practical understanding of organizations/processes/strategic planning and risk management.</p> |

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

## Committees of the Board

The Board Committees play a crucial role in the governance structure of your Company and have been constituted to deal with specific areas / activities which concern your Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

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

### A Audit Committee

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

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

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

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 25<sup>th</sup> July, 2018.

### 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 2018-19, 6 (six) meetings of the Audit Committee were held on 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018, 30<sup>th</sup> January, 2019 and 18<sup>th</sup> March, 2019. 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 31<sup>st</sup> March, 2019

| Name of Director      | Position in the Committee | Designation          | Audit Committee Meetings entitled to attend | Meetings Attended |
|-----------------------|---------------------------|----------------------|---------------------------------------------|-------------------|
| Mr. Manoj Maheshwari  | Chairman                  | Independent Director | 6                                           | 6                 |
| * Ms. Poornima Shenoy | Member                    | Independent Director | 4                                           | 3                 |
| Dr. Manuji Zarabi     | Member                    | Independent Director | 6                                           | 6                 |
| #Dr. R C Chopra       | Member                    | Independent Director | 2                                           | 1                 |

\* Ms. Poornima Shenoy joined as a member of the said Committee w.e.f. 26<sup>th</sup> May, 2018.

# Dr R C Chopra (Director and Member of the Audit Committee at the start of the Financial Year) ceased to be a member of the Audit Committee w.e.f 26<sup>th</sup> May, 2018.

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 Chairman of the NRC Committee was present at the last Annual General Meeting held on 25<sup>th</sup> July, 2018.

### 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 2018-19, 4 (four) meetings of the NRC were held on 4<sup>th</sup> May, 2018, 26<sup>th</sup> May, 2018, 31<sup>st</sup> October, 2018 and 18<sup>th</sup> March, 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 31<sup>st</sup> March, 2019

| 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                                                                 | 4                 |
| Mr. Manoj Maheshwari | Member                    | Independent Director | 4                                                                 | 4                 |
| Dr. Manuji Zarabi    | Member                    | Independent Director | 4                                                                 | 4                 |
| Mr. Sunil Vachani    | Member                    | Executive Chairman   | 4                                                                 | 4                 |

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 recommends 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 oversees 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 Stakeholders Relationship Committee was constituted by the Board at their Meeting held on 3<sup>rd</sup> May, 2017.

Composition of the said 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 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018 and 30<sup>th</sup> January, 2019. 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 as on 31<sup>st</sup> March, 2019

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

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

### Brief Description of Terms of Reference

Terms of Reference of Stakeholder Relationship Committee, inter alia, include the following:

- Collecting and analyzing reports received periodically from the Registrar and the Share Transfer Agent ("RTA") on the following:
  - Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;
  - Requests regarding non-receipt of the notice of the AGM, balance sheet and profit and loss account statement;
  - Complaints of investors routed by the SEBI or Stock Exchanges and others;
  - Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;
  - Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;
  - Requests relating to de-materialization and re-materialization of shares;
  - 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
  - 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.
- To redress other grievances of shareholders, debenture holders and other security holders;
- Scrutinizing other matters related to or arising out of shareholders/ investors services including preparation and approval of periodical reports.
- 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.
- 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.

**Status of Complaints during FY 2018-19**

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 -1 <sup>st</sup> April, 2018      | Nil                  |
| Investor queries/complaints received during the Year                                               | 54                   |
| Investor queries/complaints disposed of during the Year                                            | 54                   |
| Investor queries/complaints remaining unresolved at the end of Year - 31 <sup>st</sup> March, 2019 | Nil                  |

**Details of the Compliance officer of your Company:**

Name: Mr. Ashish Kumar

Designation: Group Company Secretary & Compliance Officer

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 Companies Act, 2013. 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 2018-19, 4 (four) meetings of the Committee were held on 26<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018 and 30<sup>th</sup> January, 2019. The details of the composition, meetings and attendance of the Corporate Social Responsibility Committee are given hereunder:

Details of Corporate Social Responsibility Committee Meeting held during the financial year ended as on 31<sup>st</sup> March, 2019

| Name of Director  | Position in the Committee | Designation          | Corporate Social Responsibility Committee Meetings entitled to attend | Meetings Attended |
|-------------------|---------------------------|----------------------|-----------------------------------------------------------------------|-------------------|
| Mr. Sunil Vachani | Chairman                  | Executive Chairman   | 4                                                                     | 4                 |
| Dr. Manuji Zarabi | Member                    | Independent Director | 3                                                                     | 3                 |
| #Dr. R C Chopra   | Member                    | Independent Director | 1                                                                     | 0                 |
| *Mr. Atul B. Lall | Member                    | Managing Director    | 4                                                                     | 4                 |

#Dr R C Chopra (Director and Member of the Corporate Social Responsibility Committee at the start of the Financial Year) had resigned from the Directorship w.e.f. 6<sup>th</sup> August, 2018.

\*Dr. Manuji Zarabi joined as a member of the said Committee w.e.f. 26<sup>th</sup> May, 2018.

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:

- Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;
- 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;
- 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. 1<sup>st</sup> April, 2019. Therefore, the Board of Directors had constituted Risk Management Committee at its Meeting held on 24<sup>th</sup> 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, no meeting of the Risk Management Committee was held as this Committee has been constituted during the ongoing financial year at the Board meeting held on 24<sup>th</sup> May, 2019.

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.

The Company Secretary of the Company shall act 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 31<sup>st</sup> March, 2019

| 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 during the period under review. The said Committee was constituted on 31<sup>st</sup> 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.

Details of composition of Share Allotment Committee

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

## 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: <http://www.dixoninfo.com/nomination-and-remuneration-policy/>. 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 2018-19 was as under:

Details of remuneration to Non- Executive and Independent Directors

| (₹ in Lakhs)                       |             |              |              |
|------------------------------------|-------------|--------------|--------------|
| NAME OF THE NON-EXECUTIVE DIRECTOR | SITTING FEE | COMMISSION   | TOTAL        |
| *Dr. R.C Chopra                    | 0.30        | 5.00         | 5.30         |
| Dr. Manuji Zarabi                  | 2.90        | 5.00         | 7.90         |
| Ms. Poornima Shenoy                | 1.70        | 5.00         | 6.70         |
| Mr. Manoj Maheshwari               | 2.20        | 5.00         | 7.20         |
| <b>Total</b>                       | <b>7.10</b> | <b>20.00</b> | <b>27.10</b> |

\*Dr R C Chopra resigned from the Directorship w.e.f 6<sup>th</sup> August, 2018

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 2018-19 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/nomination-and-remuneration-policy/>.

During the year 2018-19, 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 5<sup>th</sup> 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 5<sup>th</sup> 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 5<sup>th</sup> May, 2017, Mr. Atul B. Lall was re-appointed as Managing Director for a period of five years effective 5<sup>th</sup> 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 31<sup>st</sup> March, 2019 are given below:

Details of Remuneration of Directors

Details of Remuneration of Directors

(₹ in Lakhs)

| Name of Director  | Base Salary | Fixed Salary               |        |                    | Bonus / Performance Linked Incentive | Sitting Fee | Commission | Stock Options | Total  |
|-------------------|-------------|----------------------------|--------|--------------------|--------------------------------------|-------------|------------|---------------|--------|
|                   |             | Perquisites and Allowances | Others | Total Fixed Salary |                                      |             |            |               |        |
| Mr. Sunil Vachani | 93.43       | 122.69                     | -      | 216.12             | -                                    | -           | 123.10     | Nil           | 339.22 |
| Mr. Atul B. Lall  | 74.58       | 78.68                      | -      | 153.26             | -                                    | -           | 123.10     | Nil           | 276.37 |

**Notes:**

- (1) The amount of Commission is calculated on the profits of Financial Year ended 31<sup>st</sup> March, 2019 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31<sup>st</sup> March, 2020.
- (2) The Commission calculated on the profits of Financial Year ended 31<sup>st</sup> March, 2018 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31<sup>st</sup> March, 2019 which was ₹43.95 Lacs and ₹81.82 Lacs for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

No Stock Options were granted to Executive / Non-Executive Directors during the Financial Year 2018-19.

### 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2015-16        | 30 <sup>th</sup> September, 2016 at 11.00 a.m. | B-14 & 15, Phase-II<br>Noida, Gautam Buddha Nagar, UP 201305                               | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2016-17        | 08 <sup>th</sup> August, 2017 at 11.00 a.m.    | B-14 & 15, Phase-II<br>Noida, Gautam Buddha Nagar, UP 201305                               | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2017-18        | 25 <sup>th</sup> July, 2018 at 03.00 P.M.      | International Trade Expo Centre Ltd.,<br>Hall-C, Expo Drive, A-II, Sector-62, Noida-201301 | <ul style="list-style-type: none"> <li>a. Authorisation to Board under Section 180(1)(c)</li> <li>b. Authorisation to Board under Section 180(1)(a)</li> <li>c. Approval of Inter-corporate loans, Investments, Guarantee or security and acquisition</li> <li>d. Approval of Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018")</li> <li>e. Grant of Stock options to the employees of subsidiary companies under Dixon Technologies (India) Limited - Employee Stock Option Plan- 2018 ("Dixon ESOP 2018")</li> <li>f. Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013</li> </ul> |

### Special Resolutions passed through Postal Ballot

No special resolution was passed through postal ballot during FY 2018-19.

### 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 Karvy Fintech 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 24<sup>th</sup> July, 2019 shall be eligible to participate in the e-voting.

### Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2018-19

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 regularly submitted to the Stock Exchanges and published in 'Business Standard- English and Hindi' in accordance with SEBI Listing Regulations. Simultaneously, they are also put up on your Company's website at [www.dixoninfo.com](http://www.dixoninfo.com).

The details of announcements of Quarterly results by your Company during the FY 2018-19 are as follows:

| <b>Quarter ended</b>             | <b>Date of Board Meeting where Quarterly results were approved</b> | <b>Date of Publishing in Newspaper (English And Hindi)</b> |
|----------------------------------|--------------------------------------------------------------------|------------------------------------------------------------|
| 30 <sup>th</sup> June, 2018      | 6 <sup>th</sup> August, 2018                                       | 7 <sup>th</sup> August, 2018                               |
| 30 <sup>th</sup> September, 2018 | 31 <sup>st</sup> October, 2018                                     | 1 <sup>st</sup> November, 2018                             |
| 31 <sup>st</sup> December, 2018  | 30 <sup>th</sup> January, 2019                                     | 31 <sup>st</sup> January, 2019                             |
| 31 <sup>st</sup> March, 2019     | 24 <sup>th</sup> May, 2019                                         | 25 <sup>th</sup> May, 2019 (proposed)                      |

#### **Website:**

Your Company's website contains a separate dedicated section 'Stakeholders Relations' where shareholders' information and official news releases pertaining to financial results etc., is available. Your Company's Annual Report is also available in downloadable form on the website of your Company [www.dixoninfo.com](http://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 : Wednesday, 31<sup>st</sup> July, 2019
- Time : 11.00 A.M.
- Venue : International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301

#### **Financial Year**

1<sup>st</sup> April, 2018 – 31<sup>st</sup> March, 2019

#### **Tentative Financial Calendar – for the Financial Year ending 31<sup>st</sup> March, 2020**

Quarterly Results for the Quarters ending 30<sup>th</sup> June, 2019, 30<sup>th</sup> September, 2019, 31<sup>st</sup> December, 2019, 31<sup>st</sup> March, 2020 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 2019-20 will tentatively held between July-September, 2020. The Financial Results/statements for the FY 2019-20 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](http://www.dixoninfo.com).

#### **Book Closure**

The dates of book closure are from 25<sup>th</sup> July, 2019 to 31<sup>st</sup> July, 2019, inclusive of both days.

#### **Dividend Policy and Dividend Payment date**

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/dividend-distribution-policy/>.

The Board has recommended in its meeting held on 24<sup>th</sup> May, 2019 a final dividend of ₹2 per equity share (which if approved will be paid on or before 29<sup>th</sup> August, 2019) subject to approval by the shareholders at the ensuing Annual General Meeting.

#### **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 and BSE. The annual listing fees for the Financial Year 2019-20 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             |

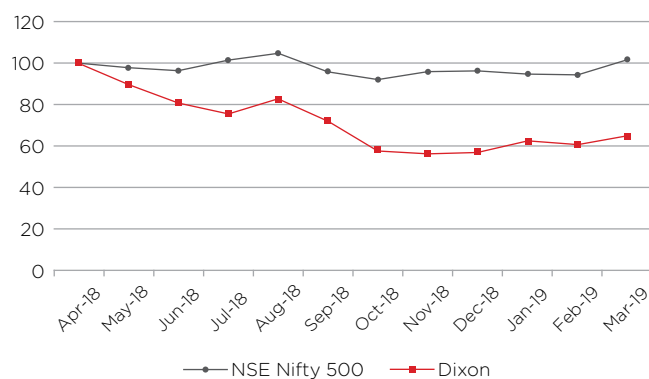
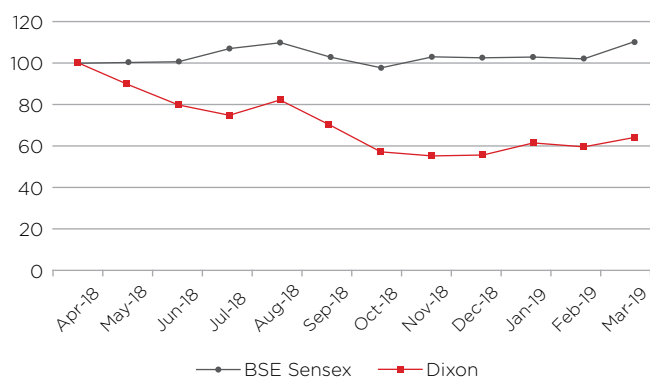
**Market price data, during each month**

| Month        | BSE Sensex |           | NSE Nifty 500 |         |
|--------------|------------|-----------|---------------|---------|
|              | High       | Low       | High          | Low     |
| April'18     | 35,213.30  | 32,972.56 | 9503.6        | 8933.45 |
| May'18       | 35,993.53  | 34,302.89 | 9531.65       | 9046.7  |
| June'18      | 35,877.41  | 34,784.68 | 9423.2        | 9018.05 |
| July'18      | 37,644.59  | 35,106.57 | 9657.6        | 9060.6  |
| August'18    | 38,989.65  | 37,128.99 | 10027         | 9579.7  |
| September'18 | 38,934.35  | 35,985.63 | 10049.85      | 9041.65 |
| October'18   | 36,616.64  | 33,291.58 | 9185.5        | 8370.8  |
| November'18  | 36,389.22  | 34,303.38 | 9134.35       | 8742.5  |
| December'18  | 36,554.99  | 34,426.29 | 9258.35       | 8646.55 |
| January'19   | 36,701.03  | 35,375.51 | 9206.05       | 8825.6  |
| February'19  | 37,172.18  | 35,287.16 | 9179.75       | 8729.7  |
| March'19     | 38,748.54  | 35,926.94 | 9667.45       | 8994    |

**Stock Market Price Data**

| Month        | BSE      |          | NSE      |          |
|--------------|----------|----------|----------|----------|
|              | High     | Low      | High     | Low      |
| April'18     | 3,941.00 | 3,168.65 | 3,943.40 | 3,211.00 |
| May'18       | 3,724.00 | 3,182.00 | 3,731.05 | 3,175.00 |
| June'18      | 3,447.00 | 2,834.00 | 3,418.95 | 2,852.00 |
| July'18      | 3,075.25 | 2,720.00 | 3,079.95 | 2,717.05 |
| August'18    | 3,069.90 | 2,381.45 | 3,069.70 | 2,382.20 |
| September'18 | 3,022.65 | 2,500.00 | 3,024.95 | 2,500.00 |
| October'18   | 2,605.25 | 2,041.00 | 2,620.10 | 2,030.10 |
| November'18  | 2,185.00 | 1,951.95 | 2,513.25 | 1,990.00 |
| December'18  | 2,200.00 | 1,894.00 | 2,203.40 | 1,890.10 |
| January'19   | 2,276.50 | 1,986.00 | 2,295.00 | 1,990.00 |
| February'19  | 2,324.50 | 2,145.15 | 2,328.00 | 2,150.00 |
| March'19     | 2,599.50 | 2,213.90 | 2,606.00 | 2,205.05 |

Market price data during each month table (Sensex &amp; Nifty 500)

**Performance in comparison to broad- based indices such as BSE Sensex, Nifty 500 Index****Dixon Technologies and NSE Nifty 500****Dixon Technologies and BSE Sensex**

## Declaration that securities not suspended during the year/been suspended during the year

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 Karvy Fintech 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 31<sup>st</sup> March, 2019

| Category (Amount) | No. of Cases  | % of Cases    | Total Shares      | Amount             | % of Amount   |
|-------------------|---------------|---------------|-------------------|--------------------|---------------|
| 1-5000            | 32,380        | 99.441066     | 590,117           | 5,901,170          | 5.210704      |
| 5001- 10000       | 70            | 0.214975      | 49,105            | 491,050            | 0.433595      |
| 10001- 20000      | 33            | 0.101345      | 45,946            | 459,460            | 0.405701      |
| 20001- 30000      | 16            | 0.049137      | 38,701            | 387,010            | 0.341728      |
| 30001- 40000      | 5             | 0.015355      | 18,053            | 180,530            | 0.159407      |
| 40001- 50000      | 3             | 0.009213      | 14,766            | 147,660            | 0.130383      |
| 50001- 100000     | 8             | 0.024569      | 62,288            | 622,880            | 0.550000      |
| 100001& Above     | 47            | 0.144340      | 10,506,115        | 105,061,150        | 92.768482     |
| <b>Total</b>      | <b>32,562</b> | <b>100.00</b> | <b>11,325,091</b> | <b>113,250,910</b> | <b>100.00</b> |

## Dematerialisation of Shares and liquidity:

As on 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31<sup>st</sup> March, 2019.

## Details of Public Funding Obtained:

During the FY 2018-19, 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 utilization of funds raised through preferential allotment or qualified Institutions placement as specified under Regulation 32 (7A):

Not applicable

## 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)

| <b>Name of entity</b>                  | <b>Fees paid during FY 2018-19</b> |
|----------------------------------------|------------------------------------|
| Dixon Technologies (India) Limited     | 36.23                              |
| Dixon Global Private Limited           | 3.40                               |
| Padget Electronics Private Limited     | 7.59                               |
| AIL Dixon Technologies Private Limited | 2.61                               |

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

- a. Number of complaints filed during FY 2018-19: 1 (one)
- b. Number of complaints disposed of during FY 2018-19: 1 (one)
- c. Number of complaints pending as on end of the FY 2018-19: Nil

**Plant Locations**

Following are the list of Manufacturing Facilities located PAN India:

| <b>Plant location (Addresses)</b>                                                           | <b>Products manufactured</b>                                     |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| 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 |
|                                                                                             | CCTVs and DVRs                                                   |
| Shed No. 1 and 3, EMC II, Govindavaram, Chittoor- 517526                                    | LED TVs                                                          |
| Shed No. 2, 4, 5, 6 and 7 EMC II, Govindavaram, Chittoor- 517526                            | Washing Machine                                                  |
| Plot No. C-2/1, UPSIDC (SIDCUL), Industrial Area, Tehsil Vikas Nagar, Dehradun, Uttarakhand |                                                                  |

**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:**

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

**List of Credit Ratings**

A. ICRA has not revised the Credit ratings of your Company during the FY 2018-19. The details of Credit Ratings are as follows:

| Type               | Date       | Facility                      | Rating                                    | Remarks                                                         |
|--------------------|------------|-------------------------------|-------------------------------------------|-----------------------------------------------------------------|
| Bank Loan Facility | 20.09.2018 | Fund Based and Non fund based | Long Term ICRA A+ and Short term ICRA A1+ | Credit rating for ₹294.50 Crores (enhanced from ₹148 Crores)    |
|                    | 01.03.2019 | Fund Based and Non fund based | Long Term ICRA A+ and Short term ICRA A1+ | Credit Rating for ₹444.50 Crores (enhanced from ₹294.50 Crores) |
| Commercial Paper   | 14.09.2018 | 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 / or at an arm's length basis. During the year under review, your Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the materiality policy of the Company of related party transactions and as per approvals accorded by the members at the General meetings of your Company. 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/related-party-transaction-rpt-policy/>.

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.

**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 personnel have 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 of the SEBI Listing Regulations:

- The office of Chairman and Managing Director is held by distinct individuals.
- 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:**

- Web link of Policy for determining 'material' subsidiaries is <https://dixoninfo.com/policy-on-material-subsiidiary/> and;
- Web link of Policy on dealing with related party transactions is <https://dixoninfo.com/related-party-transaction-rpt-policy/>

## 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                           |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------|
| Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)        | Yes                                         |
| 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)                  | Yes                                         |
| Composition of Audit Committee                                                                                    | 18(1)                   | Yes                                         |
| Meeting of Audit Committee                                                                                        | 18(2)                   | Yes                                         |
| Composition of nomination & remuneration committee                                                                | 19(1) & (2)             | Yes                                         |
| Composition of Stakeholder Relationship Committee                                                                 | 20(1) & (2)             | Yes                                         |
| Composition and role of risk management committee                                                                 | 21(1),(2),(3),(4)       | Not Applicable during the year under review |
| Vigil Mechanism                                                                                                   | 22(1) & (2)             | Yes                                         |
| Policy for related party transaction                                                                              | 23(1),(5),(6),(7) & (8) | 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(2),(3),(4),(5) & (6) | Yes                                         |
| Maximum Directorship & Tenure                                                                                     | 25(1) & (2)             | Yes                                         |
| Meeting of independent directors                                                                                  | 25(3) & (4)             | Yes                                         |
| Familiarization of independent directors                                                                          | 25(7)                   | Yes                                         |
| Memberships in Committees                                                                                         | 26(1)                   | Yes                                         |

| Particulars                                                                                                       | Regulation Number | Compliance Status |
|-------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| 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               |
| Disclosure on the website of the Company                                                                          | 46(2)             | Yes               |

### Compliance management

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

### NSE Electronic Application Processing System (NEAPS):

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

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

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

### SEBI Complaints Redress System (SCORES):

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

## General Shareholders' Information

### Disclosures with respect to demat suspense account/ unclaimed suspense account

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

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

| Name of Director                           | Mr. Sunil Vachani                                                                         | Mr. Keng Tsung Kuo                                                               | Mr. Manoj Maheshwari                                                                 | Dr. Manuji Zarabi                                                               | Ms. Poornima Shenoy                                                                                                                                                                                                                    |
|--------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Nature of Appointment</b>               | Director liable to retire by rotation                                                     | Regularization of Additional Director                                            | Non- Executive and Independent Director seeking re-appointment for another term      | Non- Executive and Independent Director seeking re-appointment for another term | Non- Executive and Independent Director seeking re-appointment for another term                                                                                                                                                        |
| <b>DIN</b>                                 | 00025431                                                                                  | 03299647                                                                         | 02581704                                                                             | 00648928                                                                        | 02270175                                                                                                                                                                                                                               |
| <b>Date of Birth</b>                       | 27/11/1968                                                                                | 4/12/1958                                                                        | 5/01/1966                                                                            | 24/08/1947                                                                      | 18/01/1965                                                                                                                                                                                                                             |
| <b>Date of Appointment/ Re-appointment</b> | 15 <sup>th</sup> January, 1993 (Appointment)                                              | 12 <sup>th</sup> April, 2019 (Appointment)                                       | 3 <sup>rd</sup> May, 2017 (Appointment)                                              | 23 <sup>rd</sup> February, 2017 (Appointment)                                   | 23 <sup>rd</sup> February, 2017 (Appointment)                                                                                                                                                                                          |
| <b>Qualification</b>                       | Associate of Applied Arts in Business Administrations from the American College in London | Master of Electrical Engineering & Executive MBA from National Taiwan University | Chartered Accountant, Company Secretary and post-graduate in business administration | Doctor of philosophy from the Indian Institute of Science, Bangalore            | BA from Bangalore University and MBA from TAPMI, Manipal. British Chevening scholar for Women in Leadership and Management from the University of Bradford, Management Development Program at the University of Michigan at Ann Arbor. |

| Name of Director                                                      | Mr. Sunil Vachani                                                                                                                                                                                                                     | Mr. Keng Tsung Kuo                                                                                                                                                            | Mr. Manoj Maheshwari                                                                                                                                                                                                     | Dr. Manuji Zarabi                                                                                                                                                                                                                        | Ms. Poornima Shenoy                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Expertise in Specific area</b>                                     | He has over 2 decades of experience in the EMS Industry.                                                                                                                                                                              | He has over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management. | He has more than 29 years of Experience encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fundraising as debt and equity.                                           | He has more than 26 years of Technical experience in Electronics                                                                                                                                                                         | She has a vast Technical experience in Electronics. She is the Co-Founder & CEO of a tech Accelerator -THE GAIN, President of the India Electronics & Semiconductor Association IESA and a member of its Executive Council. She is a TIE Charter Member.                                                                                                                                                                                 |
| <b>Directorships in other Companies</b>                               | <b>Unlisted Entity:</b> <ul style="list-style-type: none"> <li>Fincraft Learnings Private Limited</li> <li>Padget Electronics Private Limited</li> <li>AIL Dixon Technologies Private Limited</li> </ul> <b>Listed Entity:</b><br>NIL | NIL                                                                                                                                                                           | <b>Unlisted Entity:</b> <ul style="list-style-type: none"> <li>Vision one India Consulting Services Private Limited</li> <li>New Habitat Housing Finance and Development Limited</li> </ul> <b>Listed Entity:</b><br>NIL | <b>Unlisted Entity:</b> <ul style="list-style-type: none"> <li>Dixon Global Private Limited</li> <li>Masamb Electronics Systems Private Limited</li> <li>Masamb Embedded Systems Private Limited</li> </ul> <b>Listed Entity:</b><br>NIL | <b>Unlisted Entity:</b> <ul style="list-style-type: none"> <li>Tee Global Accelerator For Innovation Network Private Limited</li> <li>Dixon Global Private Limited</li> <li>India Electronics &amp; semi conductor Assosiation</li> </ul> <b>Listed Entity:</b> <ul style="list-style-type: none"> <li>Moschip Technologies Limited</li> </ul>                                                                                           |
| <b>Membership / Chairman of Committees (other than your Company)*</b> | NIL                                                                                                                                                                                                                                   | NIL                                                                                                                                                                           | <ul style="list-style-type: none"> <li><b>New Habitat Housing finance and Development Limited:</b> <ol style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee-Member</li> </ol> </li> </ul>          | <ul style="list-style-type: none"> <li><b>Dixon Global Private Limited:</b> <ol style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination &amp; Remuneration Committee-Member</li> </ol> </li> </ul>                 | <ul style="list-style-type: none"> <li><b>Moschip Semiconductor Technology Limited:</b> <ol style="list-style-type: none"> <li>Stakeholders Relationship Committee-Member</li> <li>Nomination &amp; Remuneration Committee-Member</li> </ol> </li> <li><b>Dixon Global Private Limited:</b> <ol style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination &amp; Remuneration Committee-Member</li> </ol> </li> </ul> |
| <b>Shareholding in the Company</b>                                    | 41,96,208 equity shares (37.05%) as on 31 <sup>st</sup> March, 2019                                                                                                                                                                   | NIL                                                                                                                                                                           | NIL                                                                                                                                                                                                                      | NIL                                                                                                                                                                                                                                      | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Relationships between directors inter-se</b>                       | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                   | Not related to any Director/Key Managerial Personnel of the Company                                                                                                           | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                      | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                      | 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](http://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 31<sup>st</sup> March, 2019 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is as below:

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## DECLARATION ON **CODE OF CONDUCT**

Dixon Technologies (India) Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees. I hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct for the financial year 2018-19.

For **Dixon Technologies (India) Limited**

Sd/-

**Atul B.lall**

(Managing Director)

Date: 24<sup>th</sup> May, 2019

# CERTIFICATE ON COMPLIANCE OF **CONDITIONS OF CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Dixon Technologies (India) Limited ("the Company"), for the Financial Year ended March 31<sup>st</sup>, 2019, 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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

Sd/-  
**Shirin Bhatt**  
Proprietor  
C.P. No. 9150  
M.No. F8273

Place: Delhi  
Date: 24.05.2019

## 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](http://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 for the financial year ended on 31<sup>st</sup> March, 2019, 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.

Ensuring the eligibility of 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**

Sd/-

**Shirin Bhatt**

Proprietor

Membership No.: F8273

CP No.: 9150

Place: Delhi  
Date: 24.05.2019

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 31<sup>st</sup> March, 2019 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, 2019, 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 2019, 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

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

#### Auditor's response

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 of the Director's Report and Corporate Governance Report, 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 will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 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 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 financial statements

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

**Vinesh Jain**

Partner

Membership No.: 087701

Place: Noida

Date: 24 May 2019

# 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 financial statements as of and for the year ended 31 March 2019

- (i) In respect of the Company's fixed assets (comprising of property, plant and equipment and other intangible assets)
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the freehold immovable properties (which are included under the head 'Property plant and equipment') are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and according to the information and explanations given to us, no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to a company 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 loan is repayable on demand
  - (c) there is no overdue amount in respect of loans granted to such company
- (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 statute                        | Nature of dues            | Amount<br>₹/Lakh | Amount paid<br>under protest<br>₹/Lakh | Period to which<br>the amount<br>relates                                  | Forum where<br>dispute is pending                                                                                                   |
|----------------------------------------|---------------------------|------------------|----------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Income Tax Act,<br>1961                | Income Tax                | 169.62           | -                                      | 2012-13                                                                   | Income Tax<br>Appellate Tribunal<br>Commissioner of<br>Income Tax<br>(Appeals)                                                      |
|                                        | Income Tax                | 601.81           | -                                      | 2013-14, 2014-15<br>and 2015-16                                           |                                                                                                                                     |
|                                        |                           | <b>771.43</b>    | <b>-</b>                               |                                                                           |                                                                                                                                     |
| Goods and<br>Services Tax Act,<br>2017 | Goods and<br>Services Tax | 2.73             | 2.73                                   | 2017-18 and 2018-<br>19                                                   | Assistant<br>Commissioner<br>of Goods and<br>Services Tax                                                                           |
|                                        |                           | <b>2.73</b>      | <b>2.73</b>                            |                                                                           |                                                                                                                                     |
| Custom Act, 1962                       | Custom Duty               | 149.50           | 9.89                                   | 2009-10, 2010-11,<br>2011-12, 2013-14<br>and 2014-15                      | Customs Excise<br>and Service Tax<br>Appellate Tribunal<br>Commissioners of<br>Customs<br>Additional<br>Commissioners of<br>Customs |
|                                        | Custom Duty               | 421.46           | 1.76                                   | 2009-10, 2010-11<br>and 2011-12                                           |                                                                                                                                     |
|                                        | Custom Duty               | 42.68            | 120.00                                 | 2011-12                                                                   |                                                                                                                                     |
|                                        |                           | <b>613.64</b>    | <b>131.65</b>                          |                                                                           |                                                                                                                                     |
| Central Excise Act,<br>1944            | Excise Duty               | 453.82           | -                                      | 2007-08                                                                   | Supreme Court                                                                                                                       |
|                                        | Excise Duty               | 406.96           | 28.16                                  | 2006-07, 2007-08,<br>2008-09, 2009-10,<br>2012-13, 2013-14<br>and 2014-15 | Customs Excise<br>and Service Tax<br>Appellate Tribunal                                                                             |
|                                        | Excise Duty               | 36.24            | -                                      | 2008-09                                                                   | Commissioner of<br>Central Excise                                                                                                   |
|                                        | Excise Duty               | 28.52            | -                                      | 2009-10                                                                   | Additional<br>Commissioner of<br>Central Excise                                                                                     |
|                                        | Excise Duty               | 8.13             | 2.25                                   | 2007-08                                                                   | Assistant<br>commissioner of<br>Central Excise                                                                                      |
|                                        |                           | <b>933.67</b>    | <b>30.41</b>                           |                                                                           |                                                                                                                                     |
| Central Sales Tax<br>Act, 1956         | Sales Tax                 | 8.02             | 1.22                                   | 2009-10, 2010-11<br>and 2011-12                                           | High Court                                                                                                                          |
|                                        | Sales Tax                 | 195.59           | 32.36                                  | 2008-09, 2010-11,<br>2011-12, 2012-13,<br>2017-18, 2018-19                | Joint<br>Commissioner                                                                                                               |
|                                        | Sales Tax                 | 12.24            | 8.34                                   | 2009-10, 2011-12,<br>2016-17                                              | Deputy<br>Commissioner                                                                                                              |
|                                        | Sales Tax                 | 0.76             | 0.76                                   | 2014-15                                                                   | Assistant<br>Commissioner                                                                                                           |
|                                        |                           | <b>216.61</b>    | <b>42.68</b>                           |                                                                           |                                                                                                                                     |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions and banks. The company has no outstanding dues in respect of government loans and there are no dues payable to any debenture holder during the year.
- (ix) In our opinion and according to the information and explanations given to us, money raised by further public offer of equity shares and term loans availed by the Company during the year were, prima facie, applied by the Company for the purposes for which the moneys were raised, other than temporary deployment pending allocation.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3 (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 clause 3 (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 clause 3 (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

Place: Noida

Date: 24 May 2019

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### of even date on the financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of DIXON TECHNOLOGIES (INDIA) LIMITED of even date)

#### **Independent Auditor's report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls with reference to the financial statements of DIXON TECHNOLOGIES (INDIA) LIMITED ("the Company") as of 31 March 2019 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 2019, 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

Place: Noida

Date: 24 May 2019

Membership No.: 087701

STANDALONE **BALANCE SHEET**

AS AT 31 MARCH 2019

(₹ in Lakhs)

| Particulars                                       | Note no. | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|---------------------------------------------------|----------|-------------------------|-------------------------|
| <b>ASSETS</b>                                     |          |                         |                         |
| <b>Non-current assets</b>                         |          |                         |                         |
| (a) Property, plant and equipment                 | 5        | 20,258.73               | 16,811.47               |
| (b) Capital work-in-progress                      |          | 1,877.07                | 1,254.72                |
| (c) Intangible assets                             | 6        | 468.83                  | 18.28                   |
| (d) Intangible assets under development           |          | -                       | 338.87                  |
| (e) Financial assets                              |          |                         |                         |
| i. Investments                                    | 7        | 1,800.01                | 1,325.01                |
| ii. Other financial assets                        | 8        | 499.89                  | 419.97                  |
| (f) Other non-current assets                      | 9        | 812.92                  | 960.98                  |
|                                                   |          | <b>25,717.45</b>        | <b>21,129.30</b>        |
| <b>Current assets</b>                             |          |                         |                         |
| (a) Inventories                                   | 10       | 29,691.61               | 23,159.66               |
| (b) Financial assets                              |          |                         |                         |
| i. Trade receivables                              | 11       | 43,937.61               | 12,946.34               |
| ii. Cash and cash equivalents                     | 12       | 895.19                  | 793.79                  |
| iii. Bank balances other than note ii above       | 13       | 1,858.37                | 2,797.11                |
| iv. Other financial assets                        | 14       | 2,035.95                | 1,568.64                |
| (c) Other current assets                          | 15       | 6,201.02                | 4,418.56                |
|                                                   |          | <b>84,619.75</b>        | <b>45,684.10</b>        |
| <b>TOTAL ASSETS</b>                               |          | <b>1,10,337.20</b>      | <b>66,813.40</b>        |
| <b>EQUITY AND LIABILITIES</b>                     |          |                         |                         |
| <b>Equity</b>                                     |          |                         |                         |
| (a) Equity share capital                          | 16       | 1,132.51                | 1,132.51                |
| (b) Other equity                                  | 17       | 34,873.79               | 29,248.79               |
|                                                   |          | <b>36,006.30</b>        | <b>30,381.30</b>        |
| <b>Liabilities</b>                                |          |                         |                         |
| <b>Non-Current Liabilities</b>                    |          |                         |                         |
| (a) Financial liabilities:                        |          |                         |                         |
| i. Borrowings                                     | 18       | 462.71                  | 800.14                  |
| (b) Provisions                                    | 19       | 452.69                  | 413.96                  |
| (c) Deferred tax liabilities (net)                | 20       | 1,392.34                | 388.56                  |
|                                                   |          | <b>2,307.74</b>         | <b>1,602.66</b>         |
| <b>Current Liabilities</b>                        |          |                         |                         |
| (a) Financial liabilities:                        |          |                         |                         |
| i. Borrowings                                     | 21       | 12,994.37               | 3,264.27                |
| ii. Trade payables                                | 22       |                         |                         |
| - Outstanding dues of Micro and small enterprises |          | 2,284.44                | 1,299.02                |
| - Outstanding dues of others                      |          | 52,487.04               | 22,271.67               |
| iii. Other financial liabilities                  | 23       | 683.86                  | 451.33                  |
| (b) Other current liabilities                     | 24       | 2,657.50                | 6,813.40                |
| (c) Provisions                                    | 25       | 332.84                  | 323.71                  |
| (d) Current tax liabilities                       | 26       | 583.11                  | 406.04                  |
|                                                   |          | <b>72,023.16</b>        | <b>34,829.44</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |          | <b>1,10,337.20</b>      | <b>66,813.40</b>        |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

**For and on behalf of the Board of Directors****For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May, 2019

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

| Particulars                                                                       | Note no. | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>INCOME</b>                                                                     |          |                                   |                                   |
| <b>1</b> Revenue from operations                                                  | 27       | 2,52,576.62                       | 2,21,585.37                       |
| <b>2</b> Other income                                                             | 28       | 418.37                            | 338.86                            |
| <b>3 Total income (1+2)</b>                                                       |          | <b>2,52,994.99</b>                | <b>2,21,924.23</b>                |
| <b>4 EXPENSES</b>                                                                 |          |                                   |                                   |
| (a) Cost of materials consumed                                                    | 29       | 2,18,325.41                       | 1,92,516.60                       |
| (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 30       | (500.47)                          | (2,967.64)                        |
| (c) Employee benefits expense                                                     | 31       | 7,899.61                          | 6,897.66                          |
| (d) Excise duty                                                                   |          | -                                 | 564.26                            |
| (e) Finance costs                                                                 | 32       | 2,430.16                          | 1,250.95                          |
| (f) Depreciation and amortisation expenses                                        | 33       | 2,003.76                          | 1,434.62                          |
| (g) Other expenses                                                                | 34       | 14,425.08                         | 13,995.02                         |
| <b>Total expenses (4)</b>                                                         |          | <b>2,44,583.55</b>                | <b>2,13,691.47</b>                |
| <b>5</b> Profit before exceptional items and tax (3-4)                            |          | 8,411.44                          | 8,232.76                          |
| <b>6</b> Exceptional items                                                        |          | -                                 | -                                 |
| <b>7 Profit before tax (5-6)</b>                                                  |          | 8,411.44                          | 8,232.76                          |
| <b>8</b> Tax expenses:                                                            | 35       |                                   |                                   |
| (a) Current tax                                                                   |          | 2,175.80                          | 2,186.92                          |
| (b) Deferred tax                                                                  |          | 507.24                            | 391.07                            |
| (c) Income tax for earlier years (net)                                            |          | 90.98                             | (45.92)                           |
| <b>Total of Tax Expense (8)</b>                                                   |          | <b>2774.02</b>                    | <b>2532.07</b>                    |
| <b>9 Profit for the year (7-8)</b>                                                |          | <b>5,637.42</b>                   | <b>5,700.69</b>                   |
| <b>10 Other Comprehensive Income ('OCI')</b>                                      |          |                                   |                                   |
| (a) Items that will not be reclassified to profit or loss                         |          | (11.70)                           | (21.21)                           |
| (b) Income tax relating to items that will not be reclassified to profit or loss  |          | 4.05                              | 7.34                              |
| <b>Other Comprehensive Income for the Year (Net of Tax)</b>                       |          | <b>(7.65)</b>                     | <b>(13.87)</b>                    |
| <b>11 Total Comprehensive Income for the Year (9+10)</b>                          |          | <b>5,629.77</b>                   | <b>5,686.82</b>                   |
| <b>12</b> Earning per Share                                                       | 40       |                                   |                                   |
| (Nominal value of share ₹10)                                                      |          |                                   |                                   |
| (a) Basic                                                                         |          | 49.78                             | 51.03                             |
| (b) Diluted                                                                       |          | 49.06                             | 51.03                             |

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S. N. Dhawan &amp; Co LLP

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

Partner

Membership No. 087701

Place: Noida

Date: 24 May, 2019

Sunil Vachani

Chairman

Saurabh Gupta

Chief Financial officer

Ashish Kumar

Company Secretary

STANDALONE **STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED 31 MARCH, 2019**a. Equity share capital**

| Particulars                                   | (₹ in Lakhs)    |
|-----------------------------------------------|-----------------|
| <b>Balance as at 1 April 2017</b>             | <b>1,098.53</b> |
| Add: Shares issued under Initial Public Offer | 33.98           |
| <b>Balance as at 31 March 2018</b>            | <b>1,132.51</b> |
| Add: Changes during the year                  | -               |
| <b>Balance as at 31 March 2019</b>            | <b>1,132.51</b> |

**b. Other equity**

| Particulars                                            | Reserve and surplus |                    |                            |                          |                   | Other Comprehensive Income             | Total            |
|--------------------------------------------------------|---------------------|--------------------|----------------------------|--------------------------|-------------------|----------------------------------------|------------------|
|                                                        | General Reserve     | Securities Premium | Capital Redemption Reserve | Share Option Outstanding | Retained Earnings | Remeasurement of Defined Benefit Plans | ₹ / Lakh         |
| <b>Balance as at 1 April, 2017</b>                     | <b>704.94</b>       | <b>3,922.19</b>    | <b>33.24</b>               | <b>-</b>                 | <b>13,268.09</b>  | <b>(44.32)</b>                         | <b>17,884.14</b> |
| Profit for the year                                    | -                   | -                  | -                          | -                        | 5,700.69          | -                                      | 5,700.69         |
| Premium on issue of shares                             | -                   | 5,966.01           | -                          | -                        | -                 | -                                      | 5,966.01         |
| Expenses of Initial public offer                       | -                   | (288.18)           | -                          | -                        | -                 | -                                      | (288.18)         |
| Remeasurement Gain/(Loss) on actuarial valuation (net) | -                   | -                  | -                          | -                        | -                 | (13.87)                                | (13.87)          |
| <b>Balance as at 31 March, 2018</b>                    | <b>704.94</b>       | <b>9,600.02</b>    | <b>33.24</b>               | <b>-</b>                 | <b>18,968.78</b>  | <b>(58.19)</b>                         | <b>29,248.79</b> |

# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2019

| Particulars                                                | Reserve 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                                        | -                   | -                  | -                          | -                        | 5,637.42          | -                                      | 5,637.42         |
| Dividend paid                                              | -                   | -                  | -                          | -                        | (226.50)          | -                                      | (226.50)         |
| Dividend distribution tax                                  | -                   | -                  | -                          | -                        | (46.56)           | -                                      | (46.56)          |
| Share options expenses for the year                        | -                   | -                  | -                          | 264.26                   | -                 | -                                      | 264.26           |
| Reversal of provision for expenses of initial public offer | -                   | 4.03               | -                          | -                        | -                 | -                                      | 4.03             |
| Remeasurement Gain/(Loss) on actuarial valuation (net)     | -                   | -                  | -                          | -                        | -                 | (7.65)                                 | (7.65)           |
| <b>Balance as at 31 March, 2019</b>                        | <b>704.94</b>       | <b>9,604.05</b>    | <b>33.24</b>               | <b>264.26</b>            | <b>24,333.14</b>  | <b>(65.84)</b>                         | <b>34,873.79</b> |

(₹ in Lakhs)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

**For and on behalf of the Board of Directors****For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N5000045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May, 2019

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

| Particulars                                                                | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Cash flow from operating activities</b>                              |                         |                         |
| Profit before tax                                                          | 8,411.44                | 8,232.76                |
| <b>Adjustments for :</b>                                                   |                         |                         |
| Depreciation and amortisation expense                                      | 2,003.76                | 1,434.62                |
| Interest on borrowings                                                     | 2,430.16                | 1,250.95                |
| Gain /Loss on Exchange fluctuation on borrowings                           | 21.16                   | 23.77                   |
| Loss on sale of property, plant and equipment                              | -                       | 18.29                   |
| Provision for impairment of property, plant and equipment                  | -                       | 56.21                   |
| Interest income                                                            | (190.51)                | (178.97)                |
| Provision for doubtful debts / loans and advances written back             | (36.07)                 | -                       |
| Profit on sale of property, plant and equipment                            | (10.33)                 | -                       |
| Excess liabilities, credit balances, provisions etc. written back          | (26.66)                 | (56.41)                 |
| Share based payment of employees                                           | 264.26                  | -                       |
| Bad debts write off                                                        | 239.65                  | 18.18                   |
|                                                                            | <b>13,106.86</b>        | <b>10,799.40</b>        |
| <b>Changes in working capital</b>                                          |                         |                         |
| Adjustments for (increase) / decrease in operating assets:                 |                         |                         |
| Inventories                                                                | (6,531.95)              | (7,493.19)              |
| Trade receivables                                                          | (31,194.85)             | 409.35                  |
| Other current assets                                                       | (1,782.46)              | (1,841.63)              |
| Other financial assets                                                     |                         |                         |
| - non-current                                                              | (79.92)                 | 23.05                   |
| - current                                                                  | (467.31)                | (524.72)                |
| Adjustments for increase / (decrease) in operating liabilities:            |                         |                         |
| Trade payables                                                             | 31,231.48               | 277.39                  |
| Other financial liabilities                                                | 246.67                  | 76.74                   |
| Other current liabilities                                                  | (4,155.90)              | 6,031.40                |
| Provisions                                                                 |                         |                         |
| - Non Current Provisions                                                   | 38.73                   | 103.09                  |
| - Current Provisions                                                       | (2.57)                  | 56.20                   |
| <b>Cash generated from operating activities</b>                            | <b>408.78</b>           | <b>7,917.08</b>         |
| Income tax paid (net)                                                      | (1,589.12)              | (1,777.03)              |
| <b>Net cash generated from/ (used in) operating activities</b>             | <b>(1,180.34)</b>       | <b>6,140.05</b>         |
| <b>B. Cash flow from investing activities</b>                              |                         |                         |
| Capital expenditure on property, plant and equipment and intangible assets | (6,188.33)              | (7,410.93)              |
| Sale proceeds of property, plant and equipment                             | 161.67                  | 341.00                  |
| Equity investments in shares of Joint Venture                              | (475.00)                | (420.00)                |
| Bank balance not classified as cash and cash equivalent                    | 938.74                  | (2,358.67)              |
| Interest on received                                                       | 190.51                  | 178.97                  |
| <b>Net cash generated from/(used in) investing activities</b>              | <b>(5,372.41)</b>       | <b>(9,669.63)</b>       |

**STANDALONE CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

| Particulars                                                         | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| <b>C. Cash flow from financing activities</b>                       |                         |                         |
| Interest paid                                                       | (2,440.06)              | (1,250.95)              |
| Proceeds from issue of share                                        | -                       | 5,711.80                |
| Proceeds/ (repayment) from current borrowings (net)                 | 9,730.10                | (65.85)                 |
| Repayment of non Current financial Borrowings                       | (369.71)                | (188.87)                |
| Proceeds of non Current financial Borrowings                        | 6.88                    | -                       |
| Dividend paid                                                       | (226.50)                | -                       |
| Dividend distribution tax paid                                      | (46.56)                 | -                       |
| <b>Net cash generated from/(used in) financing activities</b>       | <b>6,654.15</b>         | <b>4,206.13</b>         |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>101.40</b>           | <b>676.55</b>           |
| Cash and cash equivalents at the beginning of the year              | 793.79                  | 117.24                  |
| <b>Cash and cash equivalents at the end of year (refer note 13)</b> | <b>895.19</b>           | <b>793.79</b>           |

**Notes:**

- The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
- Figures in brackets indicate cash outflow.
- Figures for the previous year have been regrouped wherever considered necessary.
- 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 and on behalf of the Board of Directors****For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May, 2019

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# 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, 2019 have been approved by the Board of Directors in their meeting held on 24 May, 2019.

### **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 reviews 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**

#### **Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

#### **Company as lessor**

##### **Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

##### **Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### **Company as Lessee**

##### **Finance Lease**

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

of return. Finance charges are charged directly to the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

## **Operating Lease**

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to Statement of Profit and Loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

## **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 intime 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

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

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.

## 2.13 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.

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## 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 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

## NOTES TO **STANDALONE FINANCIAL STATEMENTS**

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:

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

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

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.

## **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 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

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

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.
- 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.

## NOTES TO **STANDALONE FINANCIAL STATEMENTS**

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### **3 Standards issued but not yet effective**

New Accounting pronouncements affecting amounts reported and/or Ind AS disclosures in the financial statements.

The following revisions to Ind ASs that have been issued but are not yet effective. The Company is evaluating the impact of these pronouncements on the financial statements:

#### **i. Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related

Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the financial statements.

#### **ii. Ind AS 12 Appendix C - Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements.

#### **iii. Amendment to Ind AS 12 - Income taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements."

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## **4 Significant Judgements and Key sources of Estimation in applying Accounting Policies**

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial statements is included in the following notes:

- a. Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- b. Useful lives of depreciable/ amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- c. Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- d. Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- e. Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- f. Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- g. Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- h. Fair value measurement of Financial Instruments:** When the fair values of Financial assets and Financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- i. Warranty :** Warranty Provision is measured at discounted present value using pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

## NOTES TO STANDALONE FINANCIAL STATEMENTS

## 5 Property, plant and equipment

|                                                | Land<br>free hold<br>(see note<br>'i' below) | Land<br>lease<br>hold<br>(see<br>note 'ii'<br>below) | Office<br>buildings | Factory<br>buildings | Electric<br>installations | Plant and<br>machinery | Tools<br>and dies | Fan,<br>coolers, air<br>conditioners<br>etc. | Office<br>equipment | Furniture<br>and<br>fixtures | Vehicles      | Computers     | Total            |
|------------------------------------------------|----------------------------------------------|------------------------------------------------------|---------------------|----------------------|---------------------------|------------------------|-------------------|----------------------------------------------|---------------------|------------------------------|---------------|---------------|------------------|
|                                                |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               | (₹ in Lakhs)     |
| <b>At cost or deemed cost</b>                  |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>Balance as at 31 March, 2017</b>            | <b>365.92</b>                                | <b>651.72</b>                                        | <b>329.73</b>       | <b>3,208.20</b>      | <b>320.88</b>             | <b>6,188.60</b>        | <b>1,131.22</b>   | <b>238.89</b>                                | <b>92.72</b>        | <b>691.65</b>                | <b>432.15</b> | <b>194.08</b> | <b>13,845.76</b> |
| Additions                                      | -                                            | -                                                    | -                   | 1,053.95             | 187.50                    | 3,177.31               | 824.12            | 76.53                                        | 67.26               | 193.37                       | 99.35         | 125.04        | 5,804.43         |
| Disposals                                      | -                                            | -                                                    | -                   | 15.69                | -                         | 170.65                 | 191.53            | -                                            | -                   | 14.76                        | -             | 0.34          | 392.97           |
| <b>Balance as at 31 March, 2018</b>            | <b>365.92</b>                                | <b>651.72</b>                                        | <b>329.73</b>       | <b>4,246.46</b>      | <b>508.38</b>             | <b>9,195.26</b>        | <b>1,763.81</b>   | <b>315.42</b>                                | <b>159.98</b>       | <b>870.26</b>                | <b>531.50</b> | <b>318.78</b> | <b>19,257.22</b> |
| 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           |
| <b>Balance as at 31 March, 2019</b>            | <b>365.92</b>                                | <b>651.72</b>                                        | <b>454.03</b>       | <b>4,611.51</b>      | <b>637.15</b>             | <b>12,454.99</b>       | <b>2,294.78</b>   | <b>376.85</b>                                | <b>247.80</b>       | <b>1,500.80</b>              | <b>540.22</b> | <b>452.71</b> | <b>24,588.48</b> |
| <b>Accumulated depreciation and impairment</b> |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>i. Accumulated depreciation</b>             |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>Balance as at 31 March, 2017</b>            | <b>-</b>                                     | <b>7.89</b>                                          | <b>1.65</b>         | <b>122.50</b>        | <b>35.60</b>              | <b>499.83</b>          | <b>73.99</b>      | <b>44.16</b>                                 | <b>16.91</b>        | <b>63.44</b>                 | <b>68.38</b>  | <b>51.28</b>  | <b>985.63</b>    |
| Charge for the Year                            | -                                            | 7.89                                                 | 5.26                | 126.99               | 50.44                     | 743.91                 | 175.89            | 62.15                                        | 21.90               | 82.64                        | 69.35         | 84.13         | 1,430.55         |
| Disposals                                      | -                                            | -                                                    | -                   | 0.51                 | -                         | 24.69                  | 6.08              | -                                            | -                   | 2.26                         | -             | 0.14          | 33.68            |
| <b>Balance as at 31 March, 2018</b>            | <b>-</b>                                     | <b>15.78</b>                                         | <b>6.91</b>         | <b>248.98</b>        | <b>86.04</b>              | <b>1,219.05</b>        | <b>243.80</b>     | <b>106.31</b>                                | <b>38.81</b>        | <b>143.82</b>                | <b>137.73</b> | <b>135.27</b> | <b>2,382.50</b>  |
| 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            |
| <b>Balance as at 31 March, 2019</b>            | <b>-</b>                                     | <b>23.67</b>                                         | <b>13.39</b>        | <b>416.72</b>        | <b>151.42</b>             | <b>2,228.03</b>        | <b>442.44</b>     | <b>180.14</b>                                | <b>82.04</b>        | <b>273.35</b>                | <b>210.48</b> | <b>244.82</b> | <b>4,266.50</b>  |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

|                                         | Land<br>free hold<br>(see note<br>'i' below) | Land<br>lease<br>hold<br>(see<br>note 'ii'<br>below) | Office<br>buildings | Factory<br>buildings | Electric<br>installations | Plant and<br>machinery | Tools<br>and dies | Fan,<br>coolers, air<br>conditioners<br>etc. | Office<br>equipment | Furniture<br>and<br>fixtures | Vehicles      | Computers     | Total            |
|-----------------------------------------|----------------------------------------------|------------------------------------------------------|---------------------|----------------------|---------------------------|------------------------|-------------------|----------------------------------------------|---------------------|------------------------------|---------------|---------------|------------------|
| (₹ in Lakhs)                            |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>ii. Impairment<br/>Losses</b>        |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>Balance as at<br/>31 March, 2017</b> | -                                            | -                                                    | -                   | -                    | -                         | <b>0.59</b>            | <b>6.45</b>       | -                                            | -                   | -                            | -             | -             | <b>7.04</b>      |
| Additions                               | -                                            | -                                                    | -                   | -                    | -                         | 56.21                  | -                 | -                                            | -                   | -                            | -             | -             | 56.21            |
| Disposals                               | -                                            | -                                                    | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| <b>Balance as at<br/>31 March, 2018</b> | -                                            | -                                                    | -                   | -                    | -                         | <b>56.80</b>           | <b>6.45</b>       | -                                            | -                   | -                            | -             | -             | <b>63.25</b>     |
| Additions                               | -                                            | -                                                    | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| Disposals                               | -                                            | -                                                    | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| <b>Balance as at<br/>31 March, 2019</b> | -                                            | -                                                    | -                   | -                    | -                         | 56.80                  | 6.45              | -                                            | -                   | -                            | -             | -             | 63.25            |
| <b>Net carrying<br/>amount</b>          |                                              |                                                      |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>As at 31 March,<br/>2018</b>         | <b>365.92</b>                                | <b>635.94</b>                                        | <b>322.82</b>       | <b>3,997.48</b>      | <b>422.34</b>             | <b>7,919.41</b>        | <b>1,513.56</b>   | <b>209.11</b>                                | <b>121.17</b>       | <b>726.44</b>                | <b>393.77</b> | <b>183.51</b> | <b>16,811.47</b> |
| <b>As at 31 March,<br/>2019</b>         | <b>365.92</b>                                | <b>628.05</b>                                        | <b>440.64</b>       | <b>4,194.79</b>      | <b>485.73</b>             | <b>10,170.16</b>       | <b>1,845.89</b>   | <b>196.71</b>                                | <b>165.76</b>       | <b>1,227.45</b>              | <b>329.74</b> | <b>207.89</b> | <b>20,258.73</b> |

## Notes:

- 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'), Hon'ble Nainital High Court and Hon'ble Supreme 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 and Hon'ble Supreme 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 2019 is ₹1477.78 Lakhs.
- Leasehold land is at 99 year lease
- The information of the assets pledge as security, refer note 18, 21 and 37.

NOTES TO **STANDALONE FINANCIAL STATEMENTS****6 Intangible assets**

|                                     |  | (₹ in Lakhs)             |
|-------------------------------------|--|--------------------------|
| Particulars                         |  | <b>Computer Software</b> |
| <b>At cost or deemed cost</b>       |  |                          |
| <b>Balance as at 31 March, 2017</b> |  | 11.97                    |
| Additions                           |  | 13.72                    |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2018</b> |  | <b>25.69</b>             |
| Additions                           |  | 542.89                   |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2019</b> |  | <b>568.58</b>            |
| <b>Accumulated amortisation</b>     |  |                          |
| <b>Balance as at 31 March, 2017</b> |  | <b>3.34</b>              |
| Change for the year                 |  | 4.07                     |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2018</b> |  | <b>7.41</b>              |
| Charge for the Year                 |  | 92.34                    |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2019</b> |  | <b>99.75</b>             |
| Net carrying amount                 |  |                          |
| <b>At 31 March, 2018</b>            |  | <b>18.28</b>             |
| <b>At 31 March, 2019</b>            |  | <b>468.83</b>            |

**7 Investments**

|                                        |                        | (₹ in Lakhs)    |                        |
|----------------------------------------|------------------------|-----------------|------------------------|
| Particulars                            | As at<br>31 March 2019 |                 | As at<br>31 March 2018 |
|                                        | No's.                  |                 | No's.                  |
| <b>Investment in equity instrument</b> |                        |                 |                        |
| (Unquoted, at cost)                    |                        |                 |                        |
| <b>a. In subsidiary company</b>        |                        |                 |                        |
| Dixon Global Private Limited           | 10,00,000              | 100.01          | 10,00,000              |
| Equity shares of ₹10 Each              |                        |                 | 100.01                 |
| <b>b. In jointly control companies</b> |                        |                 |                        |
| Padget Electronics Private Limited     | 75,00,000              | 750.00          | 75,00,000              |
| Equity shares of ₹10 Each              |                        |                 | 750.00                 |
| AIL Dixon Technologies Private Limited | 95,00,000              | 950.00          | 47,50,000              |
| Equity shares of ₹10 Each              |                        |                 | 475.00                 |
|                                        |                        | <b>1,800.01</b> | <b>1,325.01</b>        |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## Note:

### i. Information of subsidiary and jointly controlled companies

| 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, 2019                                              | As at 31 March, 2018 |
| In subsidiary company                  |                    |                        |                             |                                                                   |                      |
| Dixon Global Private Limited           | Trading            | Noida, India           | Noida, India                | 100%                                                              | 100%                 |
| In jointly control companies           |                    |                        |                             |                                                                   |                      |
| Padget Electronics Private Limited     | Manufacturing      | Noida, India           | Noida, India                | 50%                                                               | 50%                  |
| AIL Dixon Technologies Private Limited | Manufacturing      | Noida, India           | Andhra Pradesh, India       | 50%                                                               | 50%                  |

### ii. Operation details of jointly control companies

#### a. Padget Electronics Private Limited

| Particulars | (₹ in Lakhs)              |                           |
|-------------|---------------------------|---------------------------|
|             | Year Ended 31 March, 2019 | Year Ended 31 March, 2018 |
| Income      | 35,577.74                 | 67,635.37                 |
| Expenses    | 34,848.44                 | 67,032.21                 |

| Particulars                  | (₹ in Lakhs)         |                      |
|------------------------------|----------------------|----------------------|
|                              | As at 31 March, 2019 | As at 31 March, 2018 |
| Assets                       | 28,137.89            | 26,165.14            |
| Liabilities                  | 26,254.54            | 24,765.63            |
| Contingent liabilities       | 2,025.00             | 1,650.00             |
| Commitments (net of advance) | -                    | -                    |

#### b. AIL Dixon Technologies Private Limited

| Particulars    | (₹ in Lakhs)              |                           |
|----------------|---------------------------|---------------------------|
|                | Year Ended 31 March, 2019 | Year Ended 31 March, 2018 |
| Total income   | 11,251.15                 | 77.60                     |
| Total expenses | 11,176.14                 | 168.73                    |

| Particulars                  | (₹ in Lakhs)         |                      |
|------------------------------|----------------------|----------------------|
|                              | As at 31 March, 2019 | As at 31 March, 2018 |
| Assets                       | 9,710.15             | 1,018.61             |
| Liabilities                  | 8,713.20             | 602.82               |
| Contingent liabilities       | 50.00                | -                    |
| Commitments (net of advance) | -                    | -                    |

Note:

The operation disclosed to the extent the share of the Company.

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## 8 Other non current financial assets

|                                                       |                         | (₹ in Lakhs)            |
|-------------------------------------------------------|-------------------------|-------------------------|
| Particulares                                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Amount paid under protest to government department | 211.62                  | 223.80                  |
| b. Security deposits                                  | 288.27                  | 196.17                  |
|                                                       | <b>499.89</b>           | <b>419.97</b>           |

## 9 Other non-current assets

|                                        |                         | (₹ in Lakhs)            |
|----------------------------------------|-------------------------|-------------------------|
| Particulars                            | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Capital advances                    | 812.92                  | 960.98                  |
| b. Other advances considered doubtful  | 14.72                   | 14.72                   |
| Less : Provision for doubtful advances | (14.72)                 | (14.72)                 |
|                                        | <b>812.92</b>           | <b>960.98</b>           |

## 10 Inventories

(Lower of Cost and net realisable Value)

|                                             |                         | (₹ in Lakhs)            |
|---------------------------------------------|-------------------------|-------------------------|
| Particulars                                 | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Raw materials and packing materials etc. |                         |                         |
| - in stock                                  | 17,627.94               | 14,924.83               |
| - in transit                                | 3,603.24                | 274.87                  |
| b. Work-in-progress                         | 6,178.71                | 4,269.92                |
| c. Finished goods                           | 2,281.72                | 3,690.04                |
|                                             | <b>29,691.61</b>        | <b>23,159.66</b>        |

## 11 Trade receivables

|                                                          |                         | (₹ in Lakhs)            |
|----------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                              | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Trade receivables                                        |                         |                         |
| i. Unsecured Considered goods                            | 43,937.61               | 12,946.34               |
| ii. Unsecured Considered doubtful                        | 363.67                  | 399.74                  |
|                                                          | <b>44,301.28</b>        | <b>13,346.08</b>        |
| Less: Provision for doubtful receivables (refer note 42) | 363.67                  | 399.74                  |
|                                                          | <b>43,937.61</b>        | <b>12,946.34</b>        |

### Note:

#### Receivables from related party:

|                                           |                         | (₹ in Lakhs)            |
|-------------------------------------------|-------------------------|-------------------------|
| Particulars                               | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| i. AIL Dixon Technologies Private Limited | 10.92                   | -                       |
| ii. Padget Electronics Private Limited    | 63.40                   | 0.64                    |
|                                           | <b>74.32</b>            | <b>0.64</b>             |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 12 Cash and cash equivalents

(₹ in Lakhs)

| Particulars            | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------|-------------------------|-------------------------|
| a. Balances with banks | 867.52                  | 747.70                  |
| b. Cash in hand        | 27.67                   | 46.09                   |
|                        | <b>895.19</b>           | <b>793.79</b>           |

## 13 Bank balances other than note 12 above

(₹ in Lakhs)

| Particulars                                                                 | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
| a. Balance in unpaid dividend account                                       | 0.12                    | -                       |
| b. Fixed deposit with banks (held as margin money against letter of credit) | 1,858.25                | 2,797.11                |
|                                                                             | <b>1,858.37</b>         | <b>2,797.11</b>         |

## 14 Other Current financial assets

(₹ in Lakhs)

| Particulars                                                                                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a. Loan and advances to related party                                                                | 200.00                  | -                       |
| b. Security deposits                                                                                 | 129.26                  | 409.43                  |
| c. Advance to employees                                                                              | 78.58                   | 49.59                   |
| d. Amount receivables from government authorities<br>(Incentive receivables and refund recoverables) | 1,628.11                | 917.91                  |
| e. Other receivables                                                                                 | -                       | 191.71                  |
|                                                                                                      | <b>2,035.95</b>         | <b>1,568.64</b>         |

## 15 Other current assets

(₹ in Lakhs)

| Particulars                                                                                                       | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a. Balance with Government Authorities<br>(Goods and services tax, sales tax, custom duty, export incentive etc.) | 5,174.44                | 3,686.50                |
| b. Advance to suppliers                                                                                           | 797.94                  | 611.04                  |
| c. Prepaid expenses                                                                                               | 228.64                  | 121.02                  |
|                                                                                                                   | <b>6,201.02</b>         | <b>4,418.56</b>         |

NOTES TO **STANDALONE FINANCIAL STATEMENTS****16 Equity share capital**

| Particulars                                                | As at<br>31 March 2019 |                 | As at<br>31 March 2018 |                 |
|------------------------------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                            | No of shares           | ₹ / Lakh        | No of shares           | ₹ / Lakh        |
| <b>Authorised</b>                                          |                        |                 |                        |                 |
| Equity shares of ₹10/-each                                 | 2,60,00,000            | 2,600.00        | 2,60,00,000            | 2,600.00        |
| <b>Issued, subscribed and paid-up</b>                      |                        |                 |                        |                 |
| Equity shares of ₹10/- each fully paid up                  | 1,13,25,091            | 1,132.51        | 1,13,25,091            | 1,132.51        |
|                                                            | <b>1,13,25,091</b>     | <b>1,132.51</b> | <b>1,13,25,091</b>     | <b>1,132.51</b> |
| <b>a. Reconciliation of equity shares</b>                  |                        |                 |                        |                 |
| Balance as at the beginning of the year                    | 1,13,25,091            | 1,132.51        | 1,09,85,341            | 1,098.53        |
| Shares issued under initial public offer (refer (g) below) | -                      | -               | 3,39,750               | 33.98           |
| <b>Balance as at the end of the year</b>                   | <b>1,13,25,091</b>     | <b>1,132.51</b> | <b>1,13,25,091</b>     | <b>1,132.51</b> |

**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<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------------------------|-------------------------|-------------------------|
| Mr. Sunil Vachani                        |                         |                         |
| No's of shares                           | 41,96,208               | 41,96,208               |
| (In %)                                   | 37.05%                  | 37.05%                  |
| Mrs. Kamla Vachani                       |                         |                         |
| No's of shares                           | 10,64,144               | 10,64,144               |
| (In %)                                   | 9.40%                   | 9.40%                   |
| SBI Magnum Global fund                   |                         |                         |
| No's of shares                           | 11,01,369               | -                       |
| (In %)                                   | 9.73%                   | 0.00%                   |
| Reliance Capital Trustee Company Limited |                         |                         |
| A/C reliance growth fund                 |                         |                         |
| No's of shares                           | 8,41,488                | -                       |
| (In %)                                   | 7.43%                   | 0.00%                   |

- d.** 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 18 April 2017. Further on 20th April 2017, Authorised Share Capital of the Company has been increased to ₹260,000,000/- divided in to 26,000,000 equity shares of ₹10/-.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## e. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,277,337 fully paid up shares of face value ₹10 each during the year ended 31 March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

## f. Shares held by Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

## g. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31 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 14 September 2017 and the shares of the Company were listed on the stock exchanges on 18 September 2017.

## h. 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 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.

## 17 Other equity

|                                                                      |                         | (₹ in Lakhs)            |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. General reserve                                                   | 704.94                  | 704.94                  |
| b. Securities premium                                                | 9,604.05                | 9,600.02                |
| c. Capital redemption reserve                                        | 33.24                   | 33.24                   |
| d. Other comprehensive income                                        | (65.84)                 | (58.19)                 |
| e. Share option outstanding account                                  | 264.26                  | -                       |
| f. Retained earnings                                                 | 24,333.14               | 18,968.78               |
|                                                                      | <b>34,873.79</b>        | <b>29,248.79</b>        |
| <b>a. General reserve-</b>                                           |                         |                         |
| Opening balance                                                      | 704.94                  | 704.94                  |
| <b>Closing balance</b>                                               | <b>704.94</b>           | <b>704.94</b>           |
| <b>b. Securities premium</b>                                         |                         |                         |
| Opening balance                                                      | 9,600.02                | 3,922.19                |
| Add: Premium on issue of shares through Initial Public Offer ('IPO') | -                       | 5,966.01                |
| Add: Reversal of provision for expenses of initial public offer      | 4.03                    | -                       |
| Less: Expenses of initial public offer                               | -                       | 288.18                  |
| <b>Closing balance</b>                                               | <b>9,604.05</b>         | <b>9,600.02</b>         |
| <b>c. Capital redemption reserve</b>                                 |                         |                         |
| Opening balance                                                      | 33.24                   | 33.24                   |
| <b>Closing balance</b>                                               | <b>33.24</b>            | <b>33.24</b>            |
| <b>d. Other comprehensive income-</b>                                |                         |                         |
| Remeasurement of defined benefit plans                               |                         |                         |
| Opening balance                                                      | (58.19)                 | (44.32)                 |
| Movement during the year                                             | (7.65)                  | (13.87)                 |
| <b>Closing balance</b>                                               | <b>(65.84)</b>          | <b>(58.19)</b>          |

NOTES TO **STANDALONE FINANCIAL STATEMENTS**

|                                                              |                         | (₹ in Lakhs)            |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                  | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>e. Share option outstanding</b>                           |                         |                         |
| Opening balance                                              | -                       | -                       |
| Add : movement during the year                               | 264.26                  | -                       |
| <b>Closing balance</b>                                       | <b>264.26</b>           | <b>-</b>                |
| <b>f. Retained earnings</b>                                  |                         |                         |
| Opening balance                                              | 18,968.78               | 13,268.09               |
| Add : Profit for the year                                    | 5,637.42                | 5,700.69                |
| Less: Appropriation                                          |                         |                         |
| Final dividend on equity shares                              | 226.50                  | -                       |
| Dividend distribution tax on final dividend on equity shares | 46.56                   | -                       |
| <b>Closing balance</b>                                       | <b>24,333.14</b>        | <b>18,968.78</b>        |

**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 buy back of equity shares and fully convertible cummulative 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 transfered to other reserves and dividend paid during the year.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 18 Borrowings

(at amortised cost)

|                                                             |                         | (₹ in Lakhs)            |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                 | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>i. From banks</b>                                        |                         |                         |
| <b>(Secured)</b>                                            |                         |                         |
| <b>a. Foreign currency loans</b>                            |                         |                         |
| - Standard Chartered Bank (see note 'a' below)              | 244.13                  | 548.47                  |
| <b>b. Rupee loan</b>                                        |                         |                         |
| - Vehicle Loans (see note 'b' below)                        | 18.92                   | 31.82                   |
|                                                             | <b>263.05</b>           | <b>580.29</b>           |
| <b>ii. From others</b>                                      |                         |                         |
| <b>(Secured)</b>                                            |                         |                         |
| - Tata Capital Housing Finance Limited (see note 'c' below) | 165.94                  | 159.06                  |
| - Vehicle Loans (see note 'b' below)                        | 25.55                   | 52.61                   |
|                                                             | <b>191.49</b>           | <b>211.67</b>           |
| <b>iii. From others</b>                                     |                         |                         |
| <b>(Un secured)</b>                                         |                         |                         |
| - Finance lease obligations (see note 'd' and 'e' below)    | 8.17                    | 8.18                    |
|                                                             | <b>8.17</b>             | <b>8.18</b>             |
|                                                             | <b>462.71</b>           | <b>800.14</b>           |

### Notes:

- USD 2,000,000 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.
- 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 9.50% p.a to 13.50% p.a.
- 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.
- The Company has entered into various finance lease arrangements mainly for land for terms ranging up to 99 years. The legal title to these properties vests with the respective lessors. There are no restrictions imposed by the lease arrangements. There are no sub-lease arrangements entered in to by the Company for these leases.
- The Company has finance lease contracts and the obligation under finance lease are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments.

NOTES TO **STANDALONE FINANCIAL STATEMENTS****18 Borrowings(Contd..)**

(at amortised cost)

| (₹ in Lakhs)                               |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
| Particulars                                | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| With In one year                           |                         |                         |
| - Minimum lease payment                    | 0.66                    | 0.66                    |
| - Present value of Minimum lease payment   | 0.61                    | 0.61                    |
| After one year but not more than five year |                         |                         |
| - Minimum lease payment                    | 2.63                    | 2.63                    |
| - Present value of Minimum lease payment   | 3.84                    | 3.84                    |
| More than five year                        |                         |                         |
| - Minimum lease payment                    | 40.15                   | 40.81                   |
| - Present value of Minimum lease payment   | 3.73                    | 3.73                    |
| Total minimum lease payments               |                         |                         |
| - Minimum lease payment                    | 43.44                   | 44.10                   |
| - Present value of Minimum lease payment   | 8.17                    | 8.18                    |

**19 Provisions**

| (₹ in Lakhs) |                         |                         |
|--------------|-------------------------|-------------------------|
| Particulars  | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| For gratuity | 452.69                  | 413.96                  |
|              | <b>452.69</b>           | <b>413.96</b>           |

**20 Deferred tax (net)**

| (₹ in Lakhs)                                                 |                         |                         |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                  | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>a. Deferred Tax Liability</b>                             |                         |                         |
| Arising on account of timing differences in depreciation     | 2,161.26                | 1,677.47                |
| <b>b. Deferred Tax Assets</b>                                |                         |                         |
| Arising on account of timing differences in accrued expenses | 362.96                  | 382.36                  |
| Minimum alternative tax credit entitlement                   | 405.96                  | 906.55                  |
|                                                              | <b>1,392.34</b>         | <b>388.56</b>           |

**Note:**

For deferred tax movement and tax reconciliation refer note 35.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 21 Borrowings

(at amortised cost)

| (₹ in Lakhs)                   |                         |                         |
|--------------------------------|-------------------------|-------------------------|
| Particulars                    | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>a. From Banks (Secured)</b> |                         |                         |
| i. Buyer Credits               | -                       | 1,264.27                |
| ii. Packing Credit Loan        | -                       | 2,000.00                |
| iii. Working Capital Loan      | 12,994.37               | -                       |
|                                | <b>12,994.37</b>        | <b>3,264.27</b>         |

### Note:

Borrowings from banks (comprising of vendor financing, working capital demand loans) 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 exclusive charge on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II & 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).

## 22 Trade payables

| (₹ in Lakhs)                                                     |                         |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Outstanding dues of Micro and Small enterprises (see note 38) | 2,284.44                | 1,299.02                |
| b. Outstanding dues of others                                    | 52,487.04               | 22,271.67               |
|                                                                  | <b>54,771.48</b>        | <b>23,570.69</b>        |

## 23 Other financial liabilities

| (₹ in Lakhs)                                  |                         |                         |
|-----------------------------------------------|-------------------------|-------------------------|
| Particulars                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Current maturities of long term borrowings | 394.18                  | 398.42                  |
| b. Outstanding forward Marked to Market (MTM) | 273.17                  | 26.62                   |
| c. Unpaid dividend                            | 0.12                    | -                       |
| d. Interest accrued but not due on Borrowings | 16.39                   | 26.29                   |
|                                               | <b>683.86</b>           | <b>451.33</b>           |

## 24 Other current liabilities

| (₹ in Lakhs)                        |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Particulars                         | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Advances Received from Customers | 454.77                  | 5,601.08                |
| b. Statutory Dues                   | 2,202.73                | 1,212.32                |
|                                     | <b>2,657.50</b>         | <b>6,813.40</b>         |

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## 25 Provisions

|                                  |                                 | (₹ in Lakhs)                    |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Particulars</b>               | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| a. For gratuity                  | 45.65                           | 17.87                           |
| b. For warranty (see note below) | 287.19                          | 305.84                          |
|                                  | <b>332.84</b>                   | <b>323.71</b>                   |

### Note:

|                                               |                                 | (₹ in Lakhs)                    |
|-----------------------------------------------|---------------------------------|---------------------------------|
| <b>Particulars</b>                            | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Movement in provision for warranty            |                                 |                                 |
| Opening balance                               | 305.84                          | 244.76                          |
| Additional provision made during the year     | 673.02                          | 261.30                          |
| Provision reversed/claim paid during the year | 691.67                          | 200.22                          |
| Closing provision                             | <b>287.19</b>                   | <b>305.84</b>                   |

Basis of warranty:

The Company gives thirty months warranty on LED bulbs and twelve months 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)                    |
|--------------------------------|---------------------------------|---------------------------------|
| <b>Particulars</b>             | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Provision for Income Tax (net) | 583.11                          | 406.04                          |
|                                | <b>583.11</b>                   | <b>406.04</b>                   |

## 27 Revenue from operations

|                                                                                                  |                                      | (₹ in Lakhs)                         |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Particulars</b>                                                                               | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
| Sale of products<br>(including excise duty on sale of products Nil (Previous year ₹564.26 lakh)) | 2,50,139.74                          | 2,17,032.87                          |
|                                                                                                  | <b>2,50,139.74</b>                   | <b>2,17,032.87</b>                   |
| <b>Other operating revenues</b>                                                                  |                                      |                                      |
| Service charges received                                                                         | 590.08                               | 2,300.88                             |
| Export benefits                                                                                  | 101.93                               | 278.10                               |
| Job work charges                                                                                 | 1,174.99                             | 1,401.36                             |
| Rent received (production facility charges)                                                      | 53.76                                | 54.36                                |
| GST incentive on area base exemption                                                             | 417.38                               | 467.80                               |
| Other incentive                                                                                  | 98.74                                | 50.00                                |
|                                                                                                  | <b>2,436.88</b>                      | <b>4,552.50</b>                      |
|                                                                                                  | <b>2,52,576.62</b>                   | <b>2,21,585.37</b>                   |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 28 Other income

| (₹ in Lakhs)                                                      |                              |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                       | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| <b>Interest income</b>                                            |                              |                              |
| - On fixed deposits/ margin money                                 | 164.51                       | 130.70                       |
| - Others                                                          | 26.00                        | 48.27                        |
| <b>Other non operating income</b>                                 |                              |                              |
| Other receipts                                                    | 6.73                         | 2.61                         |
| Interest received on income tax refund                            | -                            | 5.38                         |
| Exchange fluctuations (net)                                       | 148.07                       | 95.49                        |
| Provision for doubtful debts / loans and advances written back    | 36.07                        | -                            |
| Profit on sale of property, plant and equipment                   | 10.33                        | -                            |
| Excess liabilities, credit balances, provisions etc. written back | 26.66                        | 56.41                        |
|                                                                   | <b>418.37</b>                | <b>338.86</b>                |

## 29 Cost of materials consumed

| (₹ in Lakhs)                         |                              |                              |
|--------------------------------------|------------------------------|------------------------------|
| Particulars                          | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| Opening Stock                        | 14,924.83                    | 10,370.74                    |
| Add: Purchase (Including Components) | 2,21,028.52                  | 1,97,070.69                  |
|                                      | <b>2,35,953.35</b>           | <b>2,07,441.43</b>           |
| Less: Closing Stock                  | 17,627.94                    | 14,924.83                    |
|                                      | <b>2,18,325.41</b>           | <b>1,92,516.60</b>           |

## 30 Changes in inventories of finished goods and work-in-progress

| (₹ in Lakhs)                                    |                         |                         |
|-------------------------------------------------|-------------------------|-------------------------|
| Particulars                                     | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Inventories at the beginning of the year</b> |                         |                         |
| Finished Goods                                  | 3,690.04                | 1,378.63                |
| Work in Progress                                | 4,269.92                | 3,603.57                |
| Scrap                                           | -                       | 10.12                   |
|                                                 | <b>7,959.96</b>         | <b>4,992.32</b>         |
| <b>Inventories at the end of the Year</b>       |                         |                         |
| Finished Goods                                  | 2,281.72                | 3,690.04                |
| Work in Progress                                | 6,178.71                | 4,269.92                |
| Scrap                                           | -                       | -                       |
|                                                 | <b>8,460.43</b>         | <b>7,959.96</b>         |
| (Increase)/Decrease                             | <b>(500.47)</b>         | <b>(2,967.64)</b>       |

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## 31 Employee benefits expense

| Particulars                               | (₹ in Lakhs)            |                         |
|-------------------------------------------|-------------------------|-------------------------|
|                                           | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Salaries and wages                        | 6,279.08                | 5,815.38                |
| Contribution to provident and other funds | 359.88                  | 299.50                  |
| Provision for gratuity                    | 104.40                  | 99.48                   |
| Share based payments to employees         | 264.26                  | -                       |
| Staff Welfare Expenses                    | 891.99                  | 683.30                  |
|                                           | <b>7,899.61</b>         | <b>6,897.66</b>         |

## 32 Finance cost

| Particulars             | (₹ in Lakhs)            |                         |
|-------------------------|-------------------------|-------------------------|
|                         | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Interest                | 2,423.26                | 1,234.11                |
| Other financial charges | 6.90                    | 16.84                   |
|                         | <b>2,430.16</b>         | <b>1,250.95</b>         |

## 33 Depreciation and amortisation expenses

| Particulars                      | (₹ in Lakhs)            |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| On property, plant and equipment | 1,911.42                | 1,430.55                |
| On intangible assets             | 92.34                   | 4.07                    |
| <b>Total</b>                     | <b>2,003.76</b>         | <b>1,434.62</b>         |

## 34 Other expenses

| Particulars                            | (₹ in Lakhs)            |                         |
|----------------------------------------|-------------------------|-------------------------|
|                                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Consumption of stores and spares       | 157.28                  | 177.41                  |
| Contractor wages                       | 6,785.49                | 6,090.52                |
| Service charge paid                    | 759.99                  | 2,133.43                |
| Power and fuel                         | 1,742.54                | 1,404.00                |
| Rent                                   | 563.71                  | 481.92                  |
| Repairs and maintenance:               |                         |                         |
| - for buildings                        | 116.10                  | 90.85                   |
| - for Plant and equipment              | 414.28                  | 609.62                  |
| - for others                           | 193.77                  | 223.52                  |
| Insurance                              | 138.57                  | 94.92                   |
| Rates and taxes                        | 81.90                   | 90.04                   |
| Selling and distribution expenses      | 1,490.49                | 1,049.42                |
| Donations                              | 16.11                   | 2.20                    |
| Director's sitting fees                | 7.10                    | 10.24                   |
| Payment to auditors (refer note below) | 40.23                   | 40.45                   |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 34 Other expenses (Contd..)

(₹ in Lakhs)

| Particulars                                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Bad debts write off                                           | 239.65                  | 18.18                   |
| Provision for doubtful debts / loans and advances             | -                       | 98.06                   |
| Provision for impairment of property, plant & equipment       | -                       | 56.21                   |
| Loss on sale of property, plant and equipment                 | -                       | 18.29                   |
| Corporate social responsibility expenses                      | 109.42                  | 67.96                   |
| Increase/(decrease) in excise duty and cess on finished goods | -                       | (8.04)                  |
| Bank charges                                                  | 127.95                  | 67.37                   |
| Miscellaneous expenses                                        | 1,440.50                | 1,178.45                |
| <b>Total</b>                                                  | <b>14,425.08</b>        | <b>13,995.02</b>        |

### Note:

Payment to auditors comprises:

(₹ in Lakhs)

| Particulars                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|----------------------------------|-------------------------|-------------------------|
| <b>Statutory auditors</b>        |                         |                         |
| Audit Fees                       | 21.00                   | 19.00 *                 |
| Tax Audit Fees                   | 3.00                    | 3.00 *                  |
| Out of pocket expenses           | 4.06#                   | 2.75 *                  |
| Certification fees               | 8.17 *                  | 12.20 *                 |
|                                  | <b>36.23</b>            | <b>36.95</b>            |
| <b>Other auditor</b>             |                         |                         |
| Payment to Cost Auditor          | 4.00                    | 3.50 *                  |
|                                  | <b>40.23</b>            | <b>40.45</b>            |
| Proportionate Payment w.r.t. IPO | -                       | 7.62 *                  |

\* paid to the erstwhile auditor

# includes amounting to ₹3.66 Lakh paid to erstwhile auditor

## 35 Tax expenses

(₹ in Lakhs)

| Particulars                                                                           | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Current Tax                                                                           | 2,175.80                | 2,186.92                |
| Deferred Tax                                                                          | 507.24                  | 391.07                  |
|                                                                                       | <b>2,683.04</b>         | <b>2,577.99</b>         |
| Income Tax for earlier years (net)                                                    | 90.98                   | (45.92)                 |
| Tax expenses for the year                                                             | <b>2,774.02</b>         | <b>2,532.07</b>         |
| <b>A. Reconciliation of income tax expense to statutory income tax rate of income</b> |                         |                         |
| Profit before tax                                                                     | 8,411.44                | 8,232.76                |
| Income tax Rate                                                                       | 34.94%                  | 34.61%                  |
| Estimated income tax expense                                                          | 2,939.29                | 2,849.19                |
| Tax effect of adjustments to reconcile expected Income tax expense to reported        |                         |                         |
| Income tax expense :                                                                  |                         |                         |

NOTES TO **STANDALONE FINANCIAL STATEMENTS****35 A. Tax expenses (Contd..)**

| (₹ in Lakhs)                                           |                         |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                            | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Non taxable income                                     | (211.46)                | (201.25)                |
| Effect on tax allowance                                | (163.96)                | (162.58)                |
| Others                                                 | 119.17                  | 92.63                   |
| Income Tax expense in the Statement of Profit and Loss | <b>2,683.04</b>         | <b>2,577.99</b>         |
| <b>B. Movement in the deferred tax (net):</b>          |                         |                         |
| <b>Deferred tax (net)</b>                              |                         |                         |
| a. Deferred tax liability                              | 2,161.26                | 1,677.47                |
| b. Deferred tax assets                                 |                         |                         |
| - others                                               | 362.96                  | 382.36                  |
| Add: Minimum alternative tax credit entitlement        | 405.96                  | 906.55                  |
|                                                        | <b>768.92</b>           | <b>1,288.91</b>         |
|                                                        | <b>1,392.34</b>         | <b>388.56</b>           |

| (₹ in Lakhs)                        |                        |                                  |                      |                         |
|-------------------------------------|------------------------|----------------------------------|----------------------|-------------------------|
| Particulars                         | As at<br>1 April, 2017 | Recognised in<br>Profit and loss | Recognised in<br>OCI | As at<br>31 March, 2018 |
| Deferred tax liabilities            |                        |                                  |                      |                         |
| - Depreciation                      | 1,291.07               | 386.40                           | -                    | 1,677.47                |
|                                     | 1,291.07               | 386.40                           | -                    | 1,677.47                |
| Deferred tax assets                 |                        |                                  |                      |                         |
| - Expenses allowed on payment basis | 115.46                 | 26.65                            | 7.34                 | 149.45                  |
| - Others                            | 264.23                 | (31.32)                          | -                    | 232.91                  |
|                                     | <b>379.69</b>          | <b>(4.67)</b>                    | <b>7.34</b>          | <b>382.36</b>           |
|                                     | <b>911.38</b>          | <b>391.07</b>                    | <b>(7.34)</b>        | <b>1,295.11</b>         |
|                                     |                        |                                  |                      |                         |
| Particulars                         | As at<br>1 April, 2018 | Recognised in<br>Profit and loss | Recognised in<br>OCI | As at<br>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                  |
|                                     | <b>382.36</b>          | <b>(23.45)</b>                   | <b>4.05</b>          | <b>362.96</b>           |
|                                     | <b>1,295.11</b>        | <b>507.24</b>                    | <b>(4.05)</b>        | <b>1,798.30</b>         |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 36 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

| Particulars                                                                                                                                                                                                                                                                                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>a. Contingent liabilities</b>                                                                                                                                                                                                                                                                   |                         |                         |
| <b>Contingent liabilities not provided in respect of</b>                                                                                                                                                                                                                                           |                         |                         |
| i. Letters of Credit (outstanding)                                                                                                                                                                                                                                                                 | 22,552.97               | 4,746.88                |
| ii. Guarantees issued by bankers on behalf of Company to Bombay Stock Exchange and other Government Departments<br>(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) | 234.43                  | 308.71                  |
| iii. Corporate guarantees given to Banks on behalf of subsidiary for purpose of financial assistance.                                                                                                                                                                                              | 7,450.00                | 5,450.00                |
| iv. Bill discounting with banks                                                                                                                                                                                                                                                                    | 9,917.74                | 8,622.75                |
| v. Bond given to custom department on behalf of the Joint venture company                                                                                                                                                                                                                          | 9,700.00                | 6,700.00                |
| vi. <b>Claims against the Company not acknowledged as debt</b>                                                                                                                                                                                                                                     |                         |                         |
| a. Income tax                                                                                                                                                                                                                                                                                      | 771.43                  | 230.02                  |
| b. Sales tax                                                                                                                                                                                                                                                                                       | 216.61                  | 212.96                  |
| d. Goods and service tax                                                                                                                                                                                                                                                                           | 2.73                    | -                       |
| c. Excise custom duty and service tax                                                                                                                                                                                                                                                              | 1,547.31                | 1,516.89                |
| e. Other disputes                                                                                                                                                                                                                                                                                  | 37.67                   | 36.23                   |
| <b>Summary of amount paid under protest</b>                                                                                                                                                                                                                                                        |                         |                         |
| i. Income tax                                                                                                                                                                                                                                                                                      | -                       | -                       |
| ii. Sales tax                                                                                                                                                                                                                                                                                      | 42.68                   | 50.63                   |
| iii. Excise custom duty and service tax                                                                                                                                                                                                                                                            | 162.06                  | 162.06                  |
| iv. Goods and service tax                                                                                                                                                                                                                                                                          | 2.73                    | -                       |
| v. Other disputes                                                                                                                                                                                                                                                                                  | 4.15                    | 11.11                   |
|                                                                                                                                                                                                                                                                                                    | <b>211.62</b>           | <b>223.80</b>           |

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) 210.92 652.51

c. During FY 2018-19, The Company has availed Non Fund based LC Limits of ₹26,000 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 ₹28,000 Lakh from one of the customer in LED TV business.

d. The Company 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 Company.

f. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

g. Supreme court has passed judgement on 28 February, 2019, as per the judgement, all fixed allowances like house rent allowance, special allowance, medical allowance, transport allowance, conveyance allowance etc. which are paid generally and are part of the employment contract are in the nature of basis wages and should be clubbed with basic wages for calculation of provident fund.

There are numerous interpretation issued relating to Supreme Court Judgement of provident fund. The Company will update its provision on receiving further clarity on the subject.

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## **37 Assets mortgage as security**

The carrying amount of assets mortgage as security for current and non-current borrowings are :

| (₹ in Lakhs)                                          |                         |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                           | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Current assets:</b>                                |                         |                         |
| <b>Financial assets</b>                               |                         |                         |
| Trade receivables                                     | 43,937.61               | 12,946.34               |
| Inventories                                           | 29,691.61               | 23,159.66               |
| <b>Total current assets mortgaged as security</b>     | <b>73,629.22</b>        | <b>36,106.00</b>        |
| <b>Non-current:</b>                                   |                         |                         |
| Land (Freehold and leasehold)                         | 743.63                  | 751.52                  |
| Vehicles                                              | 329.74                  | 393.77                  |
| Buildings                                             | 3,789.03                | 3,701.07                |
| Plant and machinery                                   | 7,671.98                | 9,432.96                |
| <b>Total non-currents assets Mortgage as security</b> | <b>12,534.38</b>        | <b>14,279.32</b>        |
| <b>Total assets Mortgage as security</b>              | <b>86,163.60</b>        | <b>50,385.32</b>        |

## **38 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):**

| (₹ in Lakhs)                                                                                                                                                                                                                                                                                                                  |                         |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year                                                                                                                                                                                                          |                         |                         |
| - Principal amount                                                                                                                                                                                                                                                                                                            | 2,284.44                | 1,299.02                |
| - 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

### Disclosures for operating leases

- 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 generally, vary between one to three and thirty years.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

- ii. The Company has given three different portions of its properties on lease to its Subsidiary and Joint venture tenure of leases varies between 1 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 1 to 3 months, accordingly no lease obligation have been disclosed.

Lease expenses/income recognised during the year

| Particulars                                                              | (₹ in Lakhs)                 |                              |
|--------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                          | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| <b>a. As a lessee (expenses)</b>                                         |                              |                              |
| Factory building, godown, office space, service centre and transit house | 563.71                       | 481.92                       |
| <b>b. As a lessor (income)</b>                                           |                              |                              |
| Factory building                                                         | 53.76                        | 54.36                        |

## 40 Earnings per share

| Particulars                                                                                                                                                                                                           | Units       | (₹ in Lakhs)                 |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------|------------------------------|
|                                                                                                                                                                                                                       |             | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| <b>a. Basic</b>                                                                                                                                                                                                       |             |                              |                              |
| Profit / (loss) for the year                                                                                                                                                                                          | ₹ / Lakh    | 5,637.42                     | 5,700.69                     |
| Weighted average number of equity shares                                                                                                                                                                              | No's        | 1,13,25,091                  | 1,11,70,574                  |
| Face value of per share                                                                                                                                                                                               | ₹           | 10.00                        | 10.00                        |
| Earnings per share - Basic                                                                                                                                                                                            | ₹           | 49.78                        | 51.03                        |
| <b>b. Diluted</b>                                                                                                                                                                                                     |             |                              |                              |
| Profit / (loss) for the year                                                                                                                                                                                          | ₹ / Lakh    | 5,637.42                     | 5,700.69                     |
| Diluted number of equity shares                                                                                                                                                                                       | No's        | 1,14,91,758                  | 1,11,70,574                  |
| Face value of per share                                                                                                                                                                                               | ₹           | 10.00                        | 10.00                        |
| Earnings per share - Basic                                                                                                                                                                                            | ₹           | 49.06                        | 51.03                        |
| 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        | 1,13,25,091                  | 1,11,70,574                  |
| Shares deemed to be issued for no consideration in respect of employee options on proportionate basis                                                                                                                 | No's        | 1,66,667                     | -                            |
| <b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>                                                                                                                 | <b>No's</b> | <b>1,14,91,758</b>           | <b>1,11,70,574</b>           |

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## 41 Details of research and development expenditure

| (₹ in Lakhs)                              |                         |                         |
|-------------------------------------------|-------------------------|-------------------------|
| Particulars                               | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>a. Revenue expenditure</b>             |                         |                         |
| Cost of material consumed                 | 130.66                  | 55.57                   |
| Employee benefits expense                 | 241.27                  | 205.52                  |
| Other expenses                            | 41.65                   | 84.30                   |
| Depreciation and amortisation expenses    | 18.54                   | 7.22                    |
|                                           | <b>432.12</b>           | <b>352.61</b>           |
| <b>b. Capital expenditure</b>             |                         |                         |
| Purchase of property, plant and equipment | 258.50                  | 80.46                   |
|                                           | <b>258.50</b>           | <b>80.46</b>            |

## 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<br>31 March, 2019 | As at<br>31 March, 2018 |
| Net debt                                      |                         |                         |
| a. Borrowings                                 |                         |                         |
| - non current                                 | 462.71                  | 800.14                  |
| - current                                     | 12,994.37               | 3,264.27                |
| b. Current maturities of long term borrowings | 394.18                  | 398.42                  |
|                                               | <b>13,851.26</b>        | <b>4,462.83</b>         |
| c. Cash and cash equivalents                  | 895.19                  | 793.79                  |
|                                               | <b>895.19</b>           | <b>793.79</b>           |
| <b>Net debt</b>                               | <b>12,956.07</b>        | <b>3,669.04</b>         |
| <b>Total equity</b>                           | <b>36,006.30</b>        | <b>30,381.30</b>        |
| <b>Net debt to equity ratio</b>               | <b>0.36</b>             | <b>0.12</b>             |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## b. Categories of financial instruments

| (₹ in Lakhs)                                                     |                         |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Financial asset</b>                                           |                         |                         |
| <b>a. Measured at cost</b>                                       |                         |                         |
| a. Investments in subsidiary and jointly controlled entities     | 1,800.01                | 1,325.01                |
| <b>b. Measured at amortised cost</b>                             |                         |                         |
| a. Other financial assets                                        |                         |                         |
| - Non current                                                    | 499.89                  | 419.97                  |
| - Current                                                        |                         |                         |
| b. Trade receivables                                             | 43,937.61               | 12,946.34               |
| c. Cash and cash equivalents                                     | 895.19                  | 793.79                  |
| d. Bank balances other than note 12 above                        | 1,858.37                | 2,797.11                |
| e. Other financial assets                                        | 2,035.95                | 1,568.64                |
| <b>Financial liabilities</b>                                     |                         |                         |
| <b>a. Measured at fair value through Profit and Loss (FVTPL)</b> |                         |                         |
| a. Outstanding forward Marked to Market (MTM)                    | 273.17                  | 26.62                   |
| <b>b. Measured at amortised cost</b>                             |                         |                         |
| a. Borrowings                                                    |                         |                         |
| - Non current                                                    | 462.71                  | 800.14                  |
| - Current                                                        | 12,994.37               | 3,264.27                |
| b. Trade payables                                                | 54,771.48               | 23,570.69               |
| c. Other financial liabilities                                   | 410.69                  | 424.71                  |

Notes:

- 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.
- The derivative instruments with respect to forward contract are accounted for as fair value hedge.
- 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 instrument and valuation technique are as follows:

| (₹ in Lakhs)                       |                         |                         |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Particulars                        | Fair value<br>hierarchy | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Foreign currency forward contracts | Level 2                 | 273.17                  | 26.62                   |

### 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**

**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 two customer contributes to more than 10% of outstanding trade receivable ₹28,970.55 Lakh (Previous year ₹6847.54 Lakhs) as at 31 March, 2019 and 31 March, 2018.

### **Reconciliation of loss allowance provision**

|                                                   | (₹ in Lakhs)                    |                                 |
|---------------------------------------------------|---------------------------------|---------------------------------|
|                                                   | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Opening balance                                   | 414.46                          | 316.40                          |
| Additional provision made                         | 197.38                          | 98.06                           |
| Provision adjusted against the amount written off | 233.45                          | -                               |
| <b>Closing provision</b>                          | <b>378.39</b>                   | <b>414.46</b>                   |

The provision for loss allowances of loan and advances and trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 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

### Maturities of financial liabilities

|                                            | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs)   |
|--------------------------------------------|--------------|--------------|--------------|----------------|
| Particulars                                | <12 months   | >12 months   | Total        | Carrying value |
| <b>As on 31.03.2019</b>                    |              |              |              |                |
| <b>Non Derivative</b>                      |              |              |              |                |
| Long Term Borrowings                       | -            | 462.72       | 462.72       | 462.71         |
| Current maturities of long term borrowings | 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                | 16.51        | -            | 16.51        | 16.51          |
| <b>As on 31.03.2018</b>                    |              |              |              |                |
| <b>Non Derivative</b>                      |              |              |              |                |
| Long Term Borrowings                       | -            | 800.14       | 800.14       | 800.14         |
| Current maturities of long term borrowings | 398.42       | -            | 398.42       | 398.42         |
| Short term borrowings                      | 3,264.27     | -            | 3,264.27     | 3,264.27       |
| Trade Payables                             | 23,570.69    | -            | 23,570.69    | 23,570.69      |
| Other Financial Liabilities                | 26.29        | -            | 26.29        | 26.29          |

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.

|                         |            |            |           | (₹ in Lakhs)   |
|-------------------------|------------|------------|-----------|----------------|
| Particulars             | <12 months | >12 months | Total     | Carrying value |
| <b>As on 31.03.2019</b> |            |            |           |                |
| <b>Non derivative</b>   |            |            |           |                |
| Other financial assets  |            |            |           |                |
| - Non current           | -          | 499.89     | 499.89    | 499.89         |
| - Current               | 2,035.95   | -          | 2,035.95  | 2,035.95       |
| Trade receivables       | 43,937.61  | -          | 43,937.61 | 43,937.61      |

NOTES TO **STANDALONE FINANCIAL STATEMENTS**

| (₹ in Lakhs)                   |            |            |           |                |
|--------------------------------|------------|------------|-----------|----------------|
| Particulars                    | <12 months | >12 months | Total     | Carrying value |
| Cash and cash equivalents      | 895.19     | -          | 895.19    | 895.19         |
| Bank balances other than above | -          | 1,858.37   | 1,858.37  | 1,858.37       |
| <b>As on 31.03.2018</b>        |            |            |           |                |
| <b>Non derivative</b>          |            |            |           |                |
| Other financial assets         |            |            |           |                |
| - Non current                  | -          | 419.97     | 419.97    | 419.97         |
| - Current                      | 1,568.64   | -          | 1,568.64  | 1,568.64       |
| Trade receivables              | 12,946.34  | -          | 12,946.34 | 12,946.34      |
| Cash and cash equivalents      | 793.79     | -          | 793.79    | 793.79         |
| Bank balances other than above | -          | 2,797.11   | 2,797.11  | 2,797.11       |

**D. Market Risk Management****I. Foreign Currency Risk**

- 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.
- 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.
- 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, 2019 |           |           | As at 31 March, 2018 |          |          |
|----------------|---------------|----------------------|-----------|-----------|----------------------|----------|----------|
|                |               | Total                | Hedged    | Unhedged  | Total                | Hedged   | Unhedged |
| Borrowings     | In USD / Lakh | 8.24                 | 8.24      |           | 12.94                | 12.94    | -        |
|                | In ₹ / Lakh   | 569.65               | 569.65    | -         | 861.88               | 861.88   | -        |
| Buyers' Credit | In USD / Lakh | -                    | -         | -         | 19.44                | -        | 19.44    |
|                | In ₹ / Lakh   | -                    | -         | -         | 1,264.27             | -        | 1,264.27 |
| Creditors      | In USD / Lakh | 443.05               | 217.63    | 225.42    | 184.01               | 32.30    | 151.71   |
|                | In ₹ / Lakh   | 30,646.03            | 15,053.75 | 15,592.28 | 11,968.91            | 2,101.18 | 9,867.73 |
| Debtors        | In USD / Lakh | 1.62                 | -         | 1.62      | 19.14                | -        | 19.14    |
|                | In ₹ / Lakh   | 112.26               | -         | 112.26    | 1,245.08             | -        | 1,245.08 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## A. Foreign currency risk exposure

|                                   | (₹ in Lakhs)            |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Financial assets                  | 112.26                  | 1,245.08                |
| Financial liabilities             | 31,215.68               | 12,830.79               |
| <b>Net exposure (liabilities)</b> | <b>31,103.42</b>        | <b>11,585.71</b>        |

## B. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the Rupees 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)            |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | Currency USD impact     |                         |
|                                                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Impact on profit or loss for the year                  | 3,11.03                 | 1,15.86                 |
| Impact on total equity as at the end of reporting year | 2,03.39                 | 75.76                   |

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)            |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Variable rate borrowings | 12,994.37               | 3,264.27                |
| Fixed rate borrowings    | 856.90                  | 1,198.56                |

### b. Sensitivity Analysis

The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows:

|                                                        | (₹ in Lakhs)            |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Impact on profit or loss for the year                  | 138.51                  | 44.63                   |
| Impact on total equity as at the end of reporting year | 90.58                   | 29.18                   |

Impact on profit for the year are gross of tax.

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## III. Price Risk

The entity do not have any investment in quoted securities or other equity instruments except for investments in subsidiaries and jointly controlled entities. Thus, the company is not exposed to any price risk.

## 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 26 May, 2018 and shareholders approved the recommendations of the board of director in Annual General Meeting held on 25 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 31 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                                                                                                                                                                               |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Grant                                          | 01-Nov-18                                                                                                                                                                             |
| Date of Share holders Approval                         | 25-Jul-18                                                                                                                                                                             |
| Date of Board of Directors Approval / Committee        | 26-May-18                                                                                                                                                                             |
| No. of Option                                          | 497600                                                                                                                                                                                |
| Method of settlement (Cash/Equity)                     | Equity                                                                                                                                                                                |
| Vesting Period                                         | 31-Oct-19                                                                                                                                                                             |
|                                                        | 31-Oct-20                                                                                                                                                                             |
|                                                        | 31-Oct-21                                                                                                                                                                             |
| Exercise Price (Per Share ₹)                           | 1,864.80                                                                                                                                                                              |
| 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. |
| Ext. of Exercise Period                                | None                                                                                                                                                                                  |
| Fair Value of Share at the time of Grant (Per Share ₹) | 768.65/-                                                                                                                                                                              |

| Particulars                  | Share arising out of options | Weighted average exercise price |
|------------------------------|------------------------------|---------------------------------|
| Exercisable at the beginning | -                            | -                               |
| Granted                      | 4,97,600                     | ₹1,864.80                       |
| Forfeited and expired        | -                            | -                               |
| Exercised                    | -                            | -                               |
| Outstanding at the end       | 4,97,600                     | ₹1,864.80                       |
| Exercisable at the end       | -                            | -                               |

The Company have no other existing schemes in 31 March, 2018 accordingly no information for the previous year have been disclosed

# 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<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| Contribution to provident and other funds   |                              |                              |
| a. Contribution to provident fund           | 297.95                       | 246.00                       |
| b. Contribution to employee state insurance | 38.30                        | 36.54                        |
| c. Contribution to national pension scheme  | 23.63                        | 16.96                        |
|                                             | <b>359.88</b>                | <b>299.50</b>                |

### 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<br>31 March, 2019   | As at<br>31 March, 2018   |
| Future Salary Increase                  | 6.00%                     | 6.00%                     |
| Discount rate                           | 7.66%                     | 7.71%                     |
| Mortality rates                         | 100% of IALM<br>(2006-08) | 100% of IALM<br>(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                        |

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

Amount recognised in Statement of Profit and Loss in respect of defined benefit plans are as follows

(₹ in Lakhs)

| Particulars                                                                         | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Service Cost                                                                        |                         |                         |
| - Current service cost                                                              | 71.11                   | 57.25                   |
| - Past service cost including curtailment gains/losses                              | -                       | 17.08                   |
|                                                                                     | 71.11                   | 74.33                   |
| Net interest cost                                                                   | 33.29                   | 25.15                   |
| <b>Expense recognised in statement of profit and loss</b>                           | <b>104.40</b>           | <b>99.48</b>            |
| <b>Other Comprehensive Income (OCI)</b>                                             |                         |                         |
| Remeasurement on the net defined benefit liability:                                 |                         |                         |
| Actuarial (gains) / losses arising from changes in demographic assumptions          | -                       | -                       |
| Actuarial (gains) / losses arising from changes in financial assumptions            | 2.24                    | (6.99)                  |
| Actuarial (gains) / losses arising from experience adjustments                      | 9.46                    | 28.20                   |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>11.70</b>            | <b>21.21</b>            |
|                                                                                     | <b>116.10</b>           | <b>120.69</b>           |

## Notes:

- 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.
- The remeasurment of the net defined benefit liability is Included-in other comprehensive income.
- 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)

|                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------|-------------------------|-------------------------|
| Provision for gratuity |                         |                         |
| - Non-Current          | 452.69                  | 413.96                  |
| - Current              | 45.65                   | 17.87                   |
|                        | <b>498.34</b>           | <b>431.83</b>           |

Movements in the present value of the defined benefit obligation are as follows

(₹ in Lakhs)

|                                                                  | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Liability at the beginning of the year</b>                    | <b>431.83</b>                | <b>333.61</b>                |
| Interest Costs                                                   | 33.29                        | 25.15                        |
| Current Service Costs                                            | 71.11                        | 57.25                        |
| Past Service Cost including curtailment Gains/ Losses            | -                            | 17.08                        |
| Benefits paid                                                    | (49.59)                      | (22.47)                      |
| Actuarial (Gain)/Loss on obligations due to change in Obligation | 11.70                        | 21.21                        |
| <b>Liability at the end of the year</b>                          | <b>498.34</b>                | <b>431.83</b>                |

# NOTES TO **STANDALONE FINANCIAL STATEMENTS**

## Sensitivity Analysis

| Particulars                                          | (₹ in Lakhs)            |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Impact of the change in discount rate             |                         |                         |
| Present Value of Obligation at the end of the period | 498.34                  | 431.83                  |
| Impact due to increase of 0.50 %                     | (22.46)                 | (20.22)                 |
| Impact due to decrease of 0.50 %                     | 24.28                   | 21.86                   |
| b. Impact of the change in salary increase           |                         |                         |
| Present Value of Obligation at the end of the period | 498.34                  | 431.83                  |
| Impact due to increase of 0.50 %                     | 23.34                   | 19.96                   |
| Impact due to decrease of 0.50 %                     | (21.72)                 | (18.58)                 |

Notes:

- Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.
- 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.
- The above sensitivity analysis are with out giving the impact of tax.

## Maturity Profile of Defined Benefit Obligation

| Financial year     | Amount<br>₹ in Lakhs |
|--------------------|----------------------|
| Apr 2019- Mar 2020 | 45.65                |
| Apr 2020- Mar 2021 | 6.72                 |
| Apr 2021- Mar 2022 | 6.97                 |
| Apr 2022- Mar 2023 | 26.51                |
| Apr 2023- Mar 2024 | 39.65                |
| Apr 2024- Mar 2025 | 36.82                |
| Apr 2025 onwards   | 336.03               |

## 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:

- 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.
- 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.
- Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 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 **STANDALONE FINANCIAL STATEMENTS**

## 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 preceeding 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.

| Particulars                                                                                   | (₹ in Lakhs)                 |                              |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                               | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| A. Gross amount required to be spent by the company                                           | 112.50                       | 66.96                        |
| B. Amount spent by the company by                                                             |                              |                              |
| a. Yet to be paid in cash                                                                     | -                            | -                            |
| b. In cash - Donation to                                                                      |                              |                              |
| a. Magic Bus India Foundation - Section 8 Company for project related to orphans              | -                            | 25.18                        |
| b. The Akshaya Patra Foundation                                                               | 24.00                        | 8.00                         |
| c. CII Foundation                                                                             | -                            | 5.00                         |
| d. Jan Maadhyam                                                                               | 12.50                        | 5.00                         |
| e. Nav Abhiyan                                                                                | 12.50                        | 5.00                         |
| f. Sankalp Foundation                                                                         | -                            | 5.00                         |
| g. Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project | 1.00                         | 1.00                         |
| h. Chief Minister's Distress Relief Fund AP                                                   | 5.00                         | -                            |
| i. Chief Minister's Distress Relief Fund Kerala                                               | 5.00                         | -                            |
| j. Saint Hardyal Education and Orphan Welfare society for the Project related to orphans.     | 13.88                        | 5.00                         |
| k. Rugmark Foundation for the project related School                                          | 7.50                         | 2.00                         |
| l. Sanitation Drive on Service Lane                                                           | 2.92                         | -                            |
| m. Manju Memorial Charitable Trust                                                            | 17.63                        | -                            |
| n. Bharat Vikas Viklang Nyas                                                                  | -                            | 1.80                         |
| o. Delhi Langar Seva Society                                                                  | 7.50                         | -                            |
| p. Guru Vishram Vridh Ashram                                                                  | -                            | 4.98                         |
|                                                                                               | <b>109.43</b>                | <b>67.96</b>                 |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 46 Segment Reporting

The company has reported segment information as per Indian Accounting Standards-108 "Operating Segments" (IND AS -108). The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker.

| (₹ in Lakhs)                                     |                         |                         |
|--------------------------------------------------|-------------------------|-------------------------|
| Particulars                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Segment Revenue</b>                           |                         |                         |
| Washing machine                                  | 38,064.72               | 28,425.20               |
| Moulding                                         | 14,706.74               | 10,969.10               |
| Other electronics                                | 2,14,217.84             | 1,92,120.06             |
| <b>Total income from operations (Gross)</b>      | <b>2,66,989.30</b>      | <b>2,31,514.36</b>      |
| Less : Inter Segment Revenue                     | 14,412.68               | 9,928.99                |
| <b>Net Income From Operations (Gross)</b>        | <b>2,52,576.62</b>      | <b>2,21,585.37</b>      |
| <b>Segment Results</b>                           |                         |                         |
| Washing machine                                  | 2,283.48                | 1,988.75                |
| Moulding                                         | 1,280.16                | 926.81                  |
| Other electronics                                | 10,383.54               | 8,675.41                |
| <b>Profit/(Loss) before finance cost and tax</b> | <b>13,947.18</b>        | <b>11,590.97</b>        |
| Less: Finance Cost                               | 2,430.16                | 1,250.95                |
| Less: Un-allocable Expenses / (Income)(Net)      | 3,105.58                | 2,107.26                |
| <b>Profit/(Loss) Before Tax</b>                  | <b>8,411.44</b>         | <b>8,232.76</b>         |

| (₹ in Lakhs)               |                         |                         |
|----------------------------|-------------------------|-------------------------|
| Particulars                | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Segment Assets</b>      |                         |                         |
| Washing machine            | 6,650.29                | 7,674.33                |
| Moulding                   | 4,822.29                | 4,511.64                |
| Other electronics          | 90,129.27               | 45,481.00               |
| Unallocated Assets         | 8,735.35                | 9,146.43                |
| <b>Total</b>               | <b>1,10,337.20</b>      | <b>66,813.40</b>        |
| <b>Segment Liabilities</b> |                         |                         |
| Washing machine            | 2,874.55                | 1,304.26                |
| Moulding                   | 1,393.09                | 912.71                  |
| Other electronics          | 53,671.75               | 28,441.00               |
| Unallocated Liabilities    | 16,391.51               | 5,774.13                |
| <b>Total</b>               | <b>74,330.90</b>        | <b>36,432.10</b>        |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investments in associates, investments in joint ventures, other financial assets and current and deferred tax assets.
- all liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

Information about major customers

Revenue from three customers (Previous year two customers) of the Company represented approximately ₹127,802.03 Lakhs (Previous year ₹108,648.16 Lakhs) individually more than 10% of the Company's total revenue.

## NOTES TO **STANDALONE FINANCIAL STATEMENTS**

**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 ₹5999.99 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 2019 | 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                                | 354.24                             | 403.76                         |
| Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility | 886.00                                | 309.04                             | 576.96                         |
| Upgradation of the information technology infrastructure of the Company                                                 | 1,063.00                              | 643.89                             | 419.11                         |
| General corporate purposes (see note 'b' below)                                                                         | 805.00                                | 805.00                             | -                              |
|                                                                                                                         | <b>5,712.00</b>                       | <b>4,312.17</b>                    | <b>1,399.83</b>                |
| IPO Expenses*                                                                                                           | 288.00                                | 288.00                             | -                              |
|                                                                                                                         | <b>6,000.00</b>                       |                                    |                                |

- The company has deposited ₹1,400 lakh in schedule banks as Fixed deposit
- Estimated IPO expenses reduced by ₹54 Lakhs and accordingly expense transferred to General Corporate Expenses.

## **48 Related parties**

### **a. List of related parties**

#### **i. Subsidiary Company**

- Dixon Global Private Limited

#### **ii. Joint Venture Companies**

- Padget Electronic Private Limited
- AIL Dixon Technologies Private Limited

#### **iii. Key Managerial Personnel and their relatives**

- |                              |                                                         |
|------------------------------|---------------------------------------------------------|
| a) Mr. Sunil Vachani         | Chairman                                                |
| b) Mr. Atul B. Lall          | Managing Director+C19                                   |
| c) Mr. Gopal Jagwan          | Chief financial officer (Upto 4 May 2018)               |
| d) Mr. Saurabh Gupta         | Chief financial officer (From 4 May 2018)               |
| e) Mr. Ramesh Chandra Chopra | Non Executive Independent Director (Upto 6 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. 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**

- Dixon Applied Technology Training Institute

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## b. Transactions /balances outstanding with related parties

|                                                  | Subsidiary           |                      |                      |                      | Joint Venture        |                      | KMP and their relatives |                      | Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence |                      | Total                |                      |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                  | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019    | As at 31 March, 2018 | As at 31 March, 2019                                                                                              | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 |
| <b>Particulars</b>                               |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| <b>Transactions during the year</b>              |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| <b>Investment in joint venture</b>               |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 475.00               | 420.00               | -                    | -                    | -                       | -                    | 475.00                                                                                                            | 420.00               | 475.00               | 420.00               |
| <b>Interest income</b>                           |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 5.72                 | -                    | -                    | 22.26                | -                       | -                    | 5.72                                                                                                              | 22.26                | 5.72                 | -                    |
| Mr. Atul B. Lall                                 | -                    | -                    | -                    | -                    | -                    | 20.56                | -                       | -                    | -                                                                                                                 | 20.56                | -                    | -                    |
| Mr. Gopal Jagwan                                 | -                    | -                    | -                    | -                    | -                    | 1.70                 | -                       | -                    | -                                                                                                                 | 1.70                 | -                    | -                    |
| <b>Service charges received</b>                  |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 70.80                | -                    | -                    | -                    | -                       | -                    | 70.80                                                                                                             | -                    | 70.80                | -                    |
| <b>Sale of goods</b>                             |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| Dixon Global Private Limited                     | 2,590.84             | 4,856.12             | 83.81                | 5.40                 | -                    | -                    | -                       | -                    | 2,674.65                                                                                                          | 4,861.52             | 2,674.65             | 4,861.52             |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 82.80                | 5.08                 | -                    | -                    | -                       | -                    | 2,590.84                                                                                                          | 4,856.12             | 2,590.84             | 4,856.12             |
| Padget Electronic Pvt. Limited                   | -                    | -                    | 1.02                 | 0.31                 | -                    | -                    | -                       | -                    | 82.80                                                                                                             | 5.08                 | 82.80                | 5.08                 |
| <b>Purchase of raw material</b>                  |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| Dixon Global Private Limited                     | 58,751.49            | 44,336.13            | 28.27                | 70.38                | -                    | -                    | -                       | -                    | 58,779.76                                                                                                         | 44,406.51            | 58,779.76            | 44,406.51            |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 0.01                 | 68.17                | -                    | -                    | -                       | -                    | 58,751.49                                                                                                         | 44,336.13            | 58,751.49            | 44,336.13            |
| Padget Electronic Private Limited                | -                    | -                    | 28.26                | 2.21                 | -                    | -                    | -                       | -                    | 0.01                                                                                                              | 68.17                | 28.26                | 2.21                 |
| <b>Job Work Charges received</b>                 |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| AIL Dixon Technologies Private Limited           | -                    | -                    | 39.16                | 11.22                | -                    | -                    | -                       | -                    | 39.16                                                                                                             | 11.22                | 39.16                | 11.22                |
| Padget Electronic Private Limited                | -                    | -                    | -                    | 11.22                | -                    | -                    | -                       | -                    | -                                                                                                                 | 11.22                | -                    | -                    |
| <b>Purchase of Property, plant and equipment</b> |                      |                      |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| AIL Dixon Technologies Private Limited           | -                    | 56.38                | 6.93                 | 3.17                 | -                    | -                    | -                       | -                    | 6.93                                                                                                              | 61.40                | 6.93                 | 61.40                |

(₹ in Lakhs)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## b. Transactions /balances outstanding with related parties

|                                                                                            | (₹ in Lakhs)         |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                                            | Subsidiary           |                      | Joint Venture        |                      | KMP and their relatives |                      | Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence |                      | Total                |                      |
| Particulars                                                                                | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019    | As at 31 March, 2018 | As at 31 March, 2019                                                                                              | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 |
| Padget Electronic Private Limited                                                          | -                    | -                    | 6.93                 | 3.17                 | -                       | -                    | -                                                                                                                 | -                    | 6.93                 | 3.17                 |
| Dixon Global Private Limited                                                               | -                    | 56.38                | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | -                    | 56.38                |
| Dixon Applied Technology Training Institute                                                | -                    | -                    | -                    | -                    | -                       | 1.85                 | -                                                                                                                 | -                    | -                    | 1.85                 |
| <b>Sale of Property, plant and equipment</b>                                               | -                    | -                    | <b>0.62</b>          | <b>60.63</b>         | -                       | -                    | -                                                                                                                 | -                    | <b>0.62</b>          | <b>60.63</b>         |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 0.62                 | 42.28                | -                       | -                    | -                                                                                                                 | -                    | 0.62                 | 42.28                |
| Padget Electronic Private Limited                                                          | -                    | -                    | -                    | 18.35                | -                       | -                    | -                                                                                                                 | -                    | -                    | 18.35                |
| <b>Rent Received</b>                                                                       | -                    | <b>0.70</b>          | <b>63.44</b>         | <b>63.03</b>         | -                       | -                    | -                                                                                                                 | -                    | <b>63.44</b>         | <b>63.73</b>         |
| Padget Electronic Private Limited                                                          | -                    | -                    | 63.44                | 63.03                | -                       | -                    | -                                                                                                                 | -                    | 63.44                | 63.03                |
| Dixon Global Private Limited                                                               | -                    | 0.70                 | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | -                    | 0.70                 |
| <b>Surety Bond Given to Custom Department on behalf of the Joint Venture companies</b>     | -                    | -                    | <b>3,000.00</b>      | <b>600.00</b>        | -                       | -                    | -                                                                                                                 | -                    | <b>3,000.00</b>      | <b>600.00</b>        |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 1,400.00             | -                    | -                       | -                    | -                                                                                                                 | -                    | 1,400.00             | -                    |
| Padget Electronic Private Limited                                                          | -                    | -                    | 1,600.00             | 600.00               | -                       | -                    | -                                                                                                                 | -                    | 1,600.00             | 600.00               |
| <b>Bond Given to Custom Department by joint venture companies on behalf of the company</b> | -                    | -                    | <b>100.00</b>        | <b>2,100.00</b>      | -                       | -                    | -                                                                                                                 | -                    | <b>100.00</b>        | <b>2,100.00</b>      |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 100.00               | -                    | -                       | -                    | -                                                                                                                 | -                    | 100.00               | -                    |
| Padget Electronic Private Limited                                                          | -                    | -                    | -                    | 2,100.00             | -                       | -                    | -                                                                                                                 | -                    | -                    | 2,100.00             |
| <b>Loan given</b>                                                                          | -                    | -                    | 200.00               | -                    | -                       | -                    | -                                                                                                                 | -                    | 200.00               | -                    |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 200.00               | -                    | -                       | -                    | -                                                                                                                 | -                    | 200.00               | -                    |
| <b>Corporate guarantee given</b>                                                           | <b>2,000.00</b>      | <b>1,500.00</b>      | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | <b>2,000.00</b>      | <b>1,500.00</b>      |

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## b. Transactions /balances outstanding with related parties

| Particulars                                | Subsidiary           |                      | Joint Venture        |                      | KMP and their relatives |                      | Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence |                      | Total                |                      |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                            | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019    | As at 31 March, 2018 | As at 31 March, 2019                                                                                              | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 |
|                                            | (₹ in Lakhs)         |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| Dixon Global Private Limited               | 2,000.00             | 1,500.00             | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | 2,000.00             | 1,500.00             |
| <b>Director sitting fees</b>               | -                    | -                    | -                    | -                    | 7.10                    | 10.24                | -                                                                                                                 | -                    | 7.10                 | 10.24                |
| Mr. Ramesh Chandra Chopra                  | -                    | -                    | -                    | -                    | 0.30                    | 2.65                 | -                                                                                                                 | -                    | 0.30                 | 2.65                 |
| Mr. Manuji Zarabi                          | -                    | -                    | -                    | -                    | 2.90                    | 3.38                 | -                                                                                                                 | -                    | 2.90                 | 3.38                 |
| Ms. Poornima Shenoy                        | -                    | -                    | -                    | -                    | 1.70                    | 1.43                 | -                                                                                                                 | -                    | 1.70                 | 1.43                 |
| Mr. Manoj Maheshwari                       | -                    | -                    | -                    | -                    | 2.20                    | 2.78                 | -                                                                                                                 | -                    | 2.20                 | 2.78                 |
| <b>Remuneration (including commission)</b> | -                    | -                    | -                    | -                    | 710.12                  | 520.92               | -                                                                                                                 | -                    | 710.12               | 520.92               |
| Mr. Sunil Vachani                          | -                    | -                    | -                    | -                    | 339.22                  | 235.25               | -                                                                                                                 | -                    | 339.22               | 235.25               |
| Mr. Atul B. Lall                           | -                    | -                    | -                    | -                    | 276.37                  | 215.27               | -                                                                                                                 | -                    | 276.37               | 215.27               |
| Mr. Gopal Jagwan                           | -                    | -                    | -                    | -                    | 10.68                   | 70.41                | -                                                                                                                 | -                    | 10.68                | 70.41                |
| Mr. Saurabh Gupta                          | -                    | -                    | -                    | -                    | 54.88                   | -                    | -                                                                                                                 | -                    | 54.88                | -                    |
| Mr. Ramesh Chandra Chopra                  | -                    | -                    | -                    | -                    | 5.00                    | -                    | -                                                                                                                 | -                    | 5.00                 | -                    |
| Mr. Manuji Zarabi                          | -                    | -                    | -                    | -                    | 5.00                    | -                    | -                                                                                                                 | -                    | 5.00                 | -                    |
| Ms. Poornima Shenoy                        | -                    | -                    | -                    | -                    | 5.00                    | -                    | -                                                                                                                 | -                    | 5.00                 | -                    |
| Mr. Manoj Maheshwari                       | -                    | -                    | -                    | -                    | 5.00                    | -                    | -                                                                                                                 | -                    | 5.00                 | -                    |
| Mr. Prithvi Vachani                        | -                    | -                    | -                    | -                    | 8.98                    | -                    | -                                                                                                                 | -                    | 8.98                 | -                    |

Note: The above amounts are inclusive of GST (wherever applicable).

NOTES TO **STANDALONE FINANCIAL STATEMENTS****b. Transactions /balances outstanding with related parties**

|                                                                                        | Subsidiary           |                      | Joint Venture        |                      | KMP and their relatives |                      | Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence |                      | Total                |                      |
|----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Particulars                                                                            | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019    | As at 31 March, 2018 | As at 31 March, 2019                                                                                              | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 |
| <b>Outstanding balances</b>                                                            |                      |                      |                      |                      |                         |                      |                                                                                                                   |                      |                      |                      |
| <b>Trade Payable</b>                                                                   | <b>7,635.07</b>      | <b>289.33</b>        |                      |                      |                         |                      | <b>1.85</b>                                                                                                       | <b>1.85</b>          | <b>7,636.92</b>      | <b>364.45</b>        |
| Dixon Global Private Limited                                                           | 7,635.07             | 289.33               | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | 7,635.07             | 289.33               |
| AIL Dixon Technologies Private Limited                                                 | -                    | -                    | -                    | 73.26                | -                       | -                    | -                                                                                                                 | -                    | -                    | 73.26                |
| Dixon Applied Technology Training Institute                                            | -                    | -                    | -                    | -                    | -                       | -                    | 1.85                                                                                                              | 1.85                 | -                    | 1.85                 |
| <b>Surety Bond Given to Custom Department on behalf of the Joint Venture companies</b> | <b>-</b>             | <b>-</b>             | <b>9,700.00</b>      | <b>6,700.00</b>      | <b>-</b>                | <b>-</b>             | <b>-</b>                                                                                                          | <b>-</b>             | <b>9,700.00</b>      | <b>6,700.00</b>      |
| AIL Dixon Technologies Private Limited                                                 | -                    | -                    | 1,400.00             | -                    | -                       | -                    | -                                                                                                                 | -                    | 1,400.00             | -                    |
| Padget Electronic Private Limited                                                      | -                    | -                    | 8,300.00             | 6,700.00             | -                       | -                    | -                                                                                                                 | -                    | 8,300.00             | 6,700.00             |
| <b>Amount payable for expenses reimbursement</b>                                       | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>0.85</b>             | <b>-</b>             | <b>-</b>                                                                                                          | <b>-</b>             | <b>0.85</b>          | <b>-</b>             |
| Mr. Atul B. Lall                                                                       | -                    | -                    | -                    | -                    | 0.82                    | -                    | -                                                                                                                 | -                    | 0.82                 | -                    |
| Mr. Saurabh Gupta                                                                      | -                    | -                    | -                    | -                    | 0.03                    | -                    | -                                                                                                                 | -                    | 0.03                 | -                    |
| <b>Trade Receivables</b>                                                               | <b>-</b>             | <b>-</b>             | <b>74.32</b>         | <b>0.64</b>          | <b>-</b>                | <b>-</b>             | <b>-</b>                                                                                                          | <b>-</b>             | <b>74.32</b>         | <b>0.64</b>          |
| AIL Dixon Technologies Private Limited                                                 | -                    | -                    | 63.40                | -                    | -                       | -                    | -                                                                                                                 | -                    | 63.40                | -                    |
| Padget Electronic Pvt. Limited                                                         | -                    | -                    | 10.92                | 0.64                 | -                       | -                    | -                                                                                                                 | -                    | 10.92                | 0.64                 |
| <b>Interest accrued but not due</b>                                                    | <b>-</b>             | <b>-</b>             | <b>5.15</b>          | <b>-</b>             | <b>-</b>                | <b>-</b>             | <b>-</b>                                                                                                          | <b>-</b>             | <b>5.15</b>          | <b>-</b>             |
| AIL Dixon Technologies Private Limited                                                 | -                    | -                    | 5.15                 | -                    | -                       | -                    | -                                                                                                                 | -                    | 5.15                 | -                    |
| <b>Loans and Advances Receivables</b>                                                  | <b>-</b>             | <b>-</b>             | <b>200.00</b>        | <b>-</b>             | <b>-</b>                | <b>-</b>             | <b>-</b>                                                                                                          | <b>-</b>             | <b>200.00</b>        | <b>-</b>             |

(₹ in Lakhs)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## b. Transactions /balances outstanding with related parties

| Particulars                                                                                | Subsidiary           |                      | Joint Venture        |                      | KMP and their relatives |                      | Entities over which individuals mentioned in (iii) point above are able to exercise control/significant influence |                      | Total           | (₹ in Lakhs)    |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------|----------------------|-----------------|-----------------|
|                                                                                            | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019 | As at 31 March, 2018 | As at 31 March, 2019    | As at 31 March, 2018 | As at 31 March, 2019                                                                                              | As at 31 March, 2018 |                 |                 |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 200.00               | -                    | -                       | -                    | -                                                                                                                 | -                    | 200.00          | -               |
| <b>Bond Given to Custom Department by joint venture companies on behalf of the company</b> | -                    | <b>320.00</b>        | <b>4,000.00</b>      | <b>5,325.00</b>      | -                       | -                    | -                                                                                                                 | -                    | <b>4,000.00</b> | <b>5,645.00</b> |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 100.00               | -                    | -                       | -                    | -                                                                                                                 | -                    | 100.00          | -               |
| Padget Electronic Private Limited                                                          | -                    | -                    | 3,900.00             | 5,325.00             | -                       | -                    | -                                                                                                                 | -                    | 3,900.00        | 5,325.00        |
| Dixon Global Private Limited                                                               | -                    | 320.00               | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | -               | 320.00          |
| <b>Corporate guarantee</b>                                                                 | <b>7,450.00</b>      | <b>5,450.00</b>      | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | <b>7,450.00</b> | <b>5,450.00</b> |
| Dixon Global Private Limited                                                               | 7,450.00             | 5,450.00             | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | 7,450.00        | 5,450.00        |
| <b>Amount receivable for expenses reimbursement</b>                                        | -                    | -                    | -                    | -                    | <b>0.40</b>             | -                    | -                                                                                                                 | -                    | <b>0.40</b>     | -               |
| Mr. Prithvi Vachani                                                                        | -                    | -                    | -                    | -                    | 0.40                    | -                    | -                                                                                                                 | -                    | 0.40            | -               |
| <b>Investment in equity shares</b>                                                         | <b>100.01</b>        | <b>100.01</b>        | <b>1,700.00</b>      | <b>1,225.00</b>      | -                       | -                    | -                                                                                                                 | -                    | <b>1,800.01</b> | <b>1,325.01</b> |
| Dixon Global Private Limited                                                               | 100.01               | 100.01               | -                    | -                    | -                       | -                    | -                                                                                                                 | -                    | 100.01          | 100.01          |
| AIL Dixon Technologies Private Limited                                                     | -                    | -                    | 950.00               | 475.00               | -                       | -                    | -                                                                                                                 | -                    | 950.00          | 475.00          |
| Padget Electronic Private Limited                                                          | -                    | -                    | 750.00               | 750.00               | -                       | -                    | -                                                                                                                 | -                    | 750.00          | 750.00          |

## NOTES TO **STANDALONE FINANCIAL STATEMENTS**

**49** Ind AS 115 - 'Revenue from contracts with customers' is mandatory for reporting period beginning on or after 1 April, 2018 and has replaced existing Ind AS related thereto. Under the method of retrospective approach, there were no significant adjustments required to be made to the retained earning as at 1 April, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue.

### **50 Subsequent event**

- a. Subject to approval of the shareholders in the ensuring Annual general meeting of the Company, the board of directors has recommended a final dividend of ₹2.00 per equity share of 10 each (20% of nominal value of share) for the financial year 2018-19.
- b. Subsequent to year end on 12 April, 2019 the Company acquired remaining 50% shareholding of Padget Electronics Private Limited, accordingly that the Padget Electronics Private Limited become the wholly owned subsidiary of the Company.
- c. There are no other event observed after the reporting period which have an impact on the Company's operation.

**51** Figures for the previous year have been regrouped / rearranged wherever necessary.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

**For and on behalf of the Board of Directors**

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Sunil Vachani

**Chairman**

Vinesh Jain

Saurabh Gupta

Ashish Kumar

**Partner**

**Chief Financial officer**

**Company Secretary**

Membership No. 087701

Place: Noida

Date: 24 May,2019

# 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 subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2019, 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 subsidiary and joint venture 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 ventures as at 31 March 2019, 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 53 of the consolidated financial statements and 'Emphasis of Matter' paragraph given in statutory auditors reports on the financial statements of the subsidiary Company Padget Electronics Private Limited ("Padget") which is as below:

- a) Tri-party agreements have been entered among Padget, supplier and distributors for setting off Import payables to the suppliers against amount receivable from the distributors amounting to ₹33,331.92 Lakh. In this regard, Padget had filed application dated 3 January, 2019 with The Reserve Bank of India ("RBI") on 17 January, 2019 for approval and the same shall be adjusted in the books of Accounts once the company gets the approval from RBI.
- b) Apart from above, as on 31 March, 2019 there is payable against import to the supplier amounting to ₹8,887.34 Lakh and receivable from distributors amounting to ₹8718.68 Lakh outstanding in the books of accounts for which The Board of Directors in their meeting held on 24 May, 2019 passed resolution for setting of Import payable against amount receivable from distributor and to make an application to the Reserve Bank of India seeking its approval for such set off.

Our opinion is not modified in respect of above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

## Description of the Key audit matter

### Key audit matter

The Group have operating facilities at various locations and based on the various incentive schemes of the respective state Government, the Group are eligible for the incentives.

The Group are 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

### Auditor's response

We have examined the processes and controls relating to recognition and measurement of incentive income. In this connection, we have:

- Reviewed Government schemes and policy relating to incentives of the respective state governments
- Examined registration for the scheme, subsequent departmental orders and regulations issued from time to time.
- Checked the eligibility criteria including investment made by the Company.
- Performed substantive procedures for calculation of eligible amount of incentives and the claims made by the Company.
- Reviewed management assessment for likelihood of recoverability

## Information Other than the 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 Director's Report and Corporate Governance Report, 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 will 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 ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for

assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the 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 ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 one subsidiary and one joint venture included in the consolidated financial statements, whose financial statements reflect total assets of ₹31,445.21 lakhs as at 31 March, 2019, total revenues of ₹35,626.19 lakhs, profit after tax (including other comprehensive income) of ₹593.36 lakhs and net cash outflows amounting to ₹378.93 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 subsidiary and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, 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 subsidiary and joint ventures, 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 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and joint ventures, none of the directors of the Group companies and its jointly controlled companies is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements of the subsidiary and joint venture, the remuneration paid by the Holding Company and its subsidiary and joint ventures 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 subsidiary and joint venture, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures- Refer Note 38(a) to the consolidated financial statements.
- ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts

including derivative 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

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.: 000050N/N500045

Vinesh Jain

**Partner**

Place: Noida

Date: 24 May 2019

Membership No.: 87701

## 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 2019, 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 company and its joint ventures, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary company and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria. 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 company and its joint ventures as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (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(s) 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 ventures 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 company and its joint ventures, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal

financial controls with reference to financial statements were operating effectively as at 31 March 2019, 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 one subsidiary and one joint venture, 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**

Place: Noida

Date: 24 May 2019

Membership No.: 87701

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

|                                                   |          | (₹ in Lakhs)            |                         |
|---------------------------------------------------|----------|-------------------------|-------------------------|
| Particulars                                       | Note No. | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>ASSETS</b>                                     |          |                         |                         |
| <b>Non-current assets</b>                         |          |                         |                         |
| (a) Property, plant and equipment                 | 5        | 23,622.30               | 17,883.49               |
| (b) Capital work-in-progress                      |          | 1,877.07                | 1,254.72                |
| (c) Intangible assets                             | 6        | 472.05                  | 21.39                   |
| (d) Intangible assets under development           |          | -                       | 338.87                  |
| (e) Financial assets                              |          |                         |                         |
| i. Trade receivables                              | 7        | 14,822.75               | 223.45                  |
| ii. Other financial assets                        | 8        | 539.99                  | 24.53                   |
| (f) Deferred tax assets (Net)                     | 37       | 159.75                  | -                       |
| (g) Other non-current assets                      | 9        | 812.92                  | 1,383.43                |
|                                                   |          | <b>42,306.83</b>        | <b>21,129.88</b>        |
| <b>Current assets</b>                             |          |                         |                         |
| (a) Inventories                                   | 10       | 40,835.78               | 32,234.01               |
| (b) Financial assets                              |          |                         |                         |
| i. Investments                                    | 17       | 760.55                  | 1,111.69                |
| ii. Trade receivables                             | 11       | 51,674.37               | 29,850.49               |
| iii. Cash and cash equivalents                    | 12       | 1,442.70                | 1,266.72                |
| iv. Bank balances other than note 'iii. Above     | 13       | 2,229.44                | 3,145.73                |
| v. Other financial assets                         | 14       | 2,017.96                | 1,661.10                |
| (c) Other current assets                          | 15       | 7,942.27                | 6,154.33                |
| (d) Current tax assets                            | 16       | 34.56                   | -                       |
|                                                   |          | <b>1,06,937.63</b>      | <b>75,424.07</b>        |
| <b>TOTAL ASSETS</b>                               |          | <b>1,49,244.46</b>      | <b>96,553.95</b>        |
| <b>EQUITY AND LIABILITIES</b>                     |          |                         |                         |
| <b>Equity</b>                                     |          |                         |                         |
| (a) Equity share capital                          | 18       | 1,132.51                | 1,132.51                |
| (b) Other equity                                  | 19       | 36,689.27               | 30,364.94               |
|                                                   |          | 37,821.78               | 31,497.45               |
| <b>Liabilities</b>                                |          |                         |                         |
| <b>Non-Current Liabilities</b>                    |          |                         |                         |
| (a) Financial liabilities:                        |          |                         |                         |
| i. Borrowings                                     | 20       | 614.49                  | 800.13                  |
| ii. Trade Payables                                | 24       | 15,788.80               | -                       |
| (b) Provisions                                    | 21       | 463.14                  | 362.40                  |
| (c) Deferred tax liabilities (net)                | 37       | 1,598.46                | 407.17                  |
| (d) Other non-current liabilities                 | 22       | 52.49                   | -                       |
|                                                   |          | <b>18,517.38</b>        | <b>1,569.70</b>         |
| <b>Current Liabilities</b>                        |          |                         |                         |
| (a) Financial liabilities:                        |          |                         |                         |
| i. Borrowings                                     | 23       | 12,994.37               | 3,264.27                |
| ii. Trade payables                                | 24       |                         |                         |
| - Outstanding dues of Micro and small enterprises |          | 2,488.44                | 1,305.58                |
| - Outstanding dues of others                      |          | 71,480.03               | 50,168.53               |
| iii. Other financial liabilities                  | 25       | 2,194.02                | 1,137.95                |
| (b) Other current liabilities                     | 26       | 2,818.17                | 6,849.74                |
| (c) Provisions                                    | 27       | 332.87                  | 381.68                  |
| (d) Current tax liabilities                       | 28       | 597.40                  | 379.05                  |
|                                                   |          | <b>92,905.30</b>        | <b>63,486.80</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |          | <b>1,49,244.46</b>      | <b>96,553.95</b>        |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May 2019

**For and on behalf of the Board of Directors**

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ in Lakhs unless otherwise stated)

| Particulars                                                                       | Note No. | For the year ended 31 March, 2019 | For the year ended 31 March, 2018 |
|-----------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>INCOME</b>                                                                     |          |                                   |                                   |
| 1 Revenue from operations                                                         | 29       | 2,98,444.62                       | 2,85,339.14                       |
| 2 Other income                                                                    | 30       | 563.40                            | 417.47                            |
| 3 <b>Total income (1+2)</b>                                                       |          | <b>2,99,008.02</b>                | <b>2,85,756.61</b>                |
| <b>EXPENSES</b>                                                                   |          |                                   |                                   |
| (a) Cost of materials consumed                                                    | 31       | 2,59,461.34                       | 2,54,536.15                       |
| (b) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 32       | 1,465.58                          | (3,498.27)                        |
| (c) Employee benefits expense                                                     | 33       | 8,387.16                          | 7,275.05                          |
| (d) Excise duty                                                                   |          | -                                 | 1,175.72                          |
| (e) Finance costs                                                                 | 34       | 2,503.59                          | 1,277.87                          |
| (f) Depreciation and amortisation expense                                         | 35       | 2,165.25                          | 1,518.24                          |
| (g) Other expenses                                                                | 36       | 15,643.84                         | 14,648.69                         |
| <b>Total expenses (4)</b>                                                         |          | <b>2,89,626.76</b>                | <b>2,76,933.45</b>                |
| 5 Profit before exceptional items and tax (3-4)                                   |          | 9,381.26                          | 8,823.16                          |
| 6 Exceptional items                                                               |          | -                                 | -                                 |
| 7 <b>Profit before tax (5-6)</b>                                                  |          | <b>9,381.26</b>                   | <b>8,823.16</b>                   |
| 8 Tax expenses:                                                                   | 37       |                                   |                                   |
| (a) Current tax                                                                   |          | 2,442.55                          | 2,411.93                          |
| (b) Deferred tax                                                                  |          | 526.84                            | 366.34                            |
| (c) Mat credit entitlement                                                        |          | (15.95)                           | -                                 |
| (d) Income tax for earlier years (net)                                            |          | 92.01                             | (45.19)                           |
| <b>Tax expense (8)</b>                                                            |          | <b>3,045.45</b>                   | <b>2,733.08</b>                   |
| 9 <b>Profit for the year (7-8)</b>                                                |          | <b>6,335.81</b>                   | <b>6,090.08</b>                   |
| 10 <b>Other Comprehensive Income ('OCI')</b>                                      |          |                                   |                                   |
| (a) Items that will not be reclassified to profit or loss                         |          | (10.30)                           | (17.23)                           |
| (b) Income tax relating to items that will not be reclassified to profit or loss  |          | 3.59                              | 5.96                              |
| <b>Other Comprehensive Income for the Year (Net of Tax)</b>                       |          | <b>(6.71)</b>                     | <b>(11.27)</b>                    |
| 11 <b>Total Comprehensive Income for the Year (9+10)</b>                          |          | <b>6,329.10</b>                   | <b>6,078.81</b>                   |
| 12 <b>Earnings per share</b>                                                      | 42       |                                   |                                   |
| (Nominal value of share ₹10)                                                      |          |                                   |                                   |
| (a) Basic                                                                         |          | 55.94                             | 54.51                             |
| (b) Diluted                                                                       |          | 55.14                             | 54.51                             |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May 2019

**For and on behalf of the Board of Directors**

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED 31 MARCH, 2019

**a. Equity share capital**

| Particulars                                   | (₹ in Lakhs)    |
|-----------------------------------------------|-----------------|
| <b>Balance as at 1 April 2017</b>             | <b>1,098.53</b> |
| Add: Shares issued under Initial Public Offer | 33.98           |
| <b>Balance as at 31 March 2018</b>            | <b>1,132.51</b> |
| Add: Changes during the year                  | -               |
| <b>Balance as at 31 March 2019</b>            | <b>1,132.51</b> |

**b. Other equity**

| Particulars                                            | Reserve and surplus |                    |                            |                          | Other Comprehensive Income | Total            |
|--------------------------------------------------------|---------------------|--------------------|----------------------------|--------------------------|----------------------------|------------------|
|                                                        | General Reserve     | Securities Premium | Capital Redemption Reserve | Share Option Outstanding | Retained Earnings          | ₹ / Lakh         |
| <b>Balance as at 1 April, 2017</b>                     | <b>703.36</b>       | <b>3,922.19</b>    | <b>33.24</b>               | <b>-</b>                 | <b>13,993.83</b>           | <b>18,608.30</b> |
| Profit for the year                                    | -                   | -                  | -                          | -                        | 6,090.08                   | 6,090.08         |
| Premium on issue of shares                             | -                   | 5,966.01           | -                          | -                        | -                          | 5,966.01         |
| Expenses of initial public offer                       | -                   | (288.18)           | -                          | -                        | -                          | (288.18)         |
| Remeasurement Gain/(Loss) on actuarial valuation (net) | -                   | -                  | -                          | -                        | (11.27)                    | (11.27)          |
| <b>Balance as at 31 March, 2018</b>                    | <b>703.36</b>       | <b>9,600.02</b>    | <b>33.24</b>               | <b>-</b>                 | <b>(55.59)</b>             | <b>30,364.94</b> |

# CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED 31 MARCH, 2019

| Particulars                                                | Reserve and surplus |                    |                            |                          |                   | Other Comprehensive Income             | Total            |
|------------------------------------------------------------|---------------------|--------------------|----------------------------|--------------------------|-------------------|----------------------------------------|------------------|
|                                                            | General Reserve     | Securities Premium | Capital Redemption Reserve | Share Option Outstanding | Retained Earnings | Remeasurement of Defined Benefit Plans | ₹ / Lakh         |
| Profit for the year                                        | -                   | -                  | -                          | -                        | 6,335.81          | -                                      | 6,335.81         |
| Dividend paid                                              | -                   | -                  | -                          | -                        | (226.50)          | -                                      | (226.50)         |
| Dividend distribution tax                                  | -                   | -                  | -                          | -                        | (46.56)           | -                                      | (46.56)          |
| Share options expenses for the year                        | -                   | -                  | -                          | 264.26                   | -                 | -                                      | 264.26           |
| Reversal of provision for expenses of initial public offer | -                   | 4.03               | -                          | -                        | -                 | -                                      | 4.03             |
| Remeasurement Gain/(Loss) on actuarial valuation (net)     | -                   | -                  | -                          | -                        | -                 | (6.71)                                 | (6.71)           |
| <b>Balance as at 31 March, 2019</b>                        | <b>703.36</b>       | <b>9,604.05</b>    | <b>33.24</b>               | <b>264.26</b>            | <b>26,146.66</b>  | <b>(62.30)</b>                         | <b>36,689.27</b> |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For and on behalf of the Board of Directors**

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N5000045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May, 2019

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

| Particulars                                                       | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A. Cash flow from operating activities</b>                     |                                      |                                      |
| Profit before tax                                                 | 9,381.26                             | 8,823.16                             |
| <b>Adjustments for :</b>                                          |                                      |                                      |
| Depreciation and amortisation expense                             | 2,165.25                             | 1,518.24                             |
| Finance costs                                                     | 2,503.59                             | 1,277.87                             |
| Loss on sale of property, plant and equipment                     | -                                    | 18.24                                |
| Profit on sale of property, plant and equipment                   | (10.42)                              | -                                    |
| Gain /Loss on Exchange fluctuation on borrowings                  | 21.16                                | 23.77                                |
| Provision for impairment of property, plant and equipment         | -                                    | 56.21                                |
| Provision for doubtful debts / loans and advances written back    | (36.07)                              | -                                    |
| Excess liabilities, credit balances, provisions etc. written back | (32.42)                              | (56.41)                              |
| Provision for doubtful debts / loans and advances                 | 24.70                                | 97.58                                |
| Share based payment of employees                                  | 264.26                               | -                                    |
| Bad debts write off                                               | 239.65                               | 18.66                                |
| Gain on mutual funds                                              | (33.94)                              | (11.69)                              |
| Interest income                                                   | (216.06)                             | (251.17)                             |
|                                                                   | <b>14,270.96</b>                     | <b>11,514.46</b>                     |
| <b>Changes in working capital</b>                                 |                                      |                                      |
| Adjustments for (increase) / decrease in operating assets:        |                                      |                                      |
| Inventories                                                       | (8,601.77)                           | (4,014.30)                           |
| Trade receivables                                                 |                                      |                                      |
| - non current                                                     | (14,599.31)                          | -                                    |
| - current                                                         | (22,052.16)                          | (2,169.76)                           |
| Other financial assets                                            |                                      |                                      |
| - non current                                                     | (515.46)                             | 14.75                                |
| - current                                                         | (356.86)                             | (136.58)                             |
| Other assets                                                      |                                      |                                      |
| - non current                                                     | 422.45                               | (201.31)                             |
| - current                                                         | (1,787.94)                           | (3,198.03)                           |
| Adjustments for increase / (decrease) in operating liabilities:   |                                      |                                      |
| Trade payables                                                    |                                      |                                      |
| - non current                                                     | 15,788.80                            | -                                    |
| - current                                                         | 22,530.81                            | 1,230.01                             |
| Provisions                                                        |                                      |                                      |
| - non current                                                     | 90.44                                | 45.50                                |
| - current                                                         | (48.81)                              | 96.92                                |
| Other liabilities                                                 |                                      |                                      |
| - non current                                                     | 52.49                                | -                                    |
| - current                                                         | (4,031.57)                           | 5,577.17                             |
| Other financial liabilities                                       | 358.09                               | 38.89                                |
| <b>Cash generated from operating activities</b>                   | <b>1,520.16</b>                      | <b>8,797.72</b>                      |
| Current taxes paid (net)                                          | (1,826.52)                           | (2,009.60)                           |
| <b>Net cash generated from/(used in) operating activities</b>     | <b>(306.36)</b>                      | <b>6,788.12</b>                      |

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2019

(₹ in Lakhs)

| Particulars                                                         | For the year ended<br>31 March, 2019 | For the year ended<br>31 March, 2018 |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>B. Cash flow from investing activities</b>                       |                                      |                                      |
| Capital expenditure on property, plant and equipment                | (8,061.23)                           | (7,581.86)                           |
| Sale proceeds of property, plant and equipment                      | 164.60                               | 342.47                               |
| Purchase of investments                                             | (760.55)                             | -                                    |
| Sale of investments                                                 | 1,111.69                             | (1,111.69)                           |
| Income from mutual funds                                            | 33.94                                | 11.69                                |
| Other bank balances increase /(decrease)                            | 916.29                               | (1,883.83)                           |
| Interest income received                                            | 216.06                               | 251.16                               |
| <b>Net cash generated from/(used in) investing activities</b>       | <b>(6,379.20)</b>                    | <b>(9,972.06)</b>                    |
| <b>C. Cash flow from financing activities</b>                       |                                      |                                      |
| Interest paid                                                       | (2,505.65)                           | (1,277.87)                           |
| Issue of share capital                                              | -                                    | 5,711.80                             |
| Proceeds from Non current borrowings                                | 279.84                               | -                                    |
| Repayment of Non current borrowings                                 | (369.69)                             | (188.87)                             |
| Proceeds / (repayment) of short term borrowings                     | 9,730.10                             | (65.85)                              |
| Dividend paid                                                       | (226.50)                             | -                                    |
| Payment of dividend distribution tax                                | (46.56)                              | -                                    |
| <b>Net cash generated from/(used in) financing activities</b>       | <b>6,861.54</b>                      | <b>4,179.21</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>175.98</b>                        | <b>995.27</b>                        |
| Cash and cash equivalents at the beginning of the year              | 1,266.72                             | 271.45                               |
| <b>Cash and cash equivalents at the end of year</b>                 | <b>1,442.70</b>                      | <b>1,266.72</b>                      |

**Notes:**

- 1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
- 2) Figures in brackets indicate cash outflow.
- 3) Figures for the previous year have been regrouped wherever considered necessary.
- 4) Current taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For S. N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No. 000050N/N500045

Vinesh Jain

**Partner**

Membership No. 087701

Place: Noida

Date: 24 May 2019

**For and on behalf of the Board of Directors**

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**

# 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 one wholly owned Subsidiary Company namely ""Dixon Global Private Limited"" and two Joint Venture companies namely ""Padget Electronics Private Limited and ""AIL Dixon Technologies Private Limited"". The Parent Company, its subsidiary and Joint Venture companies together referred as "the Group".

## 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, 2019 have been approved by the Board of Directors in their meeting held on 24 May, 2019.

### 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

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

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.

## **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.

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

## **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 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 reviews 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

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

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.

## **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**

### **Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

For arrangements entered prior to the date of transition, the Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

## **Group as lessor**

### **Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

### **Operating Lease**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Group with expected inflationary costs.

## **Group as Lessee**

### **Finance Lease**

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

### **Operating Lease**

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to Statement

of Profit and Loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Group with expected inflationary costs.

## **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

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

## **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 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

#### 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.

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

- 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.

## **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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

### Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

### Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 2.20 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 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.

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

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.

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 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 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.

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

## 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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-Financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorized within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## 3 Standards issued but not yet effective

New Accounting pronouncements affecting amounts reported and /or Ind AS disclosures in the consolidated financial statements.

The following revisions to Ind ASs that have been issued but are not yet effective. The Group is evaluating the impact of these pronouncements on the financial statements:

### i. Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Group is currently evaluating the effect of this amendment on the financial statements."

### ii. Ind AS 12 Appendix C -

#### Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group is currently evaluating the effect of this amendment on the financial statements.

### iii. Amendment to Ind AS 12 - Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income

## NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

### **4 Significant Judgements and Key sources of Estimation in applying Accounting Policies**

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial statements is included in the following notes:

- a. Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- b. Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- c. Classification of Leases: The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- d. Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning

future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

- e. Provisions and Contingencies: The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- 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

|                                                | Land<br>free hold                   | Land<br>lease<br>hold                   | Office<br>buildings | Factory<br>buildings | Electric<br>installations | Plant and<br>machinery | Tools<br>and dies | Fan,<br>coolers, air<br>conditioners<br>etc. | Office<br>equipment | Furniture<br>and<br>fixtures | Vehicles      | Computers     | Total            |
|------------------------------------------------|-------------------------------------|-----------------------------------------|---------------------|----------------------|---------------------------|------------------------|-------------------|----------------------------------------------|---------------------|------------------------------|---------------|---------------|------------------|
|                                                | ₹ / Lakh<br>(see note<br>'i' below) | ₹ / Lakh<br>(see<br>note 'ii'<br>below) | ₹ / Lakh            | ₹ / Lakh             | ₹ / Lakh                  | ₹ / Lakh               | ₹ / Lakh          | ₹ / Lakh                                     | ₹ / Lakh            | ₹ / Lakh                     | ₹ / Lakh      | ₹ / Lakh      | ₹ / Lakh         |
| <b>At cost or deemed cost</b>                  |                                     |                                         |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| Balance as at 31 March, 2017                   | 365.92                              | 651.72                                  | 347.97              | 3,350.45             | 373.01                    | 6,691.81               | 1,135.42          | 239.09                                       | 101.25              | 756.43                       | 439.84        | 248.98        | 14,701.89        |
| Additions                                      | -                                   | -                                       | -                   | 1,126.58             | 212.46                    | 3,412.75               | 835.01            | 76.53                                        | 71.33               | 204.04                       | 99.67         | 131.55        | 6,169.92         |
| Disposals                                      | -                                   | -                                       | -                   | 15.69                | -                         | 172.11                 | 191.53            | -                                            | -                   | 14.76                        | -             | 0.34          | 394.43           |
| <b>Balance as at 31 March, 2018</b>            | <b>365.92</b>                       | <b>651.72</b>                           | <b>347.97</b>       | <b>4,461.34</b>      | <b>585.47</b>             | <b>9,932.45</b>        | <b>1,778.90</b>   | <b>315.62</b>                                | <b>172.58</b>       | <b>945.71</b>                | <b>539.51</b> | <b>380.19</b> | <b>20,477.38</b> |
| 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           |
| <b>Balance as at 31 March, 2019</b>            | <b>365.92</b>                       | <b>651.72</b>                           | <b>477.39</b>       | <b>4,898.52</b>      | <b>727.00</b>             | <b>15,450.59</b>       | <b>2,339.85</b>   | <b>377.05</b>                                | <b>260.84</b>       | <b>1,594.12</b>              | <b>553.52</b> | <b>562.25</b> | <b>28,258.77</b> |
| <b>Accumulated depreciation and impairment</b> |                                     |                                         |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>i. Accumulated depreciation</b>             |                                     |                                         |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| Balance as at 31 March, 2017                   | -                                   | 7.89                                    | 6.48                | 122.50               | 40.68                     | 535.59                 | 74.31             | 44.18                                        | 17.98               | 71.25                        | 68.40         | 63.03         | 1,052.29         |
| Charge for the Year                            | -                                   | 7.89                                    | 5.26                | 132.82               | 56.19                     | 789.00                 | 176.41            | 62.17                                        | 23.87               | 89.02                        | 69.41         | 100.15        | 1,512.19         |
| Disposals                                      | -                                   | -                                       | -                   | 0.51                 | -                         | 24.85                  | 6.08              | -                                            | -                   | 2.26                         | -             | 0.14          | 33.84            |
| <b>Balance as at 31 March, 2018</b>            | <b>-</b>                            | <b>15.78</b>                            | <b>11.74</b>        | <b>254.81</b>        | <b>96.87</b>              | <b>1,299.74</b>        | <b>244.64</b>     | <b>106.35</b>                                | <b>41.85</b>        | <b>158.01</b>                | <b>137.81</b> | <b>163.04</b> | <b>2,530.64</b>  |
| 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            |
| <b>Balance as at 31 March, 2019</b>            | <b>-</b>                            | <b>23.67</b>                            | <b>18.22</b>        | <b>430.74</b>        | <b>170.25</b>             | <b>2,414.28</b>        | <b>445.16</b>     | <b>180.35</b>                                | <b>88.05</b>        | <b>295.51</b>                | <b>211.27</b> | <b>295.72</b> | <b>4,573.22</b>  |
| <b>ii. Impairment Losses</b>                   |                                     |                                         |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| Balance as at 31 March, 2017                   | -                                   | -                                       | -                   | -                    | -                         | 0.59                   | 6.45              | -                                            | -                   | -                            | -             | -             | 7.04             |
| Additions                                      | -                                   | -                                       | -                   | -                    | -                         | 56.21                  | -                 | -                                            | -                   | -                            | -             | -             | 56.21            |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

|                                         | Land<br>free hold                   | Land<br>lease<br>hold                   | Office<br>buildings | Factory<br>buildings | Electric<br>installations | Plant and<br>machinery | Tools<br>and dies | Fan,<br>coolers, air<br>conditioners<br>etc. | Office<br>equipment | Furniture<br>and<br>fixtures | Vehicles      | Computers     | Total            |
|-----------------------------------------|-------------------------------------|-----------------------------------------|---------------------|----------------------|---------------------------|------------------------|-------------------|----------------------------------------------|---------------------|------------------------------|---------------|---------------|------------------|
|                                         | ₹ / Lakh<br>(see note<br>'i' below) | ₹ / Lakh<br>(see<br>note 'ii'<br>below) | ₹ / Lakh            | ₹ / Lakh             | ₹ / Lakh                  | ₹ / Lakh               | ₹ / Lakh          | ₹ / Lakh                                     | ₹ / Lakh            | ₹ / Lakh                     | ₹ / Lakh      | ₹ / Lakh      | ₹ / Lakh         |
| Disposals                               | -                                   | -                                       | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| <b>Balance as at 31<br/>March, 2018</b> | -                                   | -                                       | -                   | -                    | -                         | <b>56.80</b>           | <b>6.45</b>       | -                                            | -                   | -                            | -             | -             | <b>63.25</b>     |
| Additions                               | -                                   | -                                       | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| Disposals                               | -                                   | -                                       | -                   | -                    | -                         | -                      | -                 | -                                            | -                   | -                            | -             | -             | -                |
| <b>Balance as at 31<br/>March, 2019</b> | -                                   | -                                       | -                   | -                    | -                         | <b>56.80</b>           | <b>6.45</b>       | -                                            | -                   | -                            | -             | -             | <b>63.25</b>     |
| <b>Net carrying amount</b>              |                                     |                                         |                     |                      |                           |                        |                   |                                              |                     |                              |               |               |                  |
| <b>As at 31 March, 2018</b>             | <b>365.92</b>                       | <b>635.94</b>                           | <b>336.23</b>       | <b>4,206.53</b>      | <b>488.60</b>             | <b>8,575.91</b>        | <b>1,527.81</b>   | <b>209.27</b>                                | <b>130.73</b>       | <b>787.70</b>                | <b>401.70</b> | <b>217.15</b> | <b>17,883.49</b> |
| <b>As at 31 March, 2019</b>             | <b>365.92</b>                       | <b>628.05</b>                           | <b>459.17</b>       | <b>4,467.78</b>      | <b>556.75</b>             | <b>12,979.51</b>       | <b>1,888.24</b>   | <b>196.70</b>                                | <b>172.79</b>       | <b>1298.61</b>               | <b>342.25</b> | <b>266.53</b> | <b>23,622.30</b> |

## Notes:

- 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, Uttrakhand 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'). Hon'ble Nainital High Court and Hon'ble Supreme 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 and Hon'ble Supreme 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 2019 is ₹1477.78 Lakhs.
- Leasehold land is at 99 year lease.
- The information of the assets pledge as security refer note 20, 23 and 39.

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****6 Intangible assets**

|                                     |  | (₹ in Lakhs)             |
|-------------------------------------|--|--------------------------|
| Particulars                         |  | <b>Computer Software</b> |
| At cost or deemed cost              |  |                          |
| <b>Balance as at 31 March, 2017</b> |  | 18.21                    |
| Additions                           |  | 14.00                    |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2018</b> |  | <b>32.21</b>             |
| Additions                           |  | 545.28                   |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2019</b> |  | <b>577.49</b>            |
| <b>Accumulated amortisation</b>     |  |                          |
| <b>Impairment Losses</b>            |  |                          |
| Balance as at 31 March, 2017        |  | 4.77                     |
| Charge for the year                 |  | 6.05                     |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2018</b> |  | <b>10.82</b>             |
| Charge for the year                 |  | 94.62                    |
| Disposals                           |  | -                        |
| <b>Balance as at 31 March, 2019</b> |  | <b>105.44</b>            |
| Net carrying amount                 |  |                          |
| <b>At 31 March, 2018</b>            |  | <b>21.39</b>             |
| <b>At 31 March, 2019</b>            |  | <b>472.05</b>            |

**7 Trade receivables**

|                               |                                | (₹ in Lakhs)                   |
|-------------------------------|--------------------------------|--------------------------------|
| Particulars                   | <b>As at<br/>31 March 2019</b> | <b>As at<br/>31 March 2018</b> |
| Trade receivables             |                                |                                |
| i. Unsecured, considered good | 14,822.75                      | 223.45                         |
|                               | <b>14,822.75</b>               | <b>223.45</b>                  |

**8 Other non current financial assets**

|                                                       |                                 | (₹ in Lakhs)                    |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| Particulars                                           | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| a. Amount paid under protest to government department | 210.15                          | -                               |
| b. Security deposits                                  | 329.84                          | 24.53                           |
|                                                       | <b>539.99</b>                   | <b>24.53</b>                    |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 9 Other non-current assets

| (₹ in Lakhs)                                          |                         |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                           | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Capital advances                                   | 812.92                  | 960.98                  |
| b. Amount paid under protest to government department | -                       | 232.10                  |
| c. Other advances                                     |                         |                         |
| - consider good                                       | -                       | 190.35                  |
| - considered doubtful                                 | 14.72                   | 14.72                   |
| Less : Provision for doubtful advances                | (14.72)                 | (14.72)                 |
|                                                       | -                       | <b>190.35</b>           |
|                                                       | <b>812.92</b>           | <b>1,383.43</b>         |

## 10 Inventories

(Lower of cost and net realisable value)

| (₹ in Lakhs)                                |                         |                         |
|---------------------------------------------|-------------------------|-------------------------|
| Particulars                                 | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Raw materials and packing materials etc. |                         |                         |
| -in stock                                   | 27,552.96               | 20,764.04               |
| - in transit                                | 3,612.23                | 395.31                  |
| b. Work-in-progress                         | 7,191.64                | 5,033.10                |
| c. Scrap                                    | 61.51                   | -                       |
| d. Finished goods                           | 2,417.44                | 6,041.56                |
|                                             | <b>40,835.78</b>        | <b>32,234.01</b>        |

## 11 Trade receivables

| (₹ in Lakhs)                             |                         |                         |
|------------------------------------------|-------------------------|-------------------------|
| Particulars                              | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Trade receivables                        |                         |                         |
| i. Unsecured, considered good            | 51,674.37               | 29,850.49               |
| ii. Unsecured, consider doubtful         | 363.67                  | 399.74                  |
|                                          | <b>52,038.04</b>        | <b>30,250.23</b>        |
| Less: Provision for doubtful receivables | 363.67                  | 399.74                  |
|                                          | <b>51,674.37</b>        | <b>29,850.49</b>        |

## 12 Cash and cash equivalents

| (₹ in Lakhs)           |                         |                         |
|------------------------|-------------------------|-------------------------|
| Particulars            | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Balances with banks | 1,411.21                | 1,217.95                |
| b. Cash in hand        | 31.49                   | 48.77                   |
|                        | <b>1,442.70</b>         | <b>1,266.72</b>         |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 13 Bank balances other than note 12 above

| Particulars                                                                 | (₹ in Lakhs)            |                         |
|-----------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                             | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Balance in unpaid dividend account                                       | 0.12                    | -                       |
| b. Fixed deposit with banks (held as margin money against letter of credit) | 2,229.32                | 3,145.73                |
|                                                                             | <b>2,229.44</b>         | <b>3,145.73</b>         |

## 14 Other financial assets

| Particulars                                                                                          | (₹ in Lakhs)            |                         |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Security deposits                                                                                 | 134.61                  | 419.46                  |
| b. Advances to employees                                                                             | 87.51                   | 60.74                   |
| c. Amount receivables from government authorities<br>(Incentive receivables and refund recoverables) | 1,795.84                | 989.19                  |
| d. Other receivables                                                                                 | -                       | 191.71                  |
|                                                                                                      | <b>2,017.96</b>         | <b>1,661.10</b>         |

## 15 Other current assets

| Particulars                                                                                                       | (₹ in Lakhs)            |                         |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Balance with Government Authorities<br>(Goods and services tax, sales tax, custom duty, export incentive etc.) | 6,716.78                | 4,940.26                |
| b. Advances to suppliers                                                                                          | 990.86                  | 1,086.24                |
| c. Prepaid expenses                                                                                               | 234.63                  | 127.83                  |
|                                                                                                                   | <b>7,942.27</b>         | <b>6,154.33</b>         |

## 16 Current tax assets

| Particulars                 | (₹ in Lakhs)            |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| i. Advance income tax (net) | 34.56                   | -                       |
|                             | <b>34.56</b>            | <b>-</b>                |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 17 Investments (current)

| Particulars                                                                                         | (₹ in Lakhs)            |                         |
|-----------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                     | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Investments in mutual funds<br>(Fair value through profit and loss)                              |                         |                         |
| i. HDFC Arbitrage Fund<br>(As at 31 March, 2019: Nil (As at 31 March, 2018: 4,837,619 units)        | -                       | 509.06                  |
| ii. Reliance Arbitrage Fund<br>(As at 31 March, 2019: Nil (As at 31 March, 2018: 3,293,428 units)   | -                       | 602.63                  |
| iii. Aditya Birla Liquid Fund<br>(As at 31 March, 2019: 3,293,428 units (As at 31 March, 2018: Nil) | 508.78                  | -                       |
| iv. HDFC Liquid Fund<br>(As at 31 March, 2019: 6,878 units (As at 31 March, 2018: Nil)              | 251.77                  |                         |
|                                                                                                     | <b>760.55</b>           | <b>1,111.69</b>         |
| Aggregate book value of unquoted investments                                                        | 760.55                  | 1,111.69                |
| Aggregate market value of unquoted investments                                                      | 760.55                  | 1,111.69                |

## 18 Equity share capital

| Particulars                                                | As at<br>31 March 2019 |                 | As at<br>31 March 2018 |                 |
|------------------------------------------------------------|------------------------|-----------------|------------------------|-----------------|
|                                                            | No of shares           | ₹ / Lakh        | No of shares           | ₹ / Lakh        |
| <b>Authorised</b>                                          |                        |                 |                        |                 |
| Equity shares of ₹10/-each                                 | 2,60,00,000            | 2,600.00        | 2,60,00,000            | 2,600.00        |
| <b>Issued, subscribed and paid-up</b>                      |                        |                 |                        |                 |
| Equity shares of ₹10/- each fully paid up                  | 1,13,25,091            | 1,132.51        | 1,13,25,091            | 1,132.51        |
|                                                            | <b>1,13,25,091</b>     | <b>1,132.51</b> | <b>1,13,25,091</b>     | <b>1,132.51</b> |
| <b>a. Reconciliation of equity shares</b>                  |                        |                 |                        |                 |
| Balance as at the beginning of the year                    | 1,13,25,091            | 1,132.51        | 1,09,85,341            | 1,098.53        |
| Add: shares issued during the year                         | -                      | -               | -                      | -               |
| Shares issued under initial public offer (refer (g) below) | -                      | -               | 3,39,750               | 33.98           |
| <b>Balance as at the end of the year</b>                   | <b>1,13,25,091</b>     | <b>1,132.51</b> | <b>1,13,25,091</b>     | <b>1,132.51</b> |

### 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## c. Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

| Particulars                              | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------------------------|-------------------------|-------------------------|
| Mr. Sunil Vachani                        |                         |                         |
| No's of shares                           | 41,96,208               | 41,96,208               |
| (In %)                                   | 37.05%                  | 37.05%                  |
| Mrs. Kamla Vachani                       |                         |                         |
| No's of shares                           | 10,64,144               | 10,64,144               |
| (In %)                                   | 9.40%                   | 9.40%                   |
| SBI Magnum Global fund                   |                         |                         |
| No's of shares                           | 11,01,369               | -                       |
| (In %)                                   | 9.73%                   | 0.00%                   |
| Reliance Capital Trustee Company Limited |                         |                         |
| A/C reliance growth fund                 |                         |                         |
| No's of shares                           | 8,41,488                | -                       |
| (In %)                                   | 7.43%                   | 0.00%                   |

- d. 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.

## e. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date

The Company has allotted 6,277,337 fully paid up shares of face value ₹10 each during the year ended 31 March 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held.

## f. Share holding pattern with respect of Holding or ultimate Holding company

The company doesn't have any Holding or ultimate Holding company.

## g. Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31 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.

## h. 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<br>31 March, 2019 | As at<br>31 March, 2018 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| a. General reserve                                                   | 703.36                  | 703.36                  |
| b. Securities premium                                                | 9,604.05                | 9,600.02                |
| c. Capital redemption reserve                                        | 33.24                   | 33.24                   |
| d. Other comprehensive income                                        | (62.30)                 | (55.59)                 |
| e. Share option outstanding account                                  | 264.26                  | -                       |
| f. Retained earnings                                                 | 26,146.66               | 20,083.91               |
|                                                                      | <b>36,689.27</b>        | <b>30,364.94</b>        |
| <b>a. General reserve-</b>                                           |                         |                         |
| Opening balance                                                      | 703.36                  | 703.36                  |
| <b>Closing balance</b>                                               | <b>703.36</b>           | <b>703.36</b>           |
| <b>b. Securities premium</b>                                         |                         |                         |
| Opening balance                                                      | 9,600.02                | 3,922.19                |
| Add: Premium on issue of shares through Initial Public Offer ("IPO") | -                       | 5,966.01                |
| Add: Reversal of provision for expenses of initial public offer      | 4.03                    | -                       |
| Less: Expenses of initial public offer                               | -                       | 288.18                  |
| <b>Closing balance</b>                                               | <b>9,604.05</b>         | <b>9,600.02</b>         |
| <b>c. Capital redemption reserve</b>                                 |                         |                         |
| Opening balance                                                      | 33.24                   | 33.24                   |
| <b>Closing balance</b>                                               | <b>33.24</b>            | <b>33.24</b>            |
| <b>d. Other comprehensive income-</b>                                |                         |                         |
| Remeasurement of defined benefit plans                               |                         |                         |
| Opening balance                                                      | (55.59)                 | (44.32)                 |
| Movement during the year                                             | (6.71)                  | (11.27)                 |
| <b>Closing balance</b>                                               | <b>(62.30)</b>          | <b>(55.59)</b>          |
| <b>e. Share option outstanding</b>                                   |                         |                         |
| Opening balance                                                      | -                       | -                       |
| Add : movement during the year                                       | 264.26                  | -                       |
| Less : movement during the year                                      | -                       | -                       |
| <b>Closing balance</b>                                               | <b>264.26</b>           | <b>-</b>                |
| <b>f. Retained earnings</b>                                          |                         |                         |
| Opening balance                                                      | 20,083.91               | 13,993.83               |
| Add : Profit for the year                                            | 6,335.81                | 6,090.08                |
| Less: Appropriation                                                  |                         |                         |
| Final dividend on equity shares                                      | 226.50                  | -                       |
| Dividend distribution tax on final dividend on equity shares         | 46.56                   | -                       |
| <b>Closing balance</b>                                               | <b>26,146.66</b>        | <b>20,083.91</b>        |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>i. From banks</b>                                        |                         |                         |
| (Secured)                                                   |                         |                         |
| a. Foreign currency loans                                   |                         |                         |
| - Standard Chartered Bank (see note 'a' below)              | 244.13                  | 548.47                  |
| b. Rupee loan                                               |                         |                         |
| - Vehicle Loans (see note 'b' below)                        | 20.83                   | 31.81                   |
| - Yes Bank Limited                                          | 149.87                  | -                       |
|                                                             | <b>414.83</b>           | <b>580.28</b>           |
| <b>ii. From others</b>                                      |                         |                         |
| (Secured)                                                   |                         |                         |
| - Tata Capital Housing Finance Limited (see note 'c' below) | 165.94                  | 159.06                  |
| - Vehicle Loans (see note 'b' below)                        | 25.55                   | 52.61                   |
|                                                             | <b>191.49</b>           | <b>211.67</b>           |
| <b>iii. From others</b>                                     |                         |                         |
| (Un secured)                                                |                         |                         |
| - Finance lease obligations (see note 'd' and 'e' below)    | 8.17                    | 8.18                    |
|                                                             | <b>8.17</b>             | <b>8.18</b>             |
|                                                             | <b>614.49</b>           | <b>800.13</b>           |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Notes:

- USD 2,000,000 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.
- 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 9.50% p.a to 13.50% p.a.
- 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.
- The Company has entered into various finance lease arrangements mainly for land for terms ranging up to 99 years. The legal title to these properties vests with the respective lessors. There are no restrictions imposed by the lease arrangements. There are no sub-lease arrangements entered in to by the Company for these leases.
- The Company has finance lease contracts and the obligation under finance lease are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments.

| (₹ in Lakhs)                               |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
| Particulars                                | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| With In one year                           |                         |                         |
| - Minimum lease payment                    | 0.66                    | 0.66                    |
| - Present value of Minimum lease payment   | 0.61                    | 0.61                    |
| After one year but not more than five year |                         |                         |
| - Minimum lease payment                    | 2.63                    | 2.63                    |
| - Present value of Minimum lease payment   | 3.84                    | 3.84                    |
| More than five year                        |                         |                         |
| - Minimum lease payment                    | 40.15                   | 40.81                   |
| - Present value of Minimum lease payment   | 3.73                    | 3.73                    |
| Total minimum lease payments               |                         |                         |
| - Minimum lease payment                    | 43.44                   | 44.10                   |
| - Present value of Minimum lease payment   | 8.17                    | 8.18                    |

## 21 Provisions

| (₹ in Lakhs) |                         |                         |
|--------------|-------------------------|-------------------------|
| Particulars  | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| For gratuity | 463.14                  | 362.40                  |
|              | <b>463.14</b>           | <b>362.40</b>           |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****22 Other non-current liabilities**

| (₹ in Lakhs)                                                                                                                                |                         |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                 | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Deferred Government Grant - MSIP's Incentive<br>(MSIP's Incentive approved by "Ministry of Electronics & Information<br>Technology, India") | 52.49                   | -                       |
|                                                                                                                                             | <b>52.49</b>            | <b>-</b>                |

**23 Short term borrowings**

(at amortised cost)

| (₹ in Lakhs)                   |                         |                         |
|--------------------------------|-------------------------|-------------------------|
| Particulars                    | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. <b>From Banks (Secured)</b> |                         |                         |
| i. Buyer Credits               | -                       | 1,264.27                |
| ii. Packing Credit Loan        | -                       | 2,000.00                |
| iii. Working Capital Loan      | 12,994.37               | -                       |
|                                | <b>12,994.37</b>        | <b>3,264.27</b>         |

**Note:**

Borrowings from banks (comprising of vendor financing, working capital demand loans) 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 exclusive charge on entire block of (present and future) Property, Plant and Equipment comprising of land, building, plant and machinery etc. coupled with equitable mortgage of land and property at B-14 & B-15, Phase-II and Exclusive Charge over C-33 Phase II Noida (UP) and Exclusive Charge over Industrial Property located at Plot 18, Block B, Phase II, Noida (UP), Exclusive Charge over Industrial Property located Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun (Uttarakhand).

**24 Trade payables**

| (₹ in Lakhs)                                                         |                         |                         |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| A. Non-current (other than Micro and Small enterprises)              | 15,788.80               | -                       |
|                                                                      | <b>15,788.80</b>        | <b>-</b>                |
| B. Current                                                           |                         |                         |
| a. For outstanding dues of Micro and Small enterprises (see note 40) | 2,488.44                | 1,305.58                |
| b. Outstanding dues of others                                        | 71,480.03               | 51,474.11               |
|                                                                      | <b>73,968.47</b>        | <b>52,779.69</b>        |

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

## 25 Other financial liabilities

| (₹ in Lakhs)                                             |                         |                         |
|----------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                              | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Current maturities of long term borrowings            | 515.37                  | 398.42                  |
| b. Outstanding forward Marked to Market (MTM)            | 384.54                  | 26.57                   |
| c. Unpaid dividend                                       | 0.12                    | -                       |
| d. Payable for purchase of property, plant and equipment | 1,269.76                | 686.67                  |
| e. Interest accrued but not due on Borrowings            | 24.23                   | 26.29                   |
|                                                          | <b>2,194.02</b>         | <b>1,137.95</b>         |

## 26 Other current liabilities

| (₹ in Lakhs)                        |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Particulars                         | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| a. Advances Received from Customers | 455.10                  | 5,627.47                |
| b. Statutory Dues                   | 2,363.07                | 1,222.27                |
|                                     | <b>2,818.17</b>         | <b>6,849.74</b>         |

## 27 Provisions

| (₹ in Lakhs)                  |                         |                         |
|-------------------------------|-------------------------|-------------------------|
| Particulars                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| For gratuity                  | 45.68                   | 75.84                   |
| For warranty (see note below) | 287.19                  | 305.84                  |
|                               | <b>332.87</b>           | <b>381.68</b>           |

### Note:

|                                           |               |               |
|-------------------------------------------|---------------|---------------|
| Movement in provision for warranty        |               |               |
| Opening balance                           | 305.84        | 244.76        |
| Additional provision made during the year | 673.02        | 261.30        |
| Provision reduced during the year         | 691.67        | 200.22        |
| Closing provision                         | <b>287.19</b> | <b>305.84</b> |

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<br>31 March, 2019 | As at<br>31 March, 2018 |
| Provision for income tax (net) | 597.40                  | 379.05                  |
|                                | <b>597.40</b>           | <b>379.05</b>           |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****29 Revenue from operations**

| (₹ in Lakhs)                                                                                       |                              |                              |
|----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                                                        | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| Sale of products<br>(including excise duty on sale of products Nil (Previous year ₹1,175.72 lakh)) | 2,95,940.21                  | 2,80,667.41                  |
|                                                                                                    | <b>2,95,940.21</b>           | <b>2,80,667.41</b>           |
| <b>Other operating revenue</b>                                                                     |                              |                              |
| Service charges received                                                                           | 560.08                       | 2,301.79                     |
| Export benefits                                                                                    | 101.93                       | 278.10                       |
| Job work charges                                                                                   | 1,274.86                     | 1,547.17                     |
| Scrap sale                                                                                         | 2.19                         | -                            |
| Rent received (production facility charges)                                                        | 26.88                        | 26.88                        |
| GST incentive on area base exemption                                                               | 417.38                       | 467.79                       |
| Other incentive                                                                                    | 121.09                       | 50.00                        |
|                                                                                                    | <b>2,504.41</b>              | <b>4,671.73</b>              |
|                                                                                                    | <b>2,98,444.62</b>           | <b>2,85,339.14</b>           |

**30 Other income**

| (₹ in Lakhs)                                                      |                              |                              |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                       | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| <b>Interest income</b>                                            |                              |                              |
| -On fixed deposits/ margin money                                  | 190.06                       | 197.51                       |
| -Others                                                           | 26.00                        | 53.66                        |
| Other non operating income                                        |                              |                              |
| Other receipts                                                    | <b>9.17</b>                  | <b>2.73</b>                  |
| <b>Interest received on income tax refund</b>                     | -                            |                              |
| Gain on mutual funds                                              | 33.94                        | 11.69                        |
| Incentive income                                                  | 3.57                         | -                            |
| Excess liabilities, credit balances, provisions etc. written back | 32.42                        | 56.41                        |
| Exchange fluctuations (net)                                       | <b>221.75</b>                | <b>95.47</b>                 |
| Provision for doubtful debts / loans and advances written back    | <b>36.07</b>                 | -                            |
| Profit on sale of property, plant and equipment                   | <b>10.42</b>                 | -                            |
|                                                                   | <b>563.40</b>                | <b>417.47</b>                |

**31 Cost of materials consumed**

| (₹ in Lakhs)                         |                              |                              |
|--------------------------------------|------------------------------|------------------------------|
| Particulars                          | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| Opening Stock                        | 20,764.04                    | 16,402.79                    |
| Add: Purchase (Including Components) | 2,66,311.77                  | 2,58,897.40                  |
|                                      | <b>2,87,075.81</b>           | <b>2,75,300.19</b>           |
| Less: Closing Stock                  | 27,614.47                    | 20,764.04                    |
|                                      | <b>2,59,461.34</b>           | <b>2,54,536.15</b>           |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 32 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

| Particulars                                                          | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Inventories at the beginning of the year</b>                      |                              |                              |
| Finished Goods                                                       | 6,041.56                     | 1,717.30                     |
| Work in Progress                                                     | 5,033.10                     | 5,848.97                     |
| Scrap                                                                | -                            | 10.12                        |
|                                                                      | 11,074.66                    | 7,576.39                     |
| <b>Inventories at the end of the Year</b>                            |                              |                              |
| Finished Goods                                                       | 2,417.44                     | 6,041.56                     |
| Work in Progress                                                     | 7,191.64                     | 5,033.10                     |
|                                                                      | <b>9,609.08</b>              | <b>11,074.66</b>             |
| <b>Changes in inventories of finished goods and work-in-progress</b> | <b>1,465.58</b>              | <b>(3,498.27)</b>            |

## 33 Employee benefits expense

(₹ in Lakhs)

| Particulars                               | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|-------------------------------------------|------------------------------|------------------------------|
| Salaries and wages                        | 6,675.77                     | 6,118.59                     |
| Contribution to provident and other funds | 383.80                       | 316.30                       |
| Provision for gratuity                    | 109.87                       | 103.81                       |
| Share based payments to employees         | 264.26                       | -                            |
| Staff welfare expense                     | 953.46                       | 736.35                       |
|                                           | <b>8,387.16</b>              | <b>7,275.05</b>              |

## 34 Finance costs

(₹ in Lakhs)

| Particulars             | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|-------------------------|------------------------------|------------------------------|
| Interest                | 2,459.02                     | 1,237.21                     |
| Other financial charges | 44.57                        | 40.66                        |
|                         | <b>2,503.59</b>              | <b>1,277.87</b>              |

## 35 Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars                      | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|----------------------------------|------------------------------|------------------------------|
| On property, plant and equipment | 2,070.63                     | 1,512.19                     |
| On intangible assets             | 94.62                        | 6.05                         |
| <b>Total</b>                     | <b>2,165.25</b>              | <b>1,518.24</b>              |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****36 Other expenses**

|                                                               | (₹ in Lakhs)                         |                                      |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Particulars</b>                                            | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
| Consumption of stores and spares                              | 247.70                               | 222.43                               |
| Contractor wages                                              | 7,264.72                             | 6,373.22                             |
| Service charge paid                                           | 759.99                               | 2,133.43                             |
| Power and fuel                                                | 1,838.44                             | 1,446.95                             |
| Rent                                                          | 706.20                               | 565.68                               |
| Repairs and maintenance:                                      |                                      |                                      |
| - for buildings                                               | 123.69                               | 93.63                                |
| - for Plant and equipment                                     | 431.21                               | 616.03                               |
| - for others                                                  | 212.69                               | 237.00                               |
| Insurance                                                     | 147.39                               | 108.82                               |
| Rates and taxes                                               | 99.42                                | 94.59                                |
| Selling and distribution expenses                             | 1,490.50                             | 1,050.52                             |
| Donations                                                     | 16.11                                | 2.21                                 |
| Payment to auditors (refer note below)                        | 54.13                                | 52.48                                |
| Bad debts write off                                           | 239.65                               | 18.66                                |
| Provision for doubtful debts / loans and advances             | 24.70                                | 97.58                                |
| Provision for impairment of property, plant and equipment     | -                                    | 56.21                                |
| Loss on sale of property, plant and equipment                 | -                                    | 18.24                                |
| Corporate social responsibility expenses                      | 116.00                               | 70.52                                |
| Exchange Fluctuations (Net)                                   | -                                    | -                                    |
| Increase/(decrease) in excise duty and cess on finished goods | -                                    | (10.73)                              |
| Bank charges                                                  | 127.95                               | 67.37                                |
| Miscellaneous expenses                                        | 1,743.35                             | 1,333.85                             |
| <b>Total</b>                                                  | <b>15,643.84</b>                     | <b>14,648.69</b>                     |

**Note:**

Payment to auditors comprises:

**Statutory auditors of the Company**

|                        |              |              |
|------------------------|--------------|--------------|
| Audit Fees             | 23.50        | 19.00*       |
| Tax Audit Fees         | 3.00         | 3.00 *       |
| Out of pocket expenses | 4.18#        | 2.75 *       |
| Certification fees     | 8.17 *       | 12.20*       |
|                        | <b>38.85</b> | <b>36.95</b> |

**Group auditors**

|                        |              |              |
|------------------------|--------------|--------------|
| Audit Fees             | 6.00         | 7.50 @       |
| Tax audit fees         | 0.90         | 0.90         |
| Out of pocket expenses | 0.49         | 0.52         |
| Certification fees     | 3.64         | 2.86         |
|                        | <b>11.03</b> | <b>11.78</b> |

**Other auditor**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Payment to Cost Auditor          | 4.25         | 3.75 *       |
|                                  | <b>4.25</b>  | <b>3.75</b>  |
|                                  | <b>54.13</b> | <b>52.48</b> |
| Proportionate Payment w.r.t. IPO | -            | 7.62 *       |

\* paid to the erstwhile auditor

# includes amounting to ₹3.66 Lakh paid to erstwhile auditor

@ includes ₹0.75 lakh, the amount paid to statutory auditor of current year

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 37 Tax expenses

|                                    |                                      | (₹ in Lakhs)                         |
|------------------------------------|--------------------------------------|--------------------------------------|
|                                    | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
| Current Tax                        | 2,442.55                             | 2,411.93                             |
| Deferred Tax                       | 526.84                               | 366.34                               |
|                                    | <b>2,969.39</b>                      | <b>2,778.27</b>                      |
| Mat credit entitlement             | (15.95)                              | -                                    |
| Income Tax for earlier years (net) | 92.01                                | (45.19)                              |
|                                    | <b>76.06</b>                         | <b>(45.19)</b>                       |
| Tax expenses for the year          | <b>3,045.45</b>                      | <b>2,733.08</b>                      |

### A. Reconciliation of income tax expense to statutory income tax rate of income

|                                                                                |                                      | (₹ in Lakhs)                         |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Particulars</b>                                                             | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
| Profit before tax                                                              | 9,381.26                             | 8,823.16                             |
| Income tax Rate                                                                | 34.94%                               | 34.61%                               |
| Estimated income tax expense                                                   | 3,278.19                             | 3,053.70                             |
| Tax effect of adjustments to reconcile expected Income tax expense to reported |                                      |                                      |
| Income tax expense :                                                           |                                      |                                      |
| Non taxable income                                                             | (250.53)                             | (214.88)                             |
| Effect on tax allowance                                                        | (163.96)                             | (162.58)                             |
| Others                                                                         | 105.69                               | 102.03                               |
| Income Tax expense in the Statement of Profit and Loss                         | <b>2,969.39</b>                      | <b>2,778.27</b>                      |

### B. Summary of deferred tax

#### I. Deferred tax charge

|                                                |                                      | (₹ in Lakhs)                         |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Particulars</b>                             | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
| <b>A. Charge to profit and loss</b>            |                                      |                                      |
| - Movement of deferred tax assets              | 63.93                                | -                                    |
| - Movement of deferred tax liabilities         | 590.77                               | 366.35                               |
|                                                | <b>526.84</b>                        | <b>366.35</b>                        |
| <b>B. Charge to Other comprehensive income</b> |                                      |                                      |
| - Movement of deferred tax assets              | -                                    | -                                    |
| - Movement of deferred tax liabilities         | (3.59)                               | (5.97)                               |
|                                                | <b>(3.59)</b>                        | <b>(5.97)</b>                        |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****II. Deferred tax liabilities (net)**

| (₹ in Lakhs)                                    |                         |                         |
|-------------------------------------------------|-------------------------|-------------------------|
| Particulars                                     | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Deferred tax liability                          | 2,291.96                | 1,764.88                |
| Deferred tax assets                             | 367.02                  | 427.12                  |
|                                                 | 1,924.94                | 1,337.76                |
| Add: Minimum alternative tax credit entitlement | 326.48                  | 930.59                  |
|                                                 | <b>1,598.46</b>         | <b>407.17</b>           |

**III. Movement in the deferred tax liabilities (net):**

| (₹ in Lakhs)                        |                        |                                  |                      |                         |
|-------------------------------------|------------------------|----------------------------------|----------------------|-------------------------|
| Particulars                         | As at<br>1 April, 2017 | Recognised in<br>Profit and loss | Recognised in<br>OCI | As at<br>31 March, 2018 |
| Deferred tax liabilities            |                        |                                  |                      |                         |
| - Depreciation                      | 1,359.07               | 405.81                           | -                    | 1,764.88                |
|                                     | <b>1,359.07</b>        | <b>405.81</b>                    | <b>-</b>             | <b>1,764.88</b>         |
| Deferred tax assets                 |                        |                                  |                      |                         |
| - Expenses allowed on payment basis | 115.46                 | 26.65                            | 5.97                 | 148.08                  |
| - Others                            | 266.23                 | 12.81                            | -                    | 279.04                  |
|                                     | <b>381.69</b>          | <b>39.46</b>                     | <b>5.97</b>          | <b>427.12</b>           |
|                                     | <b>977.38</b>          | <b>366.35</b>                    | <b>(5.97)</b>        | <b>1,337.76</b>         |

| (₹ in Lakhs)                        |                        |                                  |                      |                         |
|-------------------------------------|------------------------|----------------------------------|----------------------|-------------------------|
| Particulars                         | As at<br>1 April, 2018 | Recognised in<br>Profit and loss | Recognised in<br>OCI | As at<br>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                 | 29.2                             | 3.59                 | 180.87                  |
| - Others                            | 279.04                 | (92.89)                          | -                    | 186.15                  |
|                                     | <b>427.12</b>          | <b>(63.69)</b>                   | <b>3.59</b>          | <b>367.02</b>           |
|                                     | <b>1,337.76</b>        | <b>590.77</b>                    | <b>(3.59)</b>        | <b>1,924.94</b>         |

**IV. Movement in the deferred tax assets (net):**

| (₹ in Lakhs)                                    |                         |                         |
|-------------------------------------------------|-------------------------|-------------------------|
| Particulars                                     | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Deferred tax (net)</b>                       |                         |                         |
| Deferred tax assets                             | 175.60                  | -                       |
| Deferred tax liability                          | 111.67                  | -                       |
|                                                 | <b>63.93</b>            | <b>-</b>                |
| Add: Minimum alternative tax credit entitlement | 95.82                   | -                       |
|                                                 | <b>159.75</b>           | <b>-</b>                |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

| (₹ in Lakhs)                        |                        |                                  |                      |                         |
|-------------------------------------|------------------------|----------------------------------|----------------------|-------------------------|
| Particulars                         | As at<br>1 April, 2018 | Recognised in<br>Profit and loss | Recognised in<br>OCI | As at<br>31 March, 2019 |
| Deferred tax assets                 |                        |                                  |                      |                         |
| - Expenses allowed on payment basis | -                      | 1.33                             |                      | 1.33                    |
| - Others                            | -                      | 174.27                           | -                    | 174.27                  |
|                                     | -                      | <b>175.60</b>                    | -                    | <b>175.60</b>           |
| Deferred tax liabilities            |                        |                                  |                      |                         |
| - Depreciation                      | -                      | (111.67)                         | -                    | (111.67)                |
|                                     | -                      | <b>(111.67)</b>                  | -                    | <b>(111.67)</b>         |
|                                     | -                      | <b>63.93</b>                     | -                    | <b>63.93</b>            |

## 38 Contingent liabilities and Commitments (to the extent not provided for)

### a. Contingent liabilities

| (₹ in Lakhs)                                                                                                                                                                                                                                                                                     |                         |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Contingent liabilities not provided in respect of</b>                                                                                                                                                                                                                                         |                         |                         |
| i(a). Letter of Credit (outstanding)                                                                                                                                                                                                                                                             | 24,026.60               | 7,341.27                |
| i(b). Guarantees issued by bankers on behalf of Group to Bombay Stock Exchange and other Government Departments<br>(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) | 234.43                  | 319.34                  |
| ii. Bill discounting with banks                                                                                                                                                                                                                                                                  | 9,917.74                | 8,622.75                |
| iii. Bond given to custom department on behalf of the Joint venture company                                                                                                                                                                                                                      | 12,125.00               | 9,782.50                |
| iv. Claims against the Group not acknowledged as debt                                                                                                                                                                                                                                            |                         |                         |
| a. Income tax                                                                                                                                                                                                                                                                                    | 781.26                  | 230.02                  |
| b. Sales tax                                                                                                                                                                                                                                                                                     | 216.61                  | 212.96                  |
| d. Goods and service tax                                                                                                                                                                                                                                                                         | 2.73                    | 8.30                    |
| c. Excise custom duty and service tax                                                                                                                                                                                                                                                            | 1,547.31                | 1,516.89                |
| e. Other disputes                                                                                                                                                                                                                                                                                | 37.67                   | 36.23                   |
| <b>Summary of amount paid under protest</b>                                                                                                                                                                                                                                                      |                         |                         |
| i. Income tax                                                                                                                                                                                                                                                                                    | -                       | -                       |
| ii. Sales tax                                                                                                                                                                                                                                                                                    | 41.20                   | 58.93                   |
| iii. Excise custom duty and service tax                                                                                                                                                                                                                                                          | 162.06                  | 162.06                  |
| iv. Goods and service tax                                                                                                                                                                                                                                                                        | 2.74                    | -                       |
| v. Other disputes                                                                                                                                                                                                                                                                                | 4.15                    | 11.11                   |
|                                                                                                                                                                                                                                                                                                  | <b>210.15</b>           | <b>232.10</b>           |

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## b Capital commitments:

Commitments for acquisition of property, plant and equipment (net of advances) 210.92 652.51

- c. During FY 2018-19, The Group has availed Non Fund based LC Limits of ₹26,000 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 ₹28,000 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.
- g. Supreme court has passed judgement on 28 February, 2019, as per the judgement, all fixed allowances like house rent allowance, Special allowance, medical allowance, transport allowance, conveyance allowance etc. which are paid generally and are part of the employment contract are in the nature of basis wages and should be clubbed with basic wages for calculation of provident fund.

There are numerous interpretation issued relating to Supreme Court Judgement of provident fund. The Group will update its provision on receiving further clarity on the subject.

## 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<br>31 March, 2019 | As at<br>31 March, 2018 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current assets:</b>                                                 |                         |                         |
| <b>Financial assets</b>                                                |                         |                         |
| Trade receivables                                                      | 43,940.09               | 12,946.34               |
| Inventories                                                            | 36,596.87               | 23,159.66               |
| <b>Total current assets mortgaged as security</b>                      | <b>80,536.96</b>        | <b>36,106.00</b>        |
| <b>Non-current:</b>                                                    |                         |                         |
| Land                                                                   | 743.62                  | 817.75                  |
| Vehicles                                                               | 329.74                  | 393.77                  |
| Buildings                                                              | 3,879.27                | 3,701.07                |
| Plant and machinery (including dies, moulds and electric installation) | 8,302.21                | 9,432.96                |
| Other assets                                                           | 58.15                   | -                       |
| <b>Total non-current assets mortgaged as security</b>                  | <b>13,312.99</b>        | <b>14,345.55</b>        |
| <b>Total assets mortgaged as security</b>                              | <b>93,849.94</b>        | <b>50,451.55</b>        |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 40 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

(₹ in Lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a. Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year                                                                                                                                                                                                          |                         |                         |
| - Principal amount                                                                                                                                                                                                                                                                                                            | 2,488.44                | 1,305.58                |
| - interest due                                                                                                                                                                                                                                                                                                                | 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                                                              | -                       | -                       |
| 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                                                                                                                                                                                                                                     | 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 | -                       | -                       |

## 41 Leases

### Disclosures for operating leases

- 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 generally, vary between one to three and thirty years

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

- ii. The leases term varies between 1 to 30 year. Terms of the lease include operating term for renewal, increase in rent in future period and term of cancellation.

Lease expenses/income recognised during the year

(₹ in Lakhs)

| Particulars                                                              | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|--------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>a. As a lessee (expenses)</b>                                         |                              |                              |
| Factory building, godown, office space, service centre and transit house | 706.20                       | 565.68                       |
| <b>b. As a lessor (income)</b>                                           |                              |                              |
| Factory building                                                         | 26.88                        | 26.88                        |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****42 Earnings per share**

|                                                                                                                                                                                                                       |             | (₹ in Lakhs)                 |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------|------------------------------|
| Particulars                                                                                                                                                                                                           | Units       | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| a. Basic                                                                                                                                                                                                              |             |                              |                              |
| Profit for the year                                                                                                                                                                                                   | ₹ / Lakh    | 6,335.81                     | 6,090.08                     |
| Weighted average number of equity shares                                                                                                                                                                              | No's        | 1,13,25,091                  | 1,11,70,574                  |
| Face value of per share                                                                                                                                                                                               | ₹           | 10.00                        | 10.00                        |
| Earnings per share - Basic                                                                                                                                                                                            | ₹           | 55.94                        | 54.51                        |
| b. Diluted                                                                                                                                                                                                            |             |                              |                              |
| Profit for the year                                                                                                                                                                                                   | ₹ / Lakh    | 6,335.81                     | 6,090.08                     |
| Weighted average number of equity shares                                                                                                                                                                              | No's        | 1,14,91,758                  | 1,11,70,574                  |
| Face value of per share                                                                                                                                                                                               | ₹           | 10.00                        | 10.00                        |
| Earnings per share - Basic                                                                                                                                                                                            | ₹           | 55.14                        | 54.51                        |
| 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        | 1,13,25,091                  | 1,11,70,574                  |
| Shares deemed to be issued for no consideration in respect of employee options                                                                                                                                        | No's        | 1,66,667                     | -                            |
| <b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>                                                                                                                 | <b>No's</b> | <b>1,14,91,758</b>           | <b>1,11,70,574</b>           |

**43 Details of research and development expenditure**

|                                           |  | (₹ in Lakhs)                 |                              |
|-------------------------------------------|--|------------------------------|------------------------------|
| Particulars                               |  | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| a. Revenue expenditure                    |  |                              |                              |
| Cost of materials consumed                |  | 130.66                       | 55.57                        |
| Employee benefits expense                 |  | 241.27                       | 205.52                       |
| Other expenses                            |  | 41.65                        | 13.47                        |
| Depreciation and amortisation expense     |  | 18.54                        | 7.22                         |
|                                           |  | <b>432.12</b>                | <b>281.78</b>                |
| b. Capital expenditure                    |  |                              |                              |
| Purchase of property, plant and equipment |  | 258.50                       | 80.46                        |
|                                           |  | <b>258.50</b>                | <b>80.46</b>                 |

# 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<br>31 March, 2019 | As at<br>31 March, 2018 |
| Net debt                                      |                         |                         |
| a. Borrowings                                 |                         |                         |
| - non current                                 | 614.49                  | 800.13                  |
| - current                                     | 12,994.37               | 3,264.27                |
| b. Current maturities of long term borrowings | 515.37                  | 398.42                  |
|                                               | <b>14,124.23</b>        | <b>4,462.82</b>         |
| c. Cash and cash equivalents                  | 1,442.70                | 1,266.72                |
| d. Investment                                 | 760.55                  | 1,111.69                |
|                                               | <b>2,203.25</b>         | <b>2,378.41</b>         |
| <b>Net debt</b>                               | <b>11,920.98</b>        | <b>2,084.41</b>         |
| <b>Total equity</b>                           | <b>37,821.78</b>        | <b>31,497.45</b>        |
| <b>Net debt to equity ratio</b>               | <b>0.32</b>             | <b>0.07</b>             |

### b. Categories of financial instruments

| (₹ in Lakhs)                                                     |                         |                         |
|------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                      | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Financial asset</b>                                           |                         |                         |
| <b>a. Measured at fair value through Profit and Loss (FVTPL)</b> |                         |                         |
| a. Investments                                                   | 760.55                  | 1,111.69                |
| <b>b. Measured at amortised cost</b>                             |                         |                         |
| a. Other financial assets                                        |                         |                         |
| - Non current                                                    | 539.99                  | 24.53                   |
| - Current                                                        |                         |                         |
| b. Trade receivables                                             |                         |                         |
| - Non current                                                    | 14,822.75               | 223.45                  |
| - Current                                                        | 51,674.37               | 29,850.49               |
| c. Cash and cash equivalents                                     | 1,442.70                | 1,266.72                |
| d. Bank balances other than note 12 above                        | 2,229.44                | 3,145.73                |
| e. Other financial assets                                        | 2,017.96                | 1,661.10                |
| <b>Financial liabilities</b>                                     |                         |                         |
| <b>a. Measured at fair value through Profit and Loss (FVTPL)</b> |                         |                         |
| a. Outstanding forward Marked to Market (MTM)                    | 384.54                  | 26.57                   |
| <b>b. Measured at amortised cost</b>                             |                         |                         |
| a. Borrowings                                                    |                         |                         |
| - Non current                                                    | 614.49                  | 800.13                  |
| - Current                                                        | 12,994.37               | 3,264.27                |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

| Particulars                    | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|--------------------------------|-------------------------|-------------------------|
| b. Trade payables              |                         |                         |
| - Non current                  | 15,788.80               | -                       |
| - Current                      | 73,968.47               | 51,474.11               |
| c. Other financial liabilities | 1,809.48                | 1,111.38                |

**Notes:**

- 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.
- The derivative instruments with respect to forward contract are accounted for as fair value hedge.
- 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)

|                                    | Fair value<br>hierarchy | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|------------------------------------|-------------------------|------------------------------|------------------------------|
| Financial assets                   |                         |                              |                              |
| Investments                        | Level 2                 | 760.55                       | 1,111.69                     |
| Financial liabilities              |                         |                              |                              |
| Foreign currency forward contracts | Level 2                 | 384.54                       | 26.57                        |

**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**

- 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).

# NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

- 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.

The Group's exposure to customers is diversified and two customer contributes to more than 10% of outstanding trade receivable ₹28,970.55 Lakh (Previous year ₹7819.02 Lakhs) as at 31 March, 2019 and 31 March, 2018.

### **Reconciliation of loss allowance provision**

|                                                   | (₹ in Lakhs)                    |                                 |
|---------------------------------------------------|---------------------------------|---------------------------------|
|                                                   | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Opening balance                                   | 399.74                          | 301.68                          |
| Additional provision made                         | 197.38                          | 98.06                           |
| Provision adjusted against the amount written off | 233.45                          | -                               |
| <b>Closing provision</b>                          | <b>363.67</b>                   | <b>399.74</b>                   |

The provision for loss allowances of loan and advances and 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include 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) | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs)   |
|--------------------------------------------|--------------|--------------|--------------|----------------|
| Particulars                                | <12 months   | >12 months   | Total        | Carrying value |
| <b>As on 31.03.2019</b>                    |              |              |              |                |
| <b>Non Derivative</b>                      |              |              |              |                |
| 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                | 1,294.11     | -            | 1,294.11     | 1,294.11       |
| <b>As on 31.03.2018</b>                    |              |              |              |                |
| <b>Non Derivative</b>                      |              |              |              |                |
| Long Term Borrowings                       | -            | 800.13       | 800.13       | 800.13         |
| Current maturities of long term borrowings | 398.42       | -            | 398.42       | 398.42         |
| Short term borrowings                      | 3,264.27     | -            | 3,264.27     | 3,264.27       |
| Trade Payables                             | -            | -            | -            | -              |
| - Non current                              | -            | -            | -            | -              |
| - Current                                  | 51,474.11    | -            | 51,474.11    | 51,474.11      |
| Other Financial Liabilities                | 712.96       | -            | 712.96       | 712.96         |

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) | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs)   |
|--------------------------------|--------------|--------------|--------------|----------------|
| Particulars                    | <12 months   | >12 months   | Total        | Carrying value |
| <b>As on 31.03.2019</b>        |              |              |              |                |
| <b>Non derivative</b>          |              |              |              |                |
| 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

## Maturities of financial liabilities (Contd..)

|                                | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs) | (₹ in Lakhs)   |
|--------------------------------|--------------|--------------|--------------|----------------|
| Particulars                    | <12 months   | >12 months   | Total        | Carrying value |
| <b>As on 31.03.2018</b>        |              |              |              |                |
| <b>Non derivative</b>          |              |              |              |                |
| Trade receivables              |              |              |              |                |
| - Non current                  | -            | 223.45       | 223.45       | 223.45         |
| - Current                      | 29,850.49    |              | 29,850.49    | 29,850.49      |
| Other financial assets         |              |              |              |                |
| - Non current                  | -            | 24.53        | 24.53        | 24.53          |
| - Current                      | 1,661.10     | -            | 1,661.10     | 1,661.10       |
| Cash and cash equivalents      | 1,266.72     | -            | 1,266.72     | 1,266.72       |
| Bank balances other than above | 3,145.73     | -            | -            | 3,145.73       |

## C. Market Risk Management

### I. Foreign Currency Risk

- 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.
- The Group 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.
- 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, 2019 |           |           | As at 31 March, 2018 |          |           |
|----------------|---------------|----------------------|-----------|-----------|----------------------|----------|-----------|
|                |               | Total                | Hedged    | Unhedged  | Total                | Hedged   | Unhedged  |
| Borrowings     | In USD / Lakh | 8.24                 | 8.24      | -         | 12.94                | 12.94    | -         |
|                | In ₹ / Lakh   | 569.65               | 569.65    | -         | 861.88               | 861.88   | -         |
| Buyers' Credit | In USD / Lakh | -                    | -         | -         | 19.44                | -        | 19.44     |
|                | In ₹ / Lakh   | -                    | -         | -         | 1,264.27             | -        | 1,264.27  |
| Creditors      | In USD / Lakh | 562.04               | 298.58    | 263.46    | 532.96               | 40.93    | 492.03    |
|                | In ₹ / Lakh   | 39,120.30            | 20,800.63 | 18,319.67 | 36,558.85            | 2,661.93 | 33,896.92 |
| Creditors      | In JPY / Lakh | 927.50               | -         | 927.50    | -                    | -        | -         |
|                | In ₹ / Lakh   | 579.87               | -         | 579.87    | -                    | -        | -         |
| Debtors        | In USD / Lakh | 1.62                 | -         | 1.62      | 19.14                | -        | 19.14     |
|                | In ₹ / Lakh   | 112.26               | -         | 112.26    | 1,245.08             | -        | 1,245.08  |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## A. Foreign currency risk exposure

|                                   | (₹ in Lakhs)            |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Financial assets                  | 112.26                  | 1,245.08                |
| Financial liabilities             | 40,269.82               | 38,685.00               |
| <b>Net exposure (liabilities)</b> | <b>40,157.56</b>        | <b>37,439.92</b>        |

## B. Sensitivity

The details of the Group's sensitivity to a 1% increase and decrease in the Rupees 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)            |                         |
|--------------------------------------------------------|-------------------------|-------------------------|
|                                                        | Currency USD impact     |                         |
|                                                        | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Impact on profit or loss for the year                  | 401.58                  | 374.40                  |
| Impact on total equity as at the end of reporting year | 261.27                  | 244.83                  |

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)            |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| Variable rate borrowings | 12,994.37               | 3,264.27                |
| Fixed rate borrowings    | 1,129.86                | 1,198.55                |

# 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)                    |                                 |
|--------------------------------------------------------|---------------------------------|---------------------------------|
|                                                        | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Impact on profit or loss for the year                  | 141.24                          | 44.63                           |
| Impact on total equity as at the end of reporting year | 91.89                           | 29.18                           |

Impact on profit for the year are gross of tax.

## III. Price Risk

The group incremental in market traded securities / mutual fund is not significant, hence not exposed to 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 31 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.

| <b>Particulars</b>                                     | <b>Grant I</b>                                                                                                                                                                        |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Grant                                          | 01-Nov-18                                                                                                                                                                             |
| Date of Share holders Approval                         | 25-Jul-18                                                                                                                                                                             |
| Date of Board of Directors Approval / Committee        | 26-May-18                                                                                                                                                                             |
| No. of Option                                          | 497600                                                                                                                                                                                |
| Method of settlement (Cash/Equity)                     | Equity                                                                                                                                                                                |
| Vesting Period                                         | 31-Oct-19                                                                                                                                                                             |
|                                                        | 31-Oct-20                                                                                                                                                                             |
|                                                        | 31-Oct-21                                                                                                                                                                             |
| Exercise Price (Per Share ₹)                           | 1,864.80                                                                                                                                                                              |
| 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. |
| Ext. of Exercise Period                                | None                                                                                                                                                                                  |
| Fair Value of Share at the time of Grant (Per Share ₹) | 768.65/-                                                                                                                                                                              |

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

| Particulars                  | As at 31 March, 2019         |                                 |
|------------------------------|------------------------------|---------------------------------|
|                              | Share arising out of options | Weighted average exercise price |
| Exercisable at the beginning | -                            | -                               |
| Granted                      | 4,97,600                     | ₹1,864.80                       |
| Forfeited and expired        | -                            | -                               |
| Exercised                    | -                            | -                               |
| Outstanding at the end       | 4,97,600                     | ₹1,864.80                       |
| Exercisable at the end       | -                            | -                               |

The Group have no other existing schemes in 31 March, 2018 accordingly no information for the previous year have been disclosed

**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.

| Particulars                                 | (₹ in Lakhs)                 |                              |
|---------------------------------------------|------------------------------|------------------------------|
|                                             | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| Contribution to provident and other funds   |                              |                              |
| a. Contribution to provident fund           | 320.77                       | 262.57                       |
| b. Contribution to employee state insurance | 39.40                        | 36.77                        |
| c. Contribution to national pension scheme  | 23.63                        | 16.96                        |
|                                             | <b>383.80</b>                | <b>316.30</b>                |

**b. Defined benefits plan**

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. The Group's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

**Assumptions**

| Particulars                                                                                                  | As at<br>31 March, 2019   | As at<br>31 March, 2018   |
|--------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| 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                                                                                                | 7.66%                     | 7.71%                     |
| Mortality rates                                                                                              | 100% of IALM<br>(2006-08) | 100% of IALM<br>(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%                     |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Assumptions (Contd..)

| Particulars                                                           | As at<br>31 March, 2019   | As at<br>31 March, 2018   |
|-----------------------------------------------------------------------|---------------------------|---------------------------|
| Retirement age (years)                                                | 58                        | 58                        |
| b. The assumptions for Padget Electronics Private Limited as follows: |                           |                           |
| Future Salary Increase                                                | 5.50%                     | 5.50%                     |
| Discount rate                                                         | 7.66%                     | 7.80%                     |
| Mortality rates                                                       | 100% of IALM<br>(2006-08) | 100% of IALM<br>(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 benenfit plans are as follows

|                                                           | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|-----------------------------------------------------------|------------------------------|------------------------------|
|                                                           |                              | (₹ in Lakhs)                 |
| Service Cost                                              |                              |                              |
| -Current service cost                                     | 76.08                        | 61.10                        |
| -Past service cost including curtailment gains/losses     | -                            | 17.11                        |
|                                                           | <b>76.08</b>                 | <b>78.21</b>                 |
| Net interest cost                                         | 33.79                        | 25.60                        |
| <b>Expense recognised in statement of profit and loss</b> | <b>109.87</b>                | <b>103.81</b>                |

## Other Comprehensive Income (OCI)

Remeasurement on the net defined benefit liability:

|                                                                                     | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
|-------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                     |                              | (₹ in Lakhs)                 |
| Actuarial (gains) / losses arising from changes in demographic assumptions          | -                            | -                            |
| Actuarial (gains) / losses arising from changes in financial assumptions            | 2.42                         | (7.33)                       |
| Actuarial (gains) / losses arising from experience adjustments                      | 7.88                         | 24.56                        |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>10.30</b>                 | <b>17.23</b>                 |
|                                                                                     | <b>120.17</b>                | <b>121.04</b>                |

## Notes:

- 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.
- The remeasurernent of the net defined benefit liability is Included-in other comprehensive income
- 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:

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

|                        | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|------------------------|---------------------------------|---------------------------------|
| Provision for gratuity |                                 |                                 |
| - Non-Current          | 463.14                          | 362.40                          |
| - Current              | 45.68                           | 75.84                           |
|                        | <b>508.82</b>                   | <b>438.24</b>                   |

**Movements in the present value of the defined benefit obligation are as follows**

(₹ in Lakhs)

|                                                                  | <b>Year Ended<br/>31 March, 2019</b> | <b>Year Ended<br/>31 March, 2018</b> |
|------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Liability at the beginning of the year</b>                    | <b>438.24</b>                        | <b>339.67</b>                        |
| Interest Costs                                                   | 33.79                                | 25.60                                |
| Current Service Costs                                            | 76.08                                | 61.10                                |
| Past Service Cost including curtailment Gains/ Losses            | -                                    | 17.11                                |
| Benefits paid                                                    | (49.59)                              | (22.47)                              |
| Actuarial (Gain)/Loss on obligations due to change in Obligation | 10.30                                | 17.23                                |
| <b>Liability at the end of the year</b>                          | <b>508.82</b>                        | <b>438.24</b>                        |

**Sensitivity Analysis**

(₹ in Lakhs)

| <b>Particulars</b>                                   | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|------------------------------------------------------|---------------------------------|---------------------------------|
| <b>a. Impact of the change in discount rate</b>      |                                 |                                 |
| Present Value of Obligation at the end of the period | 508.82                          | 438.24                          |
| Impact due to increase of 0.50 %                     | (23.21)                         | (20.65)                         |
| Impact due to decrease of 0.50 %                     | 25.12                           | 22.34                           |
| <b>b. Impact of the change in salary increase</b>    |                                 |                                 |
| Present Value of Obligation at the end of the period | 508.82                          | 438.24                          |
| Impact due to increase of 0.50 %                     | 24.19                           | 20.45                           |
| Impact due to decrease of 0.50 %                     | (22.48)                         | (19.03)                         |

**Notes:**

- Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.
- 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.
- The above sensitivity analysis are with out giving the impact of tax.

**Description of Risk Exposure:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow:

- 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.
- 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.
- Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

## NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

- 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.

### **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.

| Particulars                                                                                   | (₹ in Lakhs)                 |                              |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                               | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| A. Gross amount required to be spent by the group                                             | 119.08                       | 69.52                        |
| B. Amount spent by the group by                                                               |                              |                              |
| a. Yet to be paid in cash                                                                     | -                            | -                            |
| b. In cash - Donation to                                                                      |                              |                              |
| a. Magic Bus India Foundation - Section 8 Company for project related to orphans              | -                            | 25.18                        |
| b. The Akshaya Patra Foundation                                                               | 24.00                        | 8.00                         |
| c. CII Foundation                                                                             | -                            | 5.00                         |
| d. Jan Maadhyam                                                                               | 12.50                        | 5.00                         |
| e. Nav Abhiyan                                                                                | 12.50                        | 5.00                         |
| f. Sankalp Foundation                                                                         | -                            | 5.00                         |
| g. Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project | 1.00                         | 1.00                         |
| h. Chief Minister's Distress Relief Fund AP                                                   | 5.00                         | -                            |
| i. Chief Minister's Distress Relief Fund Kerala                                               | 5.00                         | -                            |
| j. Saint Hardyal Education and Orphan Welfare society for the Project related to orphans.     | 17.38                        | 7.56                         |
| k. Rugmark Foundation for the project related School                                          | 7.50                         | 2.00                         |
| l. Sanitation Drive on Service Lane                                                           | 2.92                         | -                            |
| m. Manju Memorial Charitable Trust                                                            | 17.63                        | -                            |
| n. Bharat Vikas Viklang Nyas                                                                  | 1.57                         | 1.80                         |
| o. Delhi Langar Seva Society                                                                  | 9.00                         | -                            |
| p. Guru Vishram Vridh Ashram                                                                  | -                            | 4.98                         |
|                                                                                               | 116.00                       | 70.52                        |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 48 Segment Reporting

The group has reported segment information as per Indian Accounting Standards-108 "Operating Segments" (IND AS -108). The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker.

| (₹ in Lakhs)                                     |                              |                              |
|--------------------------------------------------|------------------------------|------------------------------|
| Particulars                                      | Year Ended<br>31 March, 2019 | Year Ended<br>31 March, 2018 |
| <b>Segment Revenue</b>                           |                              |                              |
| Washing Machine                                  | 37,395.39                    | 25,028.10                    |
| Moulding                                         | 14,606.43                    | 10,542.49                    |
| Mobiles                                          | 35,502.57                    | 67,581.84                    |
| Other Electronics                                | 2,25,367.82                  | 1,92,115.71                  |
| <b>Total Income From Operations (Gross)</b>      | <b>3,12,872.21</b>           | <b>2,95,268.14</b>           |
| Less : Inter Segment Revenue                     | 14,427.59                    | 9,929.00                     |
| <b>Net Income From Operations (Gross)</b>        | <b>2,98,444.62</b>           | <b>2,85,339.14</b>           |
| <b>Segment Results</b>                           |                              |                              |
| Washing Machine                                  | 2,283.48                     | 1,988.75                     |
| Moulding                                         | 1,280.16                     | 926.81                       |
| Mobiles                                          | 733.91                       | 604.37                       |
| Other Electronics                                | 10,488.33                    | 8,626.00                     |
| <b>Profit/(Loss) before finance cost and tax</b> | <b>14,785.88</b>             | <b>12,145.93</b>             |
| Less: Finance Cost                               | 2,503.59                     | 1,277.87                     |
| Less: Un-allocable Expenses / (Income)(Net)      | 2,901.03                     | 2,044.90                     |
| <b>Profit/(Loss) before tax</b>                  | <b>9,381.26</b>              | <b>8,823.16</b>              |

| (₹ in Lakhs)               |                         |                         |
|----------------------------|-------------------------|-------------------------|
| Particulars                | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
| <b>Segment Assets</b>      |                         |                         |
| Washing Machine            | 8,661.22                | 10,498.27               |
| Moulding                   | 4,822.29                | 4,512.64                |
| Mobiles                    | 28,137.89               | 25,964.21               |
| Other Electronics          | 99,928.80               | 46,898.72               |
| Unallocated Assets         | 7,694.26                | 8,680.11                |
| <b>Total</b>               | <b>1,49,244.46</b>      | <b>96,553.95</b>        |
| <b>Segment Liabilities</b> |                         |                         |
| Washing Machine            | 3,096.62                | 1,888.43                |
| Moulding                   | 1,393.09                | 1,370.00                |
| Mobiles                    | 26,254.54               | 24,563.00               |
| Other Electronics          | 64,322.27               | 31,544.00               |
| Unallocated Liabilities    | 16,356.16               | 5,691.07                |
| <b>Total</b>               | <b>1,11,422.68</b>      | <b>65,056.50</b>        |
| <b>Major Customer</b>      |                         |                         |

## NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investments, other financial assets and current and deferred tax assets.
- all liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

Information about major customers

Revenue from three customers (Previous year two customers) of the Group represented approximately ₹127,802.03 Lakhs (Previous year ₹108,648.16 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 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 2019 | 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                                | 354.24                             | 403.76                         |
| Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility | 886.00                                | 309.04                             | 576.96                         |
| Upgradation of the information technology infrastructure of the Holding Company                                         | 1,063.00                              | 643.89                             | 419.11                         |
| General corporate purposes (see note 'b' below)                                                                         | 805.00                                | 805.00                             | -                              |
|                                                                                                                         | <b>5,712.00</b>                       | <b>4,312.17</b>                    | <b>1,399.83</b>                |
| IPO Expenses*                                                                                                           | 288.00                                | 288.00                             | -                              |
| <b>Total</b>                                                                                                            | <b>6,000.00</b>                       |                                    |                                |

- The Holding company has deposited ₹1,400.00 lakh in schedule banks as Fixed deposit
- Estimated IPO expenses reduced by ₹54.00 Lakh and accordingly expense transferred to General Corporate Expenses.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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 2019                                               | As at 31 March 2018 |
| A. Subsidiary company                  |                    |                        |                             |                                                                   |                     |
| Dixon Global Private Limited           | Trading            | Noida, India           | Noida, India                | 100%                                                              | 100%                |
| B. Jointly control companies           |                    |                        |                             |                                                                   |                     |
| Padget Electronics Private Limited     | Manufacturing      | Noida, India           | Noida, India                | 50%                                                               | 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

| Particulars | (₹ in Lakhs)              |                           |
|-------------|---------------------------|---------------------------|
|             | Year Ended 31 March, 2019 | Year Ended 31 March, 2018 |
| Income      | 35,577.74                 | 67,635.37                 |
| Expenses    | 34,848.44                 | 67,032.21                 |

| Particulars                  | (₹ in Lakhs)        |                     |
|------------------------------|---------------------|---------------------|
|                              | As at 31 March 2019 | As at 31 March 2018 |
| Assets                       | 28,137.89           | 26,165.14           |
| Liabilities                  | 26,254.54           | 24,765.63           |
| Contingent liabilities       | 2,025.00            | 1,650.00            |
| Commitments (net of advance) | -                   | -                   |

#### b. AIL Dixon Technologies Private Limited

| Particulars    | (₹ in Lakhs)              |                           |
|----------------|---------------------------|---------------------------|
|                | Year Ended 31 March, 2019 | Year Ended 31 March, 2018 |
| Total income   | 11,251.15                 | 77.60                     |
| Total expenses | 11,176.14                 | 168.73                    |

| Particulars                  | (₹ in Lakhs)        |                     |
|------------------------------|---------------------|---------------------|
|                              | As at 31 March 2019 | As at 31 March 2018 |
| Assets                       | 9,710.15            | 1,018.61            |
| Liabilities                  | 8,713.20            | 602.82              |
| Contingent liabilities       | 50.00               | -                   |
| Commitments (net of advance) | -                   | -                   |

#### Note:

The operation disclosed to the extent the share of the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Ventures

(₹ 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                     |
| <b>A. Holding Company</b>              |                                                      |                  |                                     |                 |                          |               |                            |
| Dixon Technologies (India) Limited     | 95.20%                                               | 36,006.30        | 88.99%                              | 5,637.42        | 114.01%                  | (7.65)        | 5,629.77                   |
| <b>B. Subsidiary Company</b>           |                                                      |                  |                                     |                 |                          |               |                            |
| Dixon Global Private Limited           | 1.99%                                                | 752.98           | 1.72%                               | 109.23          | 0.00%                    | -             | 109.23                     |
| <b>C. Joint Ventures</b>               |                                                      |                  |                                     |                 |                          |               |                            |
| Padget Electronics Private Limited     | 4.98%                                                | 1,883.35         | 7.63%                               | 483.42          | -10.58%                  | 0.71          | 484.13                     |
| AIL Dixon Technologies Private Limited | 2.64%                                                | 996.95           | 1.67%                               | 105.94          | -3.43%                   | 0.23          | 106.17                     |
| Consolidation Adjustments              | -4.81%                                               | (1,817.80)       | 0.00%                               | (0.20)          | 0.00%                    | -             | (0.20)                     |
|                                        | <b>100.00%</b>                                       | <b>37,821.78</b> | <b>100.01%</b>                      | <b>6,335.81</b> | <b>100.00%</b>           | <b>(6.71)</b> | <b>6,329.10</b>            |

## 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. 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

NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS****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, 2019 | Year ended 31 March, 2018 | Year ended 31 March, 2019                                                                                         | Year ended 31 March, 2018 | Year ended 31 March, 2019 | Year ended 31 March, 2018 |
| <b>Transactions during the year</b>              |                           |                           |                                                                                                                   |                           |                           |                           |
| <b>Interest income</b>                           | -                         | 22.26                     | -                                                                                                                 | -                         | -                         | 22.26                     |
| Mr. Atul B. Lall                                 | -                         | 20.56                     | -                                                                                                                 | -                         | -                         | 20.56                     |
| Mr. Gopal Jagwan                                 | -                         | 1.70                      | -                                                                                                                 | -                         | -                         | 1.70                      |
| <b>Purchase of Property, plant and equipment</b> | -                         | -                         | -                                                                                                                 | 1.85                      | -                         | 1.85                      |
| Dixon Applied Technology Training Institute      | -                         | -                         | -                                                                                                                 | 1.85                      | -                         | 1.85                      |
| <b>Director sitting fees</b>                     | 8.20                      | 11.49                     | -                                                                                                                 | -                         | 8.20                      | 11.49                     |
| Mr. Ramesh Chandra Chopra                        | 0.30                      | 2.65                      | -                                                                                                                 | -                         | 0.30                      | 2.65                      |
| Mr. Manuji Zarabi                                | 3.60                      | 3.93                      | -                                                                                                                 | -                         | 3.60                      | 3.93                      |
| Ms. Poornima Shenoy                              | 2.10                      | 2.13                      | -                                                                                                                 | -                         | 2.10                      | 2.13                      |
| Mr. Manoj Maheshwari                             | 2.20                      | 2.78                      | -                                                                                                                 | -                         | 2.20                      | 2.78                      |
| <b>Remuneration (including commission)</b>       | 728.12                    | 538.92                    | -                                                                                                                 | -                         | 728.12                    | 538.92                    |
| Mr. Sunil Vachani                                | 351.22                    | 247.25                    | -                                                                                                                 | -                         | 351.22                    | 247.25                    |
| Mr. Atul B. Lall                                 | 282.37                    | 221.27                    | -                                                                                                                 | -                         | 282.37                    | 221.27                    |
| Mr. Gopal Jagwan                                 | 10.68                     | 70.41                     | -                                                                                                                 | -                         | 10.68                     | 70.41                     |
| Mr. Saurabh Gupta                                | 54.88                     | -                         | -                                                                                                                 | -                         | 54.88                     | -                         |
| Mr. Ramesh Chandra Chopra                        | 5.00                      | -                         | -                                                                                                                 | -                         | 5.00                      | -                         |
| Mr. Manuji Zarabi                                | 5.00                      | -                         | -                                                                                                                 | -                         | 5.00                      | -                         |
| Ms. Poornima Shenoy                              | 5.00                      | -                         | -                                                                                                                 | -                         | 5.00                      | -                         |
| Mr. Manoj Maheshwari                             | 5.00                      | -                         | -                                                                                                                 | -                         | 5.00                      | -                         |
| Mr. Prithvi Vachani                              | 8.98                      | -                         | -                                                                                                                 | -                         | 8.98                      | -                         |

**Note:** The above amounts are inclusive of GST (wherever applicable).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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, 2019 | Year ended 31 March, 2018 | Year ended 31 March, 2019                                                                                         | Year ended 31 March, 2018 | Year ended 31 March, 2019 | Year ended 31 March, 2018 |
| <b>Trade Payable</b>                                | -                         | -                         | <b>1.85</b>                                                                                                       | <b>1.85</b>               | <b>1.85</b>               | <b>1.85</b>               |
| Dixon Applied Technology Training Institute         | -                         | -                         | 1.85                                                                                                              | 1.85                      | 1.85                      | 1.85                      |
| <b>Amount payable for expenses reimbursement</b>    | <b>0.85</b>               | -                         | -                                                                                                                 | -                         | <b>0.85</b>               | -                         |
| Mr. Atul B. Lall                                    | 0.82                      | -                         | -                                                                                                                 | -                         | 0.82                      | -                         |
| Mr. Saurabh Gupta                                   | 0.03                      | -                         | -                                                                                                                 | -                         | 0.03                      | -                         |
| <b>Amount receivable for expenses reimbursement</b> | <b>0.40</b>               | -                         | -                                                                                                                 | -                         | <b>0.40</b>               | -                         |
| Mr. Prithvi Vachani                                 | 0.40                      | -                         | -                                                                                                                 | -                         | 0.40                      | -                         |

**53** 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 is 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.

## NOTES TO **CONSOLIDATED FINANCIAL STATEMENTS**

**54** Ind AS 115 - 'Revenue from contracts with customers' is mandatory for reporting period beginning on or after 1 April, 2018 and has replaced existing Ind AS related thereto. Under the method of retrospective approach, there were no significant adjustments required to be made to the retained earning as at 1 April, 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue.

### **55 Subsequent event**

- a. Subject to approval of the shareholders in the ensuring Annual general meeting of the Company, the board of directors has recommended a final dividend of ₹2.00 per equity share of 10 each (20% of nominal value of share) for the financial year 2018-19.
- b. Subsequent to year end on 12 April, 2019 the Company acquired remaining 50% shareholding of Padget Electronics Private Limited, accordingly Padget Electronics Private Limited become the wholly owned subsidiary of the Company.
- c. There are no other event observed after the reporting period which have an impact on the Group's operation.

**56** 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: Noida

Date: 24 May, 2019

**For and on behalf of the Board of Directors**

Sunil Vachani

**Chairman**

Saurabh Gupta

**Chief Financial officer**

Ashish Kumar

**Company Secretary**



An ISO 9001:2008 & 14001:2004 Company

Date: 24<sup>th</sup> May, 2019

Dear Member,

We are pleased to invite you to attend the 26<sup>th</sup> Annual General Meeting of the Members of Dixon Technologies (India) Limited ("the Company") to be held on Wednesday, 31<sup>st</sup> July, 2019 at 11.00 A.M. at International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301.

The Notice of the 26<sup>th</sup> Annual General Meeting along with Proxy form, Attendance Slip and instructions for casting of vote by electronic means has been provided herein.

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

Very truly yours,

Sd/-

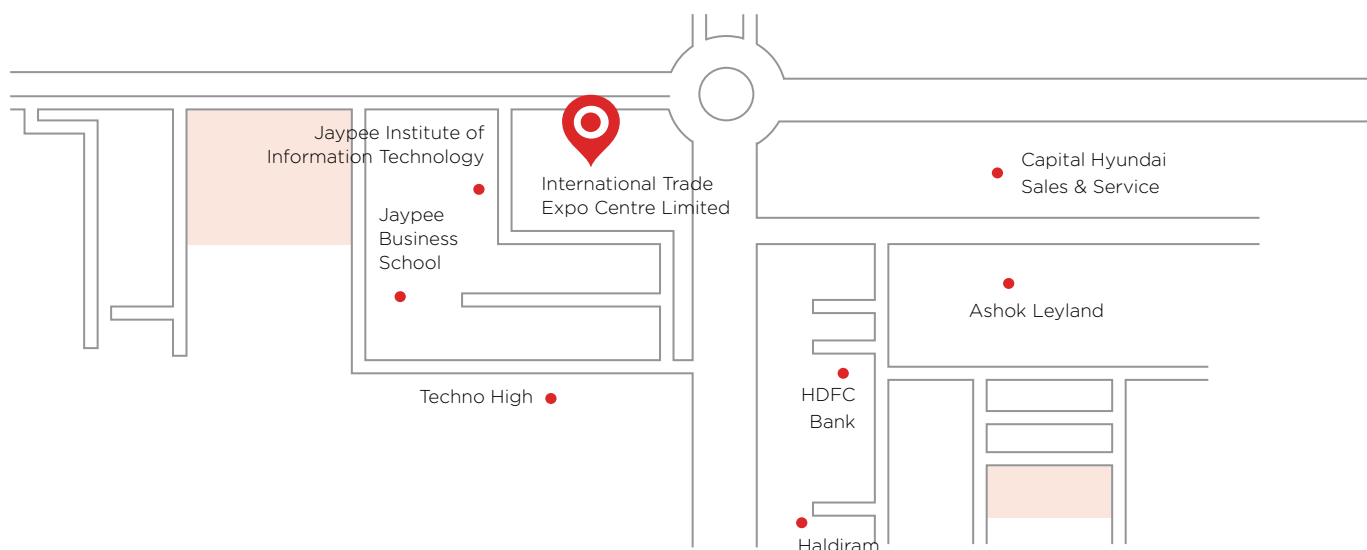
**Ashish Kumar**

Group Company Secretary & Compliance Officer

**Enclosures:**

- 1) Route Map to the venue of the Meeting
- 2) Notice of the 26<sup>th</sup> Annual General Meeting
- 3) Proxy Form
- 4) Attendance Slip

**Route Map to the Venue of 26<sup>th</sup> Annual General Meeting**





An ISO 9001:2008 & 14001:2004 Company

Dixon Technologies (India) Ltd.

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 26<sup>th</sup>, Annual General Meeting (the “AGM”) of Dixon Technologies (India) Limited (“the Company”) will be held on Wednesday, 31<sup>st</sup> July, 2019 at 11.00 A.M. at International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301 to transact the following businesses:

### 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, 2019 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, 2019 and the report of Auditors thereon and in this regard, pass the following resolutions, with or without modification(s), as an Ordinary Resolutions:

- (a) **“RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2019 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, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

#### Item No. 2. Declaration of Dividend

To declare a final dividend of ₹2 per equity share for the Financial Year 2018-19.

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

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

**“RESOLVED THAT** a dividend at the rate of ₹2/- (Rupees Two only) per equity share of ₹ 10/- (Ten Rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended 31st March, 2019 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31st March, 2019.”

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

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

**Rational:** Mr. Sunil Vachani, being longest in the office amongst the Directors, liable to retire by rotation, is proposed 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: 3 on page No: 9.

To the extent that Mr. Sunil Vachani is required to retire by rotation, he would need to be re-appointed as a Director of the Company, who shall continue his term as Executive Chairman and Whole Time 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. Sunil Vachani (DIN: 00025431) as a Director of the Company, who shall continue as Executive Chairman and Whole Time Director of the Company, to the extent that he is required to retire by rotation.”

**B. SPECIAL BUSINESS****Item No. 4. 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. 4 on page no. 9

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), M/s A.N. Satija & Co., Cost Accountants (Firm Registration Number 100267) appointed as Cost Auditors by the Board of Directors to Audit the cost records of the Company for the financial year 2019-20, be paid a remuneration of ₹3,75,000 per annum plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed by the members.

**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. 5. To appoint Mr. Keng Tsung Kuo (DIN: 03299647) as a Non-Executive and Independent Director of the Company.**

**Rational:** Refer the explanation given under Item no. 5 on page no. 9

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

**“RESOLVED THAT** Mr. Keng Tsung Kuo (DIN: 03299647), who was appointed as an Additional Director in the capacity of Non-executive and Independent Director of the Company with effect from 12<sup>th</sup> April, 2019 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the ‘Act’) and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Keng Tsung Kuo (DIN: 03299647), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as Non-executive and Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 12<sup>th</sup> April, 2019 to 11<sup>th</sup> April, 2024, pursuant to recommendation of Nomination and Remuneration Committee.”

**Item No. 6. Re-Appointment of Mr. Manoj Maheshwari (DIN: 02581704) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 3<sup>rd</sup> May, 2020.**

**Rational:** Refer the explanation given under Item no. 6 on page no. 10

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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Manoj Maheshwari (DIN:02581704), Non-Executive and Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as Non-Executive and Independent Director of the Company to hold office for second term of five consecutive years with effect from 3<sup>rd</sup> May, 2020 to 2<sup>nd</sup> May, 2025, pursuant to recommendation of Nomination and Remuneration Committee.”

**Item No. 7. Re-Appointment of Dr. Manuji Zarabi (DIN: 00648928) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23<sup>rd</sup> February, 2020.**

**Rational:** Refer the explanation given under Item no. 7 on page no. 10

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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Manuji Zarabi (DIN:00648928), Non-Executive and Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as Non-Executive and Independent Director of the Company to hold office for second term of five consecutive years with effect from 23<sup>rd</sup> February, 2020 to 22<sup>nd</sup> February, 2025, pursuant to recommendation of Nomination and Remuneration Committee.”

**Item No. 8. Re-Appointment of Ms. Poornima Shenoy (DIN: 02270175) as Non-Executive and Independent Director for Second Term of 5 Consecutive Years W.e.f. 23<sup>rd</sup> February, 2020.**

**Rational:** Refer the explanation given under Item no. 8 on page no. 11

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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Poornima Shenoy (DIN: 02270175), Non-Executive and Independent Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as Non-Executive and Independent Director of the Company to hold office for second term of five consecutive years with effect from 23<sup>rd</sup> February, 2020 to 22<sup>nd</sup> February, 2025, pursuant to recommendation of Nomination and Remuneration Committee.”

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

Sd/-

**Ashish Kumar**

Group Company Secretary & Compliance Officer

M.No- F8355

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

Dated: 24<sup>th</sup> May, 2019

Place: Noida

**NOTES:-**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. PROXIES SUBMITTED ON BEHALF OF COMPANIES AND OTHER BODIES CORPORATE, SOCIETIES, TRUST, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION, AS APPLICABLE.**
3. The instrument appointing the proxy, duly completed, must be deposited at the Registered Office of the company not less than forty eight (48) hours (on or before 29th July, 2019, 11.00 A.M.) the commencement of the Meeting. A proxy form for the Annual General Meeting is enclosed.
4. A person can act as a proxy on behalf of members not exceeding fifty in numbers and holding in aggregate not more than ten percent of the total share capital of the company.
5. A member holding more than ten percent of the total share capital of the company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or member.
6. A member is entitled to inspect proxies lodged at any time before 24 hours of the time fixed for commencement of the meeting ending with the conclusion of the meeting, provided that not less than three days' notice in writing is given to the company.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Registers of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies, 2013 shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting.
- 8. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS WILL REMAIN CLOSED FROM 25th JULY, 2019 TILL 31st JULY, 2019 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF PAYMENT OF FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019 AND THE ANNUAL GENERAL MEETING.**
9. Subject to the provisions of the Act, Dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the register of members as on 24th July, 2019. The Final Dividend, as proposed, is ₹2 per equity share. The Dividend, if approved, will be paid on or before 29th August, 2019.
10. Members whose shareholding is in Electronic Mode are requested to direct change of address notifications and updates of bank account details to their respective Depository Participant. We urge the members to utilize the Electronic Clearing system (ECS) for receiving Dividend.
11. Members whose folios are in physical mode are requested to address all correspondence, including on dividends to the Registrar and Share Transfer Agent, Karvy Fintech Private Limited, Unit: Dixon Technologies (India) Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.
12. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Affairs Department at the Company's registered office or e-mailing at investorrelations@dixoninfo.com or the Company's Registrar and Share Transfer Agent (Karvy Fintech Private Limited) by e-mailing at einward.ris@karvy.com for revalidation and encash them before the due dates. Members are requested to note that the dividend remaining unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund. In addition, as per Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund.
13. The Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
14. All the documents referred to in the Notice and Statement under section 102 of the Companies Act, 2013 shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting.
15. Details as required in sub regulation (3) of Regulation 36 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the Notice. The Directors have furnished consent/declaration for their appointment /re-appointment as required under the Companies Act, 2013 and Rules made thereunder.

16. In line with the measures of Green Initiatives, the Companies Act, 2013 provides for sending notice of the meeting and other member correspondence through electronic mode. Members holding shares in physical mode are requested to register their e-mail ids with the company at [investorrelations@dixoninfo.com](mailto:investorrelations@dixoninfo.com) and with RTA at [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Members holding shares in demat mode are requested to register their email id's with their respective Depository Participants. If there is any change in the email id already registered with the company /RTA, members are requested to immediately notify the same to the company/RTA.
17. For the convenience of Members and for the proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to the proxy Form, Members/Proxies attending the meeting are kindly requested to complete the enclosed Attendance Slip, affix their signature at the place provided thereon and hand it over at the entrance.
18. Members are requested to tender their Attendance Slips at the registration counters at the venue of the Annual General Meeting and seek registration before entering the Meeting Hall. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
19. A Corporate Member entitled to attend the meeting shall along with their authorised representative(s) send a certified true copy of a resolution passed by the Board of Directors and vote on their behalf at the meeting.
20. Members are requested to bring Annual Report 2018- 19 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
21. Notice is being sent to all the members (electronic or physical copy), whose names appears in the Register of Members as on 28th June, 2019, the Friday. The Notice of the meeting is also posted on the website of the company i.e. [www.dixoninfo.com](http://www.dixoninfo.com). The Annual Report 2018-19, the Notice of the 26th Annual General Meeting, instructions for e-voting along with the attendance slip and proxy form are being sent by electronic mode to members whose e-mail addresses are registered with the Company/Depository participant, unless a member has requested for a physical copy of the documents. For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.
22. The Security and Exchange Board of India (SEBI) has mandated the submission of Permanent Account

Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent of the Company.

- 23. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.**

### Electronic Voting:

1. The businesses as set out in the Notice will be transacted through electronic voting system and the company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015 ( "Amended Rules 2015" ) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Fintech Private Limited ("Karvy").
2. The facility of Insta Voting shall be made available at the venue of the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Insta voting.
3. The voting through electronic means will commence on 28th July, 2019, Sunday at 09.00 A.M. and will end on 30th July, 2019, Tuesday at 05.00 P.M ( both days inclusive). During this period Members of the company holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th July, 2019 may cast their vote electronically.

The e-voting module shall be disabled by the Karvy for voting thereafter. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently.

4. The members who have cast their votes before the Annual General Meeting can also attend the meeting but shall not be entitled to cast their votes again.
5. A person who is not a Member as on cut-off date should treat this notice for information purpose only.

### Procedure and Instructions for E- Voting and Insta Poll:

- I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited ("Karvy") on all resolutions set forth in this Notice, from a place other than the venue of the Annual General Meeting ("Remote e-voting").

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participants (s)] which includes details of E-Voting Event Number (EVEN), USER ID and password:

- i. Launch internet browser by typing the URL: [https:// evoting.karvy.com](https://evoting.karvy.com).
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9)

and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., Dixon Technologies (India) Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested

specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id shirinbhatt@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number - (EVEN), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

**II. Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however these Members are not entitled to cast their vote again in the Meeting.

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

#### Other Instructions

- a. 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> (Karvy Website) or contact at below mentioned toll free number, (Unit: Dixon Technologies (India) Limited) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- c. The remote e-voting period commences on 28th July, 2019, Sunday (09.00A.M.) and ends on 30th July, 2019, Tuesday (05.00 P.M.), both days inclusive. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th July, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. 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. 24th July, 2019, Wednesday.
- e. 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., 24th July, 2019, 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 Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [einward.ris@karvy.com](mailto:einward.ris@karvy.com) and [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- f. The company has appointed M/s Shirin Bhatt & Associates, Practicing Company Secretary

(FCS No. 8273, CP No 9150), Delhi to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

- g. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of insta poll facility for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- h. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the

company and shall make, not later than 48 hours from the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- i. The result declared along with the consolidated scrutinizer's report will be placed on the website of the Company: [www.dixoninfo.com](http://www.dixoninfo.com) and on the website of Karvy at: [https:// evoting.karvy.com](https://evoting.karvy.com). The result will simultaneously be communicated to the Stock exchanges.

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

Sd/-

**Ashish Kumar**

Group Company Secretary & Compliance Officer

M.No- F8355

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

Dated: 24<sup>th</sup> May, 2019

Place: Noida

### Item No. 3

#### Mr. Sunil Vachani

Mr. Sunil Vachani (DIN: 00025431) is Executive Chairman and Whole Time Director of the Company. He was inducted on the Board of Directors on 15<sup>th</sup> January, 1993 as a member of the Board. At the Extra-Ordinary General Meeting held on 5<sup>th</sup> May, 2017, he was appointed as Executive Chairman and Whole Time Director of the Company for the 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. Sunil Vachani is interested in this resolution and relatives of Mr. Sunil Vachani may be deemed to be interested in this resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed Resolutions mentioned at Item No. 3 of the Notice.

\*\*\*

### Statement Pertaining to Item No. 4- 8 pursuant to Section 102 of the Companies Act, 2013

#### Item No. 4

The Board of Directors of the Company at their meeting held on 24<sup>th</sup> May, 2019, 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, 2020. 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. 4 be passed in the interest of your Company.

#### Item No. 5

The Board of Directors at its meeting held on 12<sup>th</sup> April, 2019, based on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Keng Tsung Kuo (DIN: 03299647), as an Additional Director of the Company effective 12<sup>th</sup> April, 2019. Pursuant to Section 161 of the Companies Act 2013 (the Act), Mr. Kuo will hold such office up to the date of this Annual General Meeting and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, proposing the candidature of Mr. Kuo for the office of Director.

The Company has received from Mr. Kuo declarations under Section 149(7) of the Act confirming that he meets the criteria prescribed for Independent Directors under of Section 149(6) of the Act as well as provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Mr. Kuo has also furnished to the Company (i) Consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Declaration in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of the Act.

In the opinion of the Board, Mr. Kuo fulfills the conditions for his appointment as a Non-executive & Independent Director as prescribed under the Act and Rules made thereunder as well as Regulation 16 of the SEBI Listing Regulations. Mr. Kuo is independent of the Management. Accordingly, it is proposed to appoint Mr Kuo as a Non-executive & Independent Director on the Board of the Company for a period of five (5) consecutive years effective 12<sup>th</sup> April, 2019 and shall not be liable to retire by rotation. In the opinion of the Board, the Company will immensely benefit from the varied experience and knowledge of Mr. Kuo. The terms and conditions of appointment of Mr. Kuo as a Non-executive & Independent Director shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting.

**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.**

None of the Director(s) and Key Managerial Personnel of the Company including their relatives, are in any way concerned

or deemed to be interested in the proposed resolutions mentioned at Item No. 5 of the Notice.

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

### Item No. 6

Mr. Manoj Maheshwari is Non-Executive and Independent Director of the Company and Chairperson of the Audit Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company on 3<sup>rd</sup> May, 2017. Mr. Maheshwari, was appointed as Non-Executive and Independent Director to hold office for three consecutive years for a term upto 2<sup>nd</sup> May, 2020, by the Members of the Company at the Extra Ordinary General Meeting held on 5<sup>th</sup> May, 2017. 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 on passing of a special resolution by the Company for second term of upto five (5) consecutive years on the Board of a Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution at their meeting held on 24<sup>th</sup> May, 2019 approving re-appointment of Mr. Manoj Maheshwari as an Independent Director for a second term of five year with effect from 3<sup>rd</sup> May, 2020 to 2<sup>nd</sup> May, 2025, based on performance evaluation of Mr. Manoj Maheshwari. The Company has in terms of Section 160 of the Act, received in writing a notice from a Member, proposing candidature of Mr. Manoj Maheshwari for the office of director.

The Company has received a declaration from Mr. Manoj Maheshwari confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Maheshwari's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Manoj Maheshwari fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, for re-appointment as an Independent Director of the Company and he is independent of the Management.

Copy of draft letter of appointment of Mr. Manoj Maheshwari setting out the terms and conditions of appointment shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting. Except Mr. Manoj Maheshwari, being the appointee, or his relatives, none of the Directors and Key Managerial

Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item No 6.

**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.**

The Board of Directors of your Company recommends that the Resolution under Item No. 6 be passed in the interest of your Company.

### Item No. 7

Dr. Manuji Zarabi is Non-Executive and Independent Director of the Company and Chairperson of the Stakeholders Relationship Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company on 23<sup>rd</sup> February, 2017. Dr. Zarabi, was appointed as Non-Executive and Independent Director to hold office for three consecutive years for a term upto 22<sup>nd</sup> February, 2020, by the Members of the Company at the Extra Ordinary General Meeting held on 1<sup>st</sup> April, 2017. 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 on passing of a special resolution by the Company for second term of upto five consecutive years on the Board of a Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution at their meeting held on 24<sup>th</sup> May, 2019 approving re-appointment of Dr. Manuji Zarabi as an Independent Director for a second term of five (5) years with effect from 23<sup>rd</sup> February, 2020 to 22<sup>nd</sup> February, 2025, based on performance evaluation of Dr. Manuji Zarabi. The Company has in terms of Section 160 of the Act, received in writing a notice from a Member, proposing candidature of Dr. Manuji Zarabi for the office of director.

The Company has received a declaration from Dr. Manuji Zarabi confirming that he meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Dr. Manuji Zarabi's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board of Directors, Dr. Manuji Zarabi fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, for re-appointment as an Independent Director of the Company and he is independent of the Management.

Copy of draft letter of appointment of Dr. Manuji Zarabi setting out the terms and conditions of appointment shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting. Except Dr. Manuji Zarabi, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item No 7.

**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.**

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

#### Item No. 8

Ms. Poornima Shenoy is Non-Executive and Independent Director of the Company and Chairperson of the Nomination and Remuneration Committee of the Board of Directors of the Company. She joined the Board of Directors of the Company on 23<sup>rd</sup> February, 2017. Ms. Poornima Shenoy, was appointed as Non-Executive and Independent Director to hold office for three consecutive years for a term upto 22<sup>nd</sup> February, 2020, by the Members of the Company at the Extra Ordinary General Meeting held on 1st April, 2017. 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 on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution at their meeting held on 24<sup>th</sup> May, 2019 approving re-appointment of Ms. Poornima Shenoy as an Independent Director for a second term of five (5) years with effect from 23<sup>rd</sup> February, 2020 to 22<sup>nd</sup> February, 2025, based on performance evaluation of

Ms. Poornima Shenoy. The Company has in terms of Section 160 of the Act, received in writing a notice from a Member, proposing candidature of Ms. Poornima Shenoy for the office of director.

The Company has received a declaration from Ms. Poornima Shenoy confirming that she meets the criteria of independence under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Ms. Poornima Shenoy's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board of Directors, Ms. Poornima Shenoy fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder, for re-appointment as an Independent Director of the Company and she is independent of the Management.

Copy of draft letter of appointment of Ms. Poornima Shenoy setting out the terms and conditions of appointment shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting. Except Ms. Poornima Shenoy, being the appointee, or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item No 8.

**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.**

The Board of Directors of your Company recommends that the Resolution under Item No. 8 be passed in the interest of your Company.

#### Inspection of documents

The documents referred hereinabove in the Notice shall be available for inspection at the registered office of the Company on all working days during business hours and also at the meeting.

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

Sd/-

**Ashish Kumar**

Group Company Secretary & Compliance Officer

M.No- F8355

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

Dated: 24<sup>th</sup> May, 2019

Place: Noida

## Annexure-A

| Particulars                                                  | Mr. Sunil Vachani                                                                                                                                                                                                                                                      | Mr. Keng Tsung Kuo<br>(Refer Note 1)                                                                                                                                                                                                                                                                                                                             | Mr. Manoj Maheshwari<br>(Refer Note 2)                                                                                                                                                                                                                                                           | Dr. Manuji Zarabi<br>(Refer Note 2)                                                                                                                                                                                                                                                      | Ms. Poornima Shenoy<br>(Refer Note 2)                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date of Birth and Age</b>                                 | 27 <sup>th</sup> November, 1968<br>Age: 50 years                                                                                                                                                                                                                       | 4 <sup>th</sup> December, 1958<br>Age: 60 years                                                                                                                                                                                                                                                                                                                  | 5 <sup>th</sup> January, 1966<br>Age: 53 years                                                                                                                                                                                                                                                   | 24 <sup>th</sup> August, 1947<br>Age: 71 years                                                                                                                                                                                                                                           | 18 <sup>th</sup> January, 1965<br>Age: 54 years                                                                                                                                                                                                                                          |
| <b>Nationality</b>                                           | Indian                                                                                                                                                                                                                                                                 | Republic of China                                                                                                                                                                                                                                                                                                                                                | Indian                                                                                                                                                                                                                                                                                           | Indian                                                                                                                                                                                                                                                                                   | Indian                                                                                                                                                                                                                                                                                   |
| <b>Qualifications</b>                                        | Associate of Applied Arts in Business Administrations from the American College in London                                                                                                                                                                              | Master of Electrical Engineering & Executive MBA from National Taiwan University                                                                                                                                                                                                                                                                                 | Chartered Accountant, Company Secretary and post-graduate in business administration                                                                                                                                                                                                             | Doctor of philosophy from the Indian Institute of Science, Bangalore                                                                                                                                                                                                                     | BA from Bangalore University and MBA from TAPMI, Manipal. British Chevening scholar for Women in Leadership and Management from the University of Bradford, Management Development Program at the University of Michigan at Ann Arbor.                                                   |
| <b>Experience &amp; Expertise</b>                            | He has over 2 decades of experience in the EMS Industry.                                                                                                                                                                                                               | He has over 30 years of rich and extensive experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership & Management.                                                                                                                                                                                    | He has more than 29 years of Experience encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fundraising as debt and equity.                                                                                                                   | He has more than 26 years of technical experience in Electronics and he was also member of the working group on development of R&D and IP in electronics formed at DeitY                                                                                                                 | She is the Co-Founder & CEO of a tech Accelerator -THE GAIN, President of the India Electronics & Semiconductor Association IESA and member of its Executive Council. She is a TiE Charter Member.                                                                                       |
| <b>Terms and conditions of appointment or re-appointment</b> | As per the resolution passed by the members at the Extra Ordinary General Meeting held on 5 <sup>th</sup> May, 2017, Mr. Vachani was appointed as the Executive Chairman and Whole Time Director of the Company for a period of 5 years , liable to retire by rotation | As per the resolution passed by the Board of Directors of the Company Mr. Keng Tsung Kuo was appointed as the Additional Director in the capacity of Non-Executive & Independent Director, subject to approval of the members at the ensuing Annual General Meeting, for a term of 5 years w.e.f 12 <sup>th</sup> April, 2019, not liable to retire by rotation. | As per the resolution passed by the members at the Extra Ordinary General Meeting held on 5 <sup>th</sup> May, 2017, Mr. Maheshwari was appointed as Non-Executive & Independent Director for a period of 3 consecutive years w.e.f 3 <sup>rd</sup> May, 2017 , not liable to retire by rotation | As per the resolution passed by the members at the Extra Ordinary General Meeting held on 1st April, 2017, Dr. Zarabi was appointed as Non-Executive & Independent Director for a period of 3 consecutive years w.e.f 23 <sup>rd</sup> February, 2017 , not liable to retire by rotation | As per the resolution passed by the members at the Extra Ordinary General Meeting held on 1st April, 2017, Ms. Shenoy was appointed as Non-Executive & Independent Director for a period of 3 consecutive years w.e.f 23 <sup>rd</sup> February, 2017 , not liable to retire by rotation |

| Particulars                                                                                                    | Mr. Sunil Vachani                                                                                                                                                                                                                                                      | Mr. Keng Tsung Kuo<br>(Refer Note 1)                                                                                                                                                                                                            | Mr. Manoj Maheshwari<br>(Refer Note 2)                                                                                                                                                                                                                                                                                                                                                  | Dr. Manuji Zarabi<br>(Refer Note 2)                                                                                                                                                                                                                                                                                                                                                     | Ms. Poornima Shenoy<br>(Refer Note 2)                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable</b> | Remuneration sought to be paid: As per the existing terms and conditions.<br>Remuneration paid during financial year 2018-19 was: ₹339.22 Lakhs<br>Further, the details of the remuneration are provided in the Director's Report section of the Annual Report 2018-19 | No remuneration drawn by Mr. Keng Tsung Kuo in the previous financial year.<br>Also, apart from sitting fee, out of pocket expenses and commission, if any declared by the Board, he is not entitled to any other remuneration from the Company | Sitting fees paid during FY 18-19: ₹2.2 Lakhs. Commission paid during FY 2018-19: ₹5,00,000.<br>Further the details of the remuneration are provided in the Director's Report section of the Annual Report 2018-19.<br>Also, apart from sitting fee, out of pocket expenses and commission, if any declared by the Board, he is not entitled to any other remuneration from the Company | Sitting fees paid during FY 18-19: ₹2.9 lakhs. Commission paid during FY 2018-19: ₹5,00,000.<br>Further the details of the remuneration are provided in the Director's Report section of the Annual Report 2018-19.<br>Also, apart from sitting fee, out of pocket expenses and commission, if any declared by the Board, he is not entitled to any other remuneration from the Company | Sitting fees paid during FY 18-19: ₹1.7 Lakhs. Commission paid during FY 2018-19: ₹5,00,000.<br>Further the details of the remuneration are provided in the Director's Report section of the Annual Report 2018-19.<br>Also, apart from sitting fee, out of pocket expenses and commission, if any declared by the Board, she is not entitled to any other remuneration from the Company |
| <b>Date of first appointment on the Board</b>                                                                  | 15 <sup>th</sup> January, 1993                                                                                                                                                                                                                                         | 12 <sup>th</sup> April, 2019                                                                                                                                                                                                                    | 3 <sup>rd</sup> May, 2017                                                                                                                                                                                                                                                                                                                                                               | 23 <sup>rd</sup> February, 2017                                                                                                                                                                                                                                                                                                                                                         | 23 <sup>rd</sup> February, 2017                                                                                                                                                                                                                                                                                                                                                          |
| <b>Shareholding in the company</b>                                                                             | 41,96,208 equity shares (37.05%) as on 24 <sup>th</sup> May, 2019                                                                                                                                                                                                      | NIL                                                                                                                                                                                                                                             | NIL                                                                                                                                                                                                                                                                                                                                                                                     | NIL                                                                                                                                                                                                                                                                                                                                                                                     | NIL                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>            | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                                                    | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                             | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                                                                                                                                                                     | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                                                                                                                                                                     | Not related to any Director/Key Managerial Personnel of the Company                                                                                                                                                                                                                                                                                                                      |
| <b>Number of Meetings of the Board attended during the year`</b>                                               | The details of the meetings attended during the year is provided in the Corporate Governance Report section of the Annual report 2018-19                                                                                                                               | Mr. Kuo was appointed during the F.Y. 2019-20. Therefore, he was not entitled to attend any meetings during FY 2018-19.                                                                                                                         | The details of the meetings attended during the year is provided in the Corporate Governance Report section of the Annual report                                                                                                                                                                                                                                                        | The details of the meetings attended during the year is provided in the Corporate Governance Report section of the Annual report                                                                                                                                                                                                                                                        | The details of the meetings attended during the year is provided in the Corporate Governance Report section of the Annual report                                                                                                                                                                                                                                                         |

| Particulars                                                                                         | Mr. Sunil Vachani                                                                                                                                                                                                                          | Mr. Keng Tsung Kuo<br>(Refer Note 1) | Mr. Manoj Maheshwari<br>(Refer Note 2)                                                                                                                                                                                         | Dr. Manuji Zarabi<br>(Refer Note 2)                                                                                                                                                                                                            | Ms. Poornima Shenoy<br>(Refer Note 2)                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Other Directorships</b>                                                                          | <b>Unlisted Companies:</b> <ul style="list-style-type: none"> <li>Padget Electronics Private Limited</li> <li>AIL Dixon Technologies Private Limited</li> <li>Fincraft Learning Private Limited</li> </ul> <b>Listed Companies:</b><br>NIL | NA                                   | <b>Unlisted Companies:</b> <ul style="list-style-type: none"> <li>Vision one India Consulting Services Private Limited</li> <li>New Habitat Housing Finance and Development Limited</li> </ul> <b>Listed Companies:</b><br>NIL | <b>Unlisted Companies:</b> <ul style="list-style-type: none"> <li>Dixon Global Private Limited</li> <li>Masamb Electronics Systems Private Limited</li> <li>Masamb Embedded Systems Private Limited</li> </ul> <b>Listed Companies:</b><br>NIL | <b>Unlisted Companies:</b> <ul style="list-style-type: none"> <li>Tee Global Accelerator For Innovation Network Private Limited</li> <li>India Electronics and Semiconductor Association</li> <li>Dixon Global Private Limited</li> </ul> <b>Listed Companies:</b> <ul style="list-style-type: none"> <li>Moschip Technologies Limited</li> </ul> |
| <b>Membership/ Chairmanship of Committees of other Boards as on 31st March, 2019 (Refer Note 3)</b> | NIL<br>(Refer Note 4)                                                                                                                                                                                                                      | NIL                                  | <ul style="list-style-type: none"> <li><b>New Habitat Housing Finance and Development Limited:</b><br/>Nomination &amp; Remuneration Committee-Member</li> </ul>                                                               | <ul style="list-style-type: none"> <li><b>Dixon Global Private Limited:</b><br/>Audit Committee-Member<br/>Nomination &amp; Remuneration Committee-Member</li> </ul>                                                                           | <ul style="list-style-type: none"> <li><b>Moschip Semiconductor Technology Limited:</b><br/>Stakeholders Relationship Committee-Member<br/>Nomination &amp; Remuneration Committee- Member</li> <li><b>Dixon Global Private Limited:</b><br/>Audit Committee-Member<br/>Nomination &amp; Remuneration Committee- Member</li> </ul>                |

**Note 1:** Justification for appointment for choosing the appointee:

Mr. Keng Tsung Kuo has vast experience in Business & Selling Strategy, Human Resource & Globalization Strategy, Change Management and Leadership. He has the capability to critically analyze each of the Business segment of the Company and bring in more value to the organization as a whole. Also, his appointment is requisite pursuant to Regulation 17 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Note 2:** Summary of Performance Evaluation of Independent Directors:

The performance evaluation of Independent Directors (Mr. Manoj Maheshwari, Dr. Manuji Zarabi and Ms. Poornima Shenoy) were conducted by the entire Board (excluding the Director being evaluated) on the basis of criteria such as attendance in the Board Meetings, Committee meetings in which he/she is either a member or Chairman, involvement in discussions being held at the Meeting, maintenance of level of Transparency, Analytical Capabilities, Leadership, Ethics and exercising of Independent approach in the discussions.

**Note 3:** Chairpersonship and membership of the audit committee ,the Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee has been considered.

**Note 4:** Mr. Sunil Vachani became a member of the Audit Committee and Chairperson of the Nomination & Remuneration Committee of the Board of Padget Electronics Pvt. Ltd w.e.f 24<sup>th</sup> May, 2019.



An ISO 9001:2008 & 14001:2004 Company

Dixon Technologies (India) Ltd.

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

### ATTENDANCE SLIP

Please fill Attendance Slip and hand it over at the entrance of the meeting hall

|    |                                                                                                                  |  |
|----|------------------------------------------------------------------------------------------------------------------|--|
| 1. | Name(s) of Member(s) / proxy including joint holders, if any [in Block Letter(s)]                                |  |
| 2. | Registered Address of the Sole/First named Member                                                                |  |
| 3. | Registered Folio No./*DP ID No. and Client ID No. (*Applicable to Members holding shares in dematerialized form) |  |
| 4. | Number of Shares held                                                                                            |  |

I/We hereby record my/our presence at the 26<sup>th</sup> Annual General Meeting of Dixon Technologies (India) Limited held on **Wednesday, 31st July, 2019** at **11.00 A.M.** at International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301.

.....  
Signature of member/ Proxy

Note: Please bring the attendance slip to meeting hall and hand it over at the entrance of the hall.

| ELECTRONIC VOTING PARTICULARS |         |              |
|-------------------------------|---------|--------------|
| EVENT (E-Voting Event Number) | USER ID | PASSWORD/PIN |
|                               |         |              |

**Note:** Please read the instructions at page number 5, 6, 7 and 8 ('electronic voting', 'procedure and Instructions for e-voting & instapoll' and 'other instructions') of the notice of the 26<sup>th</sup> Annual General Meeting carefully before voting electronically.



An ISO 9001:2008 & 14001:2004 Company

Dixon Technologies (India) Ltd.

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

**PROXY FORM**

**(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

|                        |  |
|------------------------|--|
| Name of the Member(s): |  |
| Registered address:    |  |
| E-mail ID:             |  |
| Folio No./Client ID:   |  |
| DP ID:                 |  |

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

|            |  |
|------------|--|
| Name:      |  |
| Address:   |  |
| E-mail ID: |  |
| Signature: |  |

Or failing him/her

|            |  |
|------------|--|
| Name:      |  |
| Address:   |  |
| E-Mail ID: |  |
| Signature: |  |

Or failing him/her

|            |  |
|------------|--|
| Name:      |  |
| Address:   |  |
| E-Mail ID: |  |
| Signature: |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on **Wednesday, 31st July, 2019** at **11.00 A.M.** at the International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301 and at any adjournment thereof in respect of such resolutions as are indicated below:

Put a tick mark for resolution(s)

| S. No.                    | Resolutions                                                                                                                                                                                                                                                                                                                                                                         | YES | NO |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| <b>ORDINARY BUSINESS:</b> |                                                                                                                                                                                                                                                                                                                                                                                     |     |    |
| 1.                        | Adoption of the Financial Statements & Reports:<br><br>a. Standalone audited Financial Statements for the financial year ended on 31st March, 2019 together with the reports of Auditors and the Board of Directors thereon and<br><br>b. Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2019 and the report of Auditors thereon |     |    |
| 2.                        | Declaration of Dividend                                                                                                                                                                                                                                                                                                                                                             |     |    |
| 3.                        | Appointment of Mr. Sunil Vachani as a director liable to retire by rotation                                                                                                                                                                                                                                                                                                         |     |    |
| <b>SPECIAL BUSINESS:</b>  |                                                                                                                                                                                                                                                                                                                                                                                     |     |    |
| 4.                        | Ratification of remuneration to be paid to M/s. A.N. Satija & Co., cost accountants, cost auditor of the company                                                                                                                                                                                                                                                                    |     |    |
| 5.                        | To appoint Mr. Keng Tsung Kuo (DIN: 03299647) as a Non-Executive and Independent Director of the Company.                                                                                                                                                                                                                                                                           |     |    |
| 6.                        | Re-Appointment of Mr. Manoj Maheshwari (DIN: 02581704) Non-Executive and Independent Director for second term of 5 Consecutive Years w.e.f 3 <sup>rd</sup> May, 2020.                                                                                                                                                                                                               |     |    |
| 7.                        | Re-Appointment of Dr. Manuji Zarabi (DIN: 00648928) Non-Executive and Independent Director for second term of 5 Consecutive Years w.e.f 23 <sup>rd</sup> Feb, 2020.                                                                                                                                                                                                                 |     |    |
| 8.                        | Re-Appointment of Ms. Poornima Shenoy (DIN: 02270175) Non-Executive and Independent Director for second term of 5 Consecutive Years w.e.f 23 <sup>rd</sup> Feb, 2020.                                                                                                                                                                                                               |     |    |

Signed this -----, 2019

Signature of the Member:

Signature of Proxy holder(s):

Affix  
Revenue  
Stamp of  
not less  
than Re. 1

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the Company/Depository Participant.