

Dixon

An ISO 9001 : 2008, 14001 : 2004 Company

Dixon Technologies (India) Ltd.

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

CIN : L32101UP1993PLC066581

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

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2nd August, 2018

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

Sub: Submission of Annual Report of the Company for the Financial Year 2017-18

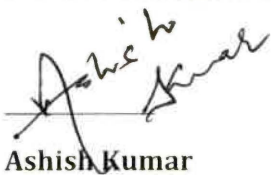
Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2017-18 as approved and adopted by the Members at the 25th Annual General Meeting of the Company held on 25th July 2018 at International Trade Expo Centre Ltd., Hall-C, Expo Drive, A-II, Sector-62, Noida-201301 as per provisions of the Companies Act, 2013.

Kindly take the aforesaid on your record and oblige.

Thanking you,

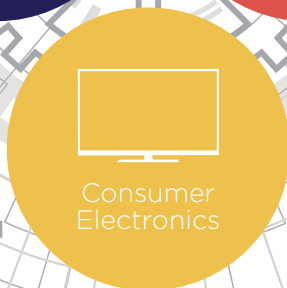
Yours faithfully,

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


Ashish Kumar



(Group Company Secretary and Compliance Officer)
FCS No.8355



Solutions & Collaborations

The brand behind brands

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Success usually follows a very simple equation. You invest in the right capabilities, provide the right answers, build the right relationships and eventually, it all translates into a resounding win! And that is how it has been for us as well.



To view this report online please log on to
www.dixoninfo.com

We have focused on our R&D and come up with product and service innovations. We have provided the **best product solutions to brands across the world**. And we have collaborated with businesses and positioned ourselves as the preferred choice across product and consumer segments. It's through **quality solutions and collaborations** that we have created a strong place for ourselves in the ever changing electronics industry. And we intend to continue the great work!



Dixon at a Glance

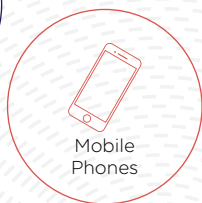
Dixon is the leading home grown, design-focused solutions company engaged in manufacturing products across multiple consumer durable segments. We are an integrated original equipment manufacturing (OEM) company, covering sourcing, manufacturing, quality checks, packaging and logistics solutions for leading brands in India. Our investments in in-house R&D have also led to us emerging as a leading Original Design Manufacturer (ODM) across our business verticals.

Our offerings are spread across six products, which position us as a leader in our industry landscape. We possess the ability to develop and design the products for our customers, who in turn distribute it to the end-users through their own brands.

6



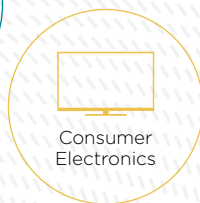
Lighting Solutions



Mobile Phones



Reverse Logistics



Consumer Electronics



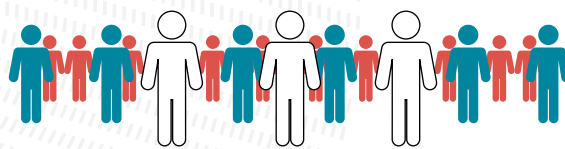
Home Appliances



Security System

117x

Times subscribed before being listed on Indian stock exchanges on 18th September 2017



31

R&D team as on 31st March, 2018

Team size

(permanent employees as on 31st March 2018)



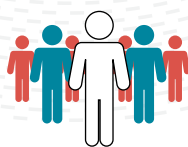
121

1994



473

2011

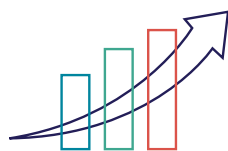


780

2018

37.05%

Promoter shareholding as on 31st March, 2018



**₹28575.66
million**

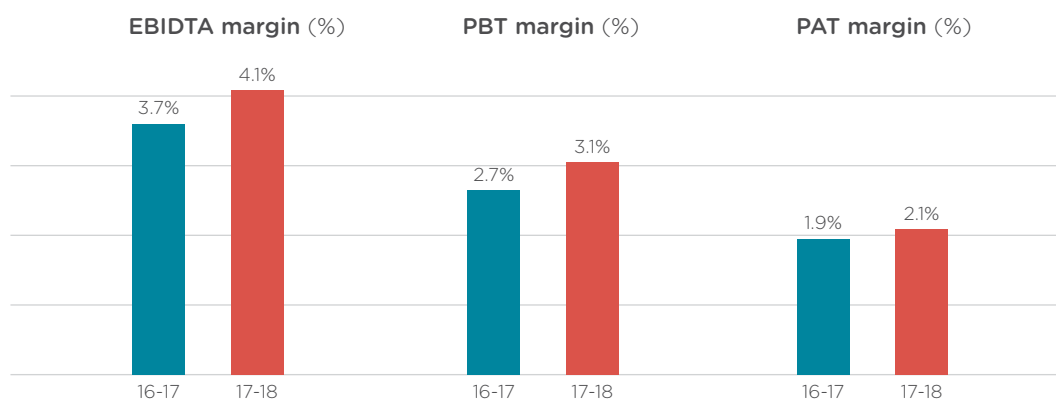
Total revenue as on
31st March, 2018*



**₹37153.09
million**

Market capitalization on BSE Limited as on
31st March, 2018

A Look at Our Margins*

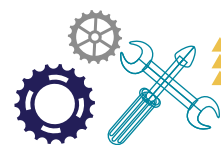


Manufacturing locations*



We have nine state-of- art manufacturing facilities located in Noida, Uttar Pradesh, Dehradun, Uttarakhand and Tirupati, Andhra Pradesh.

Research and Development



Our focus on product development and management is a part of our vision-based long-term plan. Our in-house R&D team has had their ground covered on market insight, new technologies and creating greater value.

*Taken on Consolidated Level

Our Journey in Milestones

1994

- ▶ Commenced manufacturing colour televisions

1996

- ▶ Established a manufacturing facility at B-14 and 15, Phase-II, Noida

2008

- ▶ Entered the lighting products vertical with the manufacture of CFL products
- ▶ Private equity investment by India Business Excellence Fund and India Business Excellence Fund 1
- ▶ Began reverse logistics operations

2009 and 2010

- ▶ Commencement of manufacturing of washing machines
- ▶ Commencement of commercial manufacturing in the metal sheet and moulding segments

2014

- ▶ Achieved more than ₹10,000 million of revenue from operations on a standalone basis

2015

- ▶ Acquisition of the remaining shareholding of our erstwhile subsidiaries Dixon Appliances Private Limited (DAPL) and Dixon Bhurji Moulding Private Limited (DBMPL), pursuant to which they became our wholly owned subsidiaries

2016

- ▶ Commencement of the manufacture of mobile phones through our joint venture, Padget Electronics Private Limited
- ▶ We were granted approval by the Govt. of Andhra Pradesh, for setting up a manufacturing facility at Tirupati

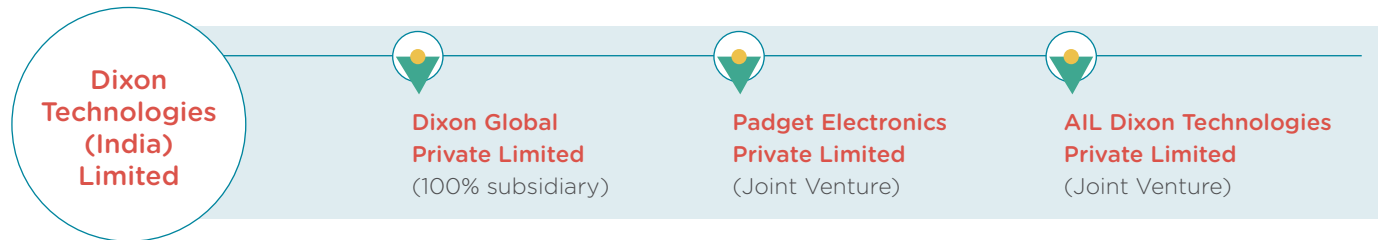
2017

- ▶ Amalgamation of DAPL and DBMPL, our wholly owned subsidiaries, with and into our Company
- ▶ Entered into a joint venture agreement with Aditya Infotech Limited for the manufacture of security systems including CCTVs and DVRs, through our joint venture company, AIL Dixon Technologies Private Limited
- ▶ Received listing approvals from BSE Ltd. and National Stock Exchange of India Ltd. on 15th September, 2017 effective from 18th September, 2017

2018

- ▶ Commence manufacturing of security systems including CCTV'S & Digital Video Recorders (DVR's) from the Company's state of the art manufacturing facility at Tirupati through our joint venture, AIL Dixon Technologies Private Limited
- ▶ Commenced production of Liquid Crystal Module (LCM) line at Tirupati facility in line with Company's strategy of backward integration which will be the India's largest facility for LED TV panel manufacturing

The Building Blocks of Our Organization



Plant location (Addresses)	Products manufactured
B-14 and 15, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	LED bulbs, PCB assembly of CFL Lamps
B-18, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	Mobile phones
C-33, Phase II, Noida, Gautam Buddha Nagar, UP- 201305	CFL Lamps
B-45, Phase II Extension, Noida, UP- 201305	Reverse Logistics
Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun, Uttarakhand	LED bulbs and parts
Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand	LED TVs
Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand	CFL Lamps, LED bulbs, Battens, T-LEDs, Down Lighter, Ballast, etc.
Shed No. 1 and 2, EMC II, Govindavaram, Chittoor- 517526	Semi-automatic Washing Machines
	Backward integration of plastic parts and sheet metal components
	CCTVs and DVRs
	LED TVs



Message from the Corner Office

Dear Shareholders,

With immense pleasure I present to you the first annual report of Dixon Technologies India Limited, post our listing on the Indian stock exchanges on 18th September 2017. This has been a landmark year, with our stock prices debuting on BSE at a premium of ~54% from the offer price.

Dixon is a leading design focused product and solutions company, and amongst the preferred OEM for some of the leading global and domestic consumer electronics companies, with strong presence in LED TV, LED bulbs, CFL bulbs, Washing Machines, mobile phones, DVRs and CCTVs segments. Our recent expansion into reverse logistics further strengthened our business model, which is primarily focused on creating greater value for our stakeholders.

Glancing back at 2017-18, the timing of Dixon's listing on the Indian bourses could not have been better. India continues to be among the fastest growing economies of the world, despite myriad challenges such as increased fiscal deficit, GST implementation and after effects of demonetization. Dixon is moving swiftly and daring to innovate in an attempt to address the changing consumer needs. We are the brand behind some of the leading brands in the world, producing electronics that touch the lives of millions of people.

Dixon is attractively placed to capitalize on the emerging opportunities of the dynamic electronics industry, where technologies and consumer preferences change rapidly. Both the demand and production of electronics is expected to grow at a CAGR of 41% to \$400 billion and 27% to \$104 billion respectively by 2020, courtesy the

We stand as among the leaders in OEM for consumer electronics products in India.





“We are the brand behind some of the leading brands in the world, producing electronics that touch the lives of millions of people.”

government's support towards electronics industry under the 'Make in India' initiative. Indian electronics industry is expected to emerge as one of the preferred destinations for electronics manufacturing in South Asia.

To pare down the amount of imports by Indian Electronics industry, it is important that our products are both designed in India and made in India. This is where our ODM capabilities can add value to our business with a strong in-house design team. The ODM sector is expected to experience a robust demand with the rise in the requirements for best value design. Asia Pacific region is emerging as the center of electronics manufacturing, thus opening up opportunities for the OEM sector. The EMS companies that provide both PCB manufacturing and EMS services help the company to offer better value-added products to customers.

In India, repair and refurbishment of electronics is important from the end consumer point of view. Therefore,

Both the demand and production of electronics is expected to grow at a CAGR of

41% to \$400
billion and
27% to \$104
billion respectively by 2020

it is expected to grow with the increase in demand of repair and refurbishment of electronics and the rising relevance of e-waste.

The fiscal gone by was marked by a host of changes for our company. We came up with an IPO and opened a new factory in Tirupati, Andhra Pradesh that will help us widen our presence in South India, with several new contracts being entered into with some of the leading brands. This unit will also help the Company in exporting its products globally as it has close proximity to the three Major ports.

We stand as among the leaders in OEM for consumer electronics products in India. With our business expansion, we also increased our team size accordingly. During the year, our in-house design capabilities received a further boost with a recognition from Department of Scientific and Industrial Research for our R&D center. Further, the Company commenced production of Liquid Crystal Module (LCM) line at Tirupati facility, added new customers across all verticals and the Company has invested in Backward integration which is in line with the strategy of the Company.

Leaving one eventful year behind and embarking on a new one, on behalf of the Board of Directors I would like to convey my genuine appreciation towards all our colleagues for their hard and committed work. I would also like to give a heartfelt thank you to all our shareholders for their consistent confidence in us, which keeps us inspired to work towards creating value for them.

Sunil Vachani
Executive Chairman

Q&A with Managing Director



We recorded an increase in PAT by

28% to ₹61 cr.

in this year as compared to PAT of

₹48 cr.

in 2016-17.

*Taken on Consolidated Level

Q How would you reflect back upon the year 2017-18?

A: There are many changes that were seen in 2017-18, both at our company level as well as externally. First, the implementation of GST affected the economy as a whole. With the constant changes and updates, it did bring an element of discomfort for several companies. However, there remains no doubt on the long-term benefits and transparency that GST would usher in. Second, we entered into contracts with some of the leading consumer brands in the industry such as Samsung, Flipkart, Lloyd, Crompton and CP Plus. This validates our position as a growing OEM player in our industry space with a sustained order book. Third, we began the commercial production at our factory in Tirupati, Andhra Pradesh with the production of CCTVs and DVRs. This marks our entry into a new vertical, thereby widening our product base and adding to our competitiveness. Fourth, we came up with our IPO and got listed after receiving an overwhelming response from all our investors. An important milestone in our corporate history, the successful IPO has given us the confidence to march ahead with passion towards our long-term vision.

Q How will the new facility at Tirupati add competitiveness to your business model?

A: The manufacturing facility at Tirupati is our first in South India, while the other seven plants are in the Northern region. The Tirupati facility will help us in expanding our

market share and increasing our product vertical. The facility's proximity to Chennai port also boosts our export competitiveness.

Q How did the company perform during the fiscal under review?

A: Despite various macro economic challenges that came along, we recorded a healthy growth in our numbers. We saw an increase in our overall revenue from operations by 14% to ₹2,853 crore. Our EBITDA margins have also improved from 3.7 % in 2016-17 to 4.1% in 2017-18. We recorded an increase in PAT by 28% to ₹61 crore in this year as compared to PAT of ₹48 crore in 2016-17. We were also successful in reducing our debt levels and thereby bringing down our finance costs.

Q How do you plan to further strengthen your margins?

A: Our integrated business model is key to our business success. Further, we are focused on increasing our local procurement and also improve our operational efficiency levels across the different product segments. Our average capacity utilization levels have also been healthy, leading to higher efficiency levels. Our long-term contract with some of the leading companies in key products puts us in a position to maintain a consistent margin in the near short-term.

Q How do you plan to provide more value to your customers?

A: We aspire to be something more than just a manufacturer of first choice. Dixon has just set out on the journey to become a complete solution provider, which gives us an opportunity to serve our clients across the value-chain. In short, this means utilizing the strength of our newly established ODM business, extensive manufacturing facilities, technological excellence and deepening our customer offering through innovation and cooperation. Our customers will have a closer relationship with us, when we are able to deliver them excellence in product quality. Today, we already have established a wide customer base and the customers can easily get their products manufactured by us with our technological prowess. We will continue to have a keen ear to understand what the customers need in the future and our R&D team shall continue to work in the right direction to deliver as per their expectations.

Q What is your outlook for the coming year?

A: We have taken proactive steps to be in line with the evolving technologies and changing customer preferences. Our entry in producing fully automatic washing machines would again be an important milestone in the coming year, as it would help us garner a significant market share. The government's focus on 'Make in India' only strengthens the business prospect for companies like us. Our two-decade experience and expertise has helped us gain trust for some of the leading brands- both in India and the world. We are confident about enhancing our profitability margins at the backdrop of high operating leverage, backward integration and new customer acquisitions. We plan to make investments in our capacity and improve our operational efficiency levels as well.

I am more convinced than ever that Dixon will be able to achieve a better return for our stakeholders in the coming months. Our collaborations with brands and a wider product basket shall only help us grow our business sustainably.

Atul B. Lall
Managing Director



Our long-term contract with some of the leading companies in key products puts us in a position to maintain a consistent margin in the near short-term.

Crunching the Numbers: Financial Analysis, 2017-18

Dixon's market leadership across key products, high rate of innovation and effective cost control strategy has positioned the Company for continuous profitable growth.

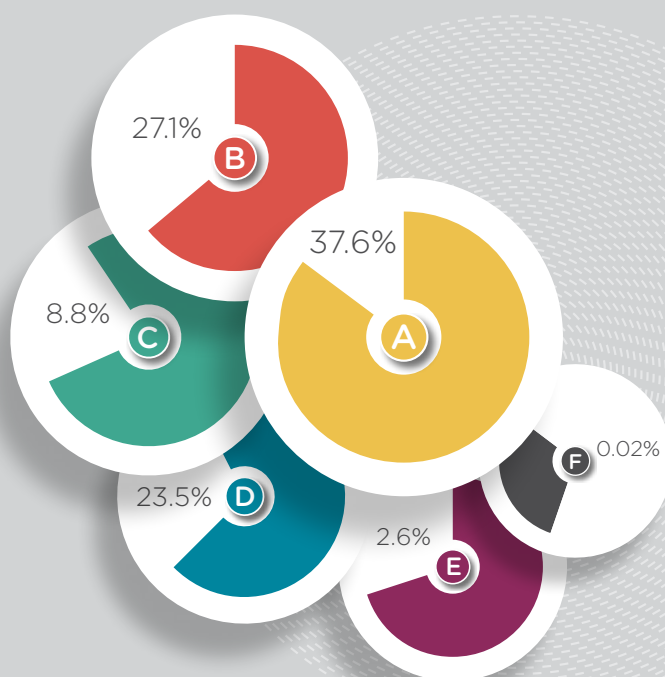


Revenues increased by **14%** to **₹ 28,576 million** driven by continuous demand of products by the end-user

Continued earnings and strong cash flows achieved.
The EBITDA margin grew by **40 bps** in 2017-18 to **4.1%** from **3.7%** in 2016-17

Investments in **R&D** continued to gain momentum with **new product launches** and increasing revenue from the ODM business

Completed a successful **Initial Public Offering** (IPO) in September, 2017 with stock debuting at a premium of **~54%** from the offer price



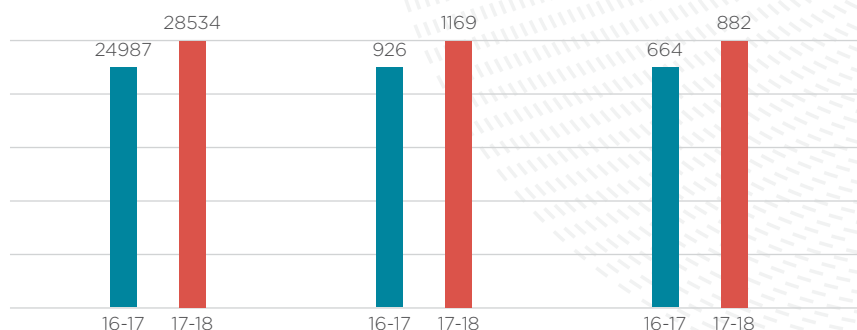
Segment-wise revenue break up

- A** Consumer Electronics
- B** Lighting products
- C** Home appliances
- D** Mobile phones
- E** Reverse Logistics
- F** Security systems

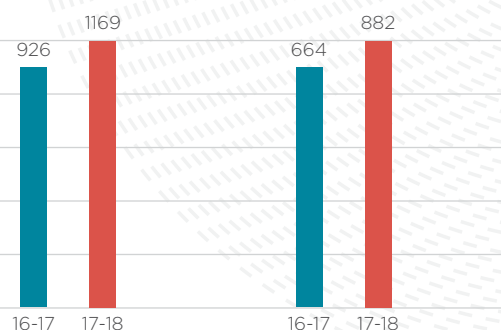
The pie is not to scale

Key figures (at consolidated level)

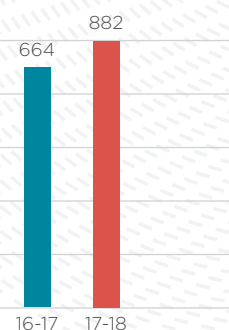
Revenue from Operations
(₹ in million)



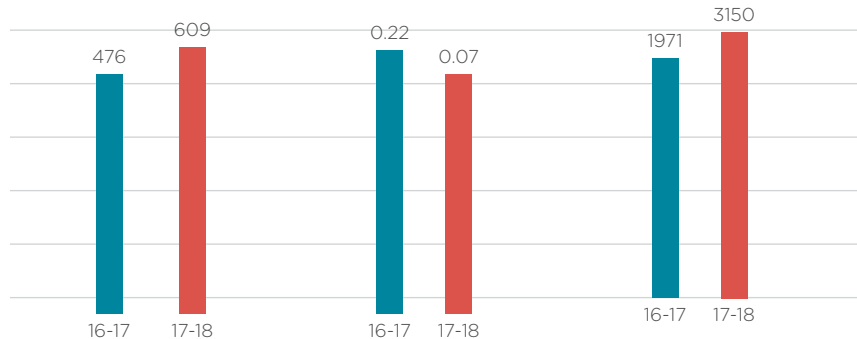
EBIDTA
(₹ in million)



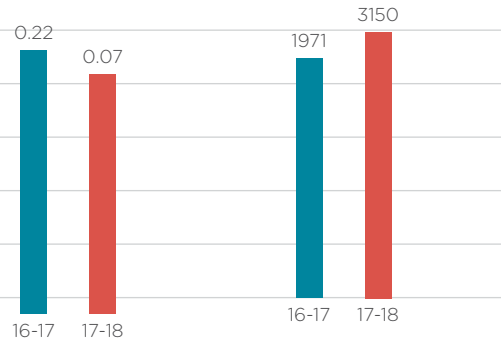
PBT
(₹ in million)



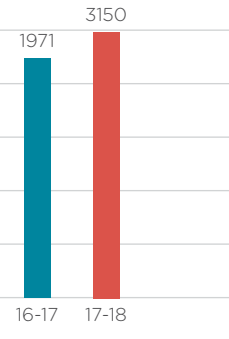
PAT
(₹ in million)



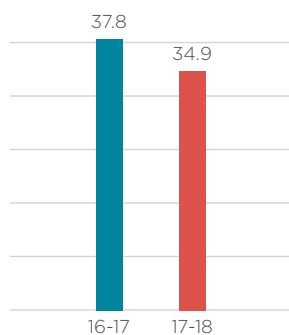
Debt-Equity
(Times)



Net worth
(₹ in million)



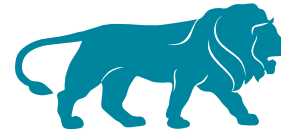
ROCE
(%)



The opportunity landscape



Consumer spending



Make in India

Trends

According to recent research reports, the overall consumption expenditure in the country is expected to peak to USD 3200 billion by FY2020. Increasing affordability and easy finance have led to rise in demand for several electronics and consumer goods.

The recent policy initiatives by the government are definitely helping in surging the momentum of domestic manufacturing. The electronics industry is among the focus sectors for 'Make in India' campaign with focused policy initiatives like Modified special package scheme (MSIPS), Electronic Development Fund (EDF), Electronic Manufacturing Clusters (EMC), and Preferential market access scheme (PMA).

How will it affect Dixon

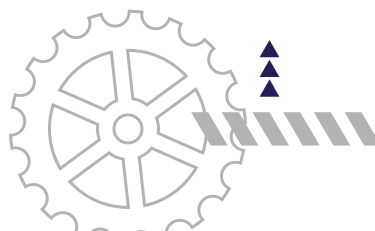
The market for Dixon widens in an emerging country like India, where increasing per capita income, urbanization and higher disposable income will have a positive impact on the near long-term growth of the Company.

The Make in India campaign has driven foreign investments in India, with global companies taking strides to enter India. Demand is becoming increasingly advanced with consumer preferences changing with time.

Dixon's response

Dixon is strategically present across diverse product verticals that are witnessing rising demand. With nine manufacturing facilities and an optimum production capacity for all products, the Company is the preferred OEM and ODM player for leading domestic and global brands.

Dixon's OEM and ODM business model has helped to build up a leading position in India. With sourcing of major raw materials from China, our quality infrastructure validates the confidence of our customers in us, to develop and manufacture the products on behalf of the retail brands.





Cost competitiveness

India is fast emerging as a preferred investment destination for several global investors. The rich demographic dividend of India, positive economic reforms and skilled labour force has attracted several investors. A favourable taxation policy and import substitution for some products have also led to the rise of manufacturing units for several industries



Partners for growth

The end-users today demand products that are highly qualitative. The brands are increasingly cautious in choosing an OEM player that is experienced and not just a contract manufacturer. There is an increasing need to identify an integrated OEM player to help the brands strengthen their market share and build consumer confidence.

Growing investor funding, rising competition and greater consumer offerings places greater impetus on local manufacturers to adapt for capitalizing on demand opportunities.

Integration requires a larger investment pool, stronger operational efficiencies, advanced technologies, regular raw material supply and intelligent systems.

For past over decades Dixon has invested heavily in developing manufacturing facilities that would deliver quality products. Multiple facilities, skilled manpower, in-house R&D set-up have all aligned to deliver cost competitive products with unmatched quality.

Dixon is amongst the largest OEM and ODM manufacturers in India, working as a partner for leading global and domestic brands. Our growing reputation as an ODM player, with in-house R&D and product development has encouraged more brands to be associated with us.



Prioritizing Value Creation: Our Business Model



Our Vision

To emerge as the largest and the most cost effective 'Complete Solution Provider' for Consumer Electronics, Home Appliances, Lighting Electronics, Mobile Phone sectors for the domestic and international market.

Our Mission



Customer first: Strengthen customer partnerships by providing products and services of the greatest value through innovation and excellence



Supplier partnerships: Emphasize communication, training, measurement and recognition



Respect for the individual: Lay emphasis on associate dignity, equality and individual growth



Business Ethics: Conduct business with uncompromising integrity



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



Social Responsibility: Be an asset to the community

Strategy for Sustainable Profitability

At Dixon, we offer integrated design and manufacturing solutions for local and global brands of the world. Having a wider product basket, an integrated business model and advanced technologies, we are the leading company within the industry landscape we operate in.

Our overall strategic direction is to capitalize the growing demand for electronics and consumer goods. We believe, through 'Solutions & Collaborations' we shall be able to serve leading brands with our expertise.

Solutions

We continue to command leadership in our OEM business vertical across several key products.

₹400 million Expected investment in our new manufacturing capacity at Tirupati

78.63% Share of total revenue from OEM at consolidated level in FY2017-18

We are market leaders commanding market share in majority of our products.



FPD
TVs
50.4%



Washing
Machines
42.6%



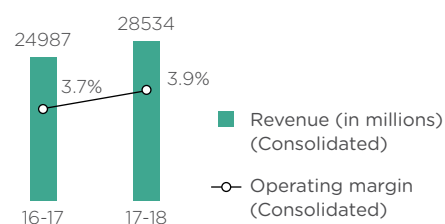
LED and
CFL lights
38.9%

We are gradually expanding our ODM business model, wherein we take charge - right from initial design to final product manufacture.

To strengthen our ODM business, we have invested heavily in our R&D team, helping us realize better margins.

21.37% Share of total revenue from ODM at consolidated level in FY2017-18

Revenue & Operating margin



Collaborations

Our strategy for market leadership and profitable growth are based on the ever increasing customer relevance.

We value their association and collaborate by adding value to their brand.

3-point strategy for growth

Leverage long-standing relationships to widen product offerings

Innovate and design products with changing market dynamics

Provide end-to-end solutions to bring better cost efficiencies

2.5 Average number of years of association with 51 clients

1% Average quality rejection (in-house) in our manufacturing process

Dixon is today recognized as a preferred partner, having established an advanced infrastructure that has helped several brands expand their businesses.

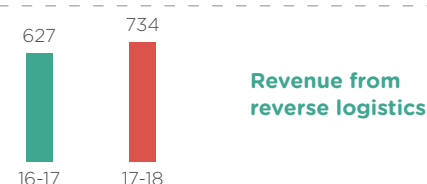
Dixon has a 'reverse logistics' vertical. Under this we provide repair and refurbishment services for Mobile, LED TV, Set top boxes, Printer and Laptop panel

7 Service centres set up as on 31st March, 2018

98 Employees associated with 'reverse logistics'

₹734 million Revenue earned in FY 2017-18 in 'reverse logistics'

We serve **35** clients under our reverse logistics vertical.



Doing Our Part: Corporate Social Responsibility



Nav Abhiyan Annual Day



Bharat Vikas Viklang Nyas

We at Dixon Technologies (India) Limited are committed to our vision of creating an India which is inclusive in nature and better in terms of quality of life. With this we take various CSR initiatives to uplift the lives of communities around us improve their standard of living.



Mid-day Meal Program- Akshaya Patra Foundation

Socio-Economic Development

We had taken measures in order to reduce inequalities faced by socially and economically backward groups in Delhi and Mumbai.

Rural Area Development

We undertook rural area development activities in Pali, Rajasthan, where the project included installation of Solar Street Light, handpumps, and Bio toilets. We also distributed Solar LED lanterns to provide the people with green source of electricity generation.

Welfare of Citizens

- ▶ We contributed towards an old age home in Delhi through Guru VishramVridh Ashram.
- ▶ We took an initiative to provide education, rehabilitation and health care facilities to children who were removed



Beneficiaries are celebrating Diwali



Medical Facilities at Old Age Home

from carpet weaving, and to children of poor carpet weavers in Bhadohi, Varanasi, Allahabad, and Uttar Pradesh.

Education

- ▶ We undertook various activities to impart value based education to children of Delhi through Nav Abhiyan.
- ▶ We also took initiatives to impart value based education and provide the abled and disabled with an inclusive environment which allows them to work and play together.
- ▶ We took measures for providing mid-day meal to children and promote their education through the Akshaya Patra Foundation.

6,796,075

Amount spent on CSR in 2017-18 (in ₹)

Profile of Board of Directors



Mr. Sunil Vachani
Executive Chairman

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 ventureoutsources.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

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 28 years in finance functions encompassing various aspects of finance and corporate functions including M&A, capital expenditure and fund raising as debt and equity. He is currently also a non- executive director of New Habitat Housing Finance and Development Limited and a director of Vision One India Consulting Services Private Limited.



Dr. Ramesh Chandra Chopra
Non-Executive Independent Director

Dr. Ramesh Chandra Chopra, is a non-executive independent director of our Company. He holds a degree of doctor of philosophy (science) from the University of Bombay. He superannuated as Scientist 'G'- from the Department of Information Technology (presently knowns at MeitY) and has over 32 years of experience in the electronics industry. He is currently a director on the board of Onicra Credit Rating Agency of India Limited and Onicra Credit Information Company Limited.



Ms. Poornima Shenoy
Non-Executive Independent Director

Poornima Shenoy, is a non-executive independent director of our Company. She is a serial entrepreneur and an industry veteran. Presently 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.

Management team



Mr. Sunil Vachani (KMP)
Executive Chairman



Mr. Atul B. Lall (KMP)
Managing Director



Mr. Pankaj Sharma
Chief Operating Officer - LED TV



Mr. Rajeev Lonial
Chief Operating Officer -
Washing Machine



Mr. Vineet Kumar Mishra
Chief Operating Officer -
Lighting



Mr. Gopal Jagwan
New Project and
Government Liaisoning



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



Mr. Vinay Pradhan
Vice President, HR



Mr. Saurabh Gupta (KMP)
Chief Financial Officer



Mr. Kailash Chander Sharma
Vice President, Stores



Mr. Muneesh Dhawan
Vice President,
Business Development

Corporate Information

Board of Directors

Mr. Sunil Vachani
Mr. Atul B. Lall
Dr. R.C. Chopra
Ms. Poornima Shenoy
Dr. Manuji Zarabi
Mr. Manoj Maheshwari

Executive Chairman
Managing Director (MD)
Independent Director
Independent Director
Independent Director
Independent Director

Key Managerial Personnel

Mr. Sunil Vachani
Mr. Atul B. Lall
Mr. Saurabh Gupta
Mr. Ashish Kumar

Executive Chairman
Managing Director (MD)
Chief Financial Officer (CFO), w.e.f. 4th May, 2018
Group Company Secretary and Compliance Officer (CS)

Statutory Auditors

M/s Singhi & Co.
Chartered Accountants
1704, Floor 17, World Trade Tower,
Sector 16, Noida-201301
Contact Person: Mr. B.L. Choraria
Ph.: (011) 30820179, 30820180, 41018091
E-mail Id: newdelhi@singhico.com
Website: www.singhico.com

Internal Auditor

S S Kothari Mehta & Co
Chartered Accountants
Plot No. 68, Okhla Industrial Area, Phase-3,
New Delhi- 110020
Ph.: (011) 46708888
E-mail Id: delhi@sskmin.com

Key Bankers to Our Company

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

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Ph: +91 40 6716 1500
www.karvycomputershare.com

Annual General Meeting

Date: 25th July, 2018
Time: 03:00 P.M.
Day: Wednesday
Venue: International Trade Expo Center Limited, Hall-C,
Expo Drive, A- II, sector-62, Noida-201301

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

Directors' Report



Dear Members,

Your Directors take immense pleasure in presenting the 25th Annual Report on the business and operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2018. The consolidated performance of the Company and its subsidiaries and Joint Venture has been referred to wherever required.

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

The Company's financial results are as under:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	For the financial year ended		For the financial year ended	
	31-Mar-18	31-Mar-17*	31-Mar-18	31-Mar-17
Sales Income	221585.37	166836.60	285339.14	249872.23
Other Income	338.86	94.62	417.47	140.61
Total Income	221924.23	166931.22	285756.62	250012.85
Expenditure	210938.54	158367.19	274069.98	240748.67
Profit Before exceptional items, finance cost, Depreciation & taxes	10985.69	8564.03	11686.64	9264.18
Financial Costs	1318.32	1501.21	1345.23	1554.29
Depreciation/Amortisation	1434.62	1003.28	1518.24	1071.36
Exceptional items	-	-	-	-
Profit Before Tax And Provisions	8232.75	6059.54	8823.16	6638.53
Taxes and Provisions	-	-	-	-
- Current tax	2186.92	1478.06	2411.93	1608.74
- Earlier Year tax	(45.92)	23.77	(45.19)	5.97
- Deferred tax (asset)s/liabilities	391.07	184.91	366.34	266.86
- Tax Credit Entitlement U/s 115JAA	-	-	-	-
- Tax Credit Entitlement U/s 115JAA earlier	-	-	-	-
Profit after taxes	5700.69	4372.80	6090.08	4756.96

*Standalone Financials include the Financials of Dixon Appliances Private Limited (the "DAPL") and Dixon Bhurji Moulding Private Limited (the "DBMPL"), wholly owned subsidiaries of your Company since amalgamated with and into Your Company, Dixon Technologies (India) Limited pursuant to the order of Hon'ble The National Company Law Tribunal ('NCLT'), Allahabad bench dated April 13, 2017 approving the scheme of amalgamation.

This performance came in the backdrop of implementation of Goods and Service Tax ("GST") and other regulatory measures

Your Company adopted, beginning 1st April, 2017, Indian Accounting Standards for the first time with a transition date of 1st April, 2016. The annual audited standalone financial results for the year have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other recognized accounting practices and policies to the extent applicable. Necessary disclosures as regards to the key impact areas and other adjustments upon transition to Ind-AS reporting have been made under the Notes to Financial Statements.

During the year under review, your Company's sales income grew by 33% to ₹221,585.37 Lakhs as compared with ₹166,836.60 Lakhs in the previous year. Profit before tax grew by 36% to ₹8,232.75 Lakhs and the net profit increased by 30% to ₹5,700.69 Lakhs.

This performance came in the backdrop of implementation of Goods and Service Tax ("GST") and other regulatory measures.

State of Company's Affairs

With the expected positive momentum in the Indian economy, your Company is focused on growth and achieving profitability along with a renewed commitment to customer service. Investment and positive modifications are expected in the near future, boosting your Company's revenue. Together with forward looking strategy, your Company is also focusing extensively on expanding the business and operational improvements through various strategic projects for operational excellence. Also, your company strives to increase its portfolio of customers across all segments. Strategically inclined steps have been initiated in this respect.

The Financial Year 2017-18 has been a significant year from the growth perspective of your Company. Your Company has been converted into a Public Limited Company pursuant to a resolution passed by the Shareholders of your Company at the Adjourned Extra Ordinary General Meeting held on 18th April, 2017. A fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued by the Registrar

of Companies ("ROC") on 2nd May, 2017 in the name of "Dixon Technologies (India) Limited".

Further, your Company made 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 at a price of ₹1766/- per equity share (including a share premium of ₹1756 per equity share). The offer comprised of fresh issue of 339,750 equity shares by your Company and Offer for Sale of 3,053,675 Equity Shares by existing shareholders of your Company and successfully listed its Equity Shares on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from 18th September, 2017. The Annual Listing Fees for the FY 2018-19 has been paid by your Company to both the Stock Exchanges.

Your Company had entered into a joint venture agreement with Aditya Infotech Limited and incorporated a joint venture Company, AIL Dixon Technologies Private Limited ("ADTPL") on 8th February, 2017 as a private limited company. The registered office of ADTPL is situated at B-14 & 15 Phase-II, Gautam Buddha Nagar, Noida, Uttar Pradesh 201305. ADTPL is engaged in the business of manufacturing and selling of security systems including digital video recorders, CCTV cameras, alarms etc., electrical appliances, energy devices, gadgets and components for industrial business and household applications. The manufacturing of the CCTV cameras and digital video recorders is being done from the ADTPL's manufacturing facility located at Tirupati, Andhra Pradesh. The Commercial production at the Tirupati facility has commenced with effect from 2nd January, 2018.

Also, your Company has received certification under ISO 14001:2015 by United Registrar of Systems for compliance with environmental management system in the manufacture and supply of washing machines at the factory located at Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand during the year under review.

Further, your Company got registered with Department of scientific & Industry Research (DSIR) on 14th August, 2017 and the trademark "Dixon" got registered with the Trade Mark registry on 6th October, 2017 under class 37 and 21st February, 2018 under class 9.

Your Company has performed well on all fronts. The total turnover and EBITDA of your Company as well as the entire group has increased.

For further details of State of Company's affair during the period under review, please refer to the section titled "Management Discussion and Analysis".

Appropriations

Dividend

The Directors are pleased to recommend the payment of dividend on equity shares at the rate of 20% (₹2 per equity share), subject to approval of shareholders at the ensuing Annual general Meeting ("AGM").

Your Company was included in the list of top five hundred listed entities based on market capitalisation as on 31st March, 2018. Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, (the "SEBI Listing Regulations"), your Company had voluntarily formulated and adopted, the Dividend Distribution Policy, which is available on the website of your Company at <https://dixoninfo.com/dividend-distribution-policy/>.

The Register of Members and Share Transfer Books of your Company shall remain closed from 19th July, 2018 to 25th July, 2018 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March, 2018, and the ensuing Annual General Meeting. The Annual General Meeting is scheduled to be held on 25th July, 2018.

Transfer to Reserves

The provisions of the Companies Act, 2013 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

a. Authorised Share Capital

The Authorized Share Capital of your Company was reclassified/ consolidated, at the adjourned Extra-Ordinary General Meeting held on 18th April, 2017, from ₹20,00,00,000/- divided into 1,99,95,000 equity shares

of ₹10/- each and 5,000/- Preference Shares of ₹10/- each to ₹20,00,00,000/- divided into 2,00,00,000 equity shares of ₹10/- each.

Further pursuant to the amalgamation of Dixon Bhurji Moulding Private Limited ("DBMPL") and Dixon Appliances Private Limited ("DAPL"), Wholly owned subsidiaries with and into your Company vide order of the National Company Law Tribunal dated 13th April, 2017, the Authorised Share Capital of both the subsidiaries amounting to ₹4,00,00,000 and ₹2,00,00,000, respectively were merged into the Authorised Share Capital of the Company.

After the above mentioned modifications, the Authorised Share Capital of your Company is ₹26,00,00,000 divided into 2,60,00,000 Equity Shares of ₹10/- each.

b. Paid-up Share Capital

During the year under review, your Company made a fresh issue of 3,39,750 Equity Shares having face value of ₹10 per share at a price of ₹1766/- per share by way of initial public offer and thereby the Paid Up Share Capital of your Company increased from ₹10,98,53,410 divided into 1,09,85,341 Equity Shares of ₹10/- each to ₹11,32,50,910 divided into 1,13,25,091 Equity Shares of ₹10/- each.

c. Buy Back of Securities or Issue of Securities as Sweat Equity/ Bonus/ Stock Option

During the period under review, your Company has not bought back any of its securities/ has not issued any sweat equity shares / has not Issued any Bonus shares/ has not provided any Stock Option Scheme to its employees, / has not issued any equity shares with differential rights.

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 2017-18. There are no unclaimed or unpaid deposits lying with Your Company.

Credit Rating

ICRA has revised the Credit ratings of the Company. The details of Revised Credit Ratings revised are as follows:

Type	Date	Facility	Rating	Remarks
Bank Loan Facility	4 th October, 2017	Long Term Rating	ICRA A+ (A+plus)	Revised from ICRA A
	4 th October, 2017	Short Term Rating	ICRA A1+ (A1+plus)	Revised from ICRA A1
Commercial Paper	3 rd October, 2017	Commercial Paper	ICRA A1+ (A1+plus)	Revised from ICRA A1

Change in the Nature of Business

There has been no change in the nature of Business of your Company during the year.

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.

Scheme of Amalgamation

During the year under review, two of your company's wholly owned subsidiaries- DBMPL and DAPL, were amalgamated with and into your Company pursuant to approval of the Scheme by the National Company Law Tribunal ("NCLT"), Allahabad bench vide its order dated 13th April, 2017 and registration of the same with the ROC on 20th April, 2017.

The Scheme has become operational with effect from the appointed date, i.e., 1st April, 2016 ("Appointed Date").

The rationale of the Scheme was to provide for integration of capabilities, streamlining of administration, effective management system and operational flexibility as the consolidation has resulted in consolidation of business operation of DBMPL and DAPL with that of your Company. The entire business functions of DBMPL and DAPL, including all their properties, assets, rights, title, interests, liabilities, obligations, licenses, litigations and employees stand transferred to and vested in your Company as on the Appointed Date and DBMPL and DAPL stand dissolved without the process of winding up.

Since DBMPL and DAPL were the wholly owned subsidiaries of your Company, no consideration has been paid and the equity shares of DBMPL and DAPL held by your Company stand cancelled. Further, the authorised share capital of DBMPL and DAPL stand transferred to your Company upon the Scheme becoming effective with effect from the Appointed Date.

Subsidiaries, Joint Ventures or Associate Companies

A Joint Venture Company was incorporated on 8th February, 2017 by the name of AIL Dixon Technologies Private Limited whose business affairs are managed by your Company. In this regard, a joint venture agreement was executed between your Company, Aditya Infotech Limited and AIL Dixon Technologies Private Limited on 8th May, 2017.

Except as stated above, there were no Companies which became or ceased to be your company's Subsidiaries, joint ventures or associate companies during the year. As on 31st March, 2018, your Company had the following Subsidiaries and Joint Venture Companies:

1. M/s Dixon Global Pvt Ltd. ("DGPL")- Wholly owned Subsidiary

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, sell, purchase, import and export electrical appliances and gadgets of all kinds.
2. M/s Padget Electronics Private Limited ("PEPL")- Joint Venture Company with Karbonn Group which comprises of Mr. Pardeep Jain, Mr. Ashish Aggarwal and Mr. Sanjay Jain.

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.
3. M/s AIL Dixon Technologies Private Limited ("ADTPL") - Joint Venture with Aditya Infotech Limited.

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.

4. The Annual financial performance of the Subsidiary and Joint Ventures are as under:

- DGPL reported a profit of ₹53.56 Lakhs (previous year: ₹82.07 Lakhs)
- PEPL reported a profit of ₹790.18 Lakhs (previous year: ₹586.80 Lakhs)
- ADTPL reported a Loss of ₹(116.08) Lakhs [previous year: ₹(2.33) Lakhs] as this Company recently started commercial production.

Report on performance and financial position of each of the subsidiary, associates and joint venture companies included in the consolidated financial statement in Form AOC 1 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 subsidiary are available on the website of your Company at www.dixoninfo.com. These documents will also be available for inspection till the date of Annual General Meeting during business hours on all working days at the registered office of the Company at Noida, Uttar Pradesh, India.

None of the above named Subsidiary and Joint venture Companies declared Dividend in Financial Year 2017-18.

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 parts of the Notes to the financial statements provided in this Annual Report.

Related Party Transaction

As per the provisions of the Act and the SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on 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. All related party transactions are placed before the Audit Committee for review and approval. Omnibus approval is also obtained for Related Party Transactions on an annual basis for transactions which are of repetitive in nature and/ or entered in the ordinary course of business and/or at arm's length basis.

All related party transactions/ arrangements that were entered into during the financial year were at an Arm's length basis or were in Ordinary Course of business.

The Particulars of contracts or arrangements with the related parties as required under Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure- I in Form AOC 2.

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

The Board of your Company in its Meeting held on 26th May, 2018, has approved Dixon Technologies(India) Limited-Employees Stock Option Plan-2018 which is subject to approval of members at the ensuing Annual General Meeting.

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

Future Outlook

Your Company is into the business of providing Electronic Manufacturing Services and it operates in the constant changing technological environment. Therefore, your company has established 4 pillars to sustain the ever changing market sentiments.

- 1 **Scale:** The strategies of your Company across all verticals should focus on utilisation of the Capacity in the most optimum way and to scale up the operations of your Company by increasing the production levels. The increase in scale of operations will increase the cost effectiveness of a Product and ultimately increase the revenue and overall profit margins.
2. **Own design Manufacturing ("ODM"):** Your Company strives to provide more ODM solutions to its customers. This will give an edge to your Company against its competitors in the Domestic and Global market.

3. **Backward Integration:** Your Company aims to robust its backward integration segment. Few measures have already been initiated in this respect.
4. **New Customer acquisition:** Your Company aims to increase its portfolio of Customers across all verticals. Strategically inclined steps have been initiated in this respect.

Corporate Governance

Your Company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder value.

Your Company is committed to the principles of 'Accountability', 'Transparency', and 'Trusteeship' in its dealing with stakeholders. Accordingly, in its endeavour to take a balanced care of stakeholders, your Company adheres to good Corporate Governance practices in its business. In terms of SEBI Listing Regulations a separate section title "Corporate Governance Report" with a compliance report on corporate governance and a certificate from M/s. Shirin Bhatt & Associates, Company Secretaries, Secretarial Auditors of your Company regarding compliance of the conditions of Corporate Governance, forms part of 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") is at the core of your Company's Corporate Governance practices and oversees how management serves and protects the long term interest of its stakeholders. It brings strategic guidance, leadership and an Independent view to your Company's Management whilst discharging its fiduciary responsibilities, thereby ensuring that Management adheres to the highest standards of ethics, transparency and disclosure.

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 five Committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Executive Committee of the Board. The Initial Public Offer ("IPO") Committee of Board which was constituted to facilitate IPO of your Company, was dissolved by the Board with effect from 07th February, 2018.

Minimum one meeting of the Board of Directors is held in each quarter of the Financial Year. The 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 Ten (10) times during the Financial Year 2017-18 i.e. 3rd May, 2017, 18th May, 2017, 13th July, 2017, 10th August, 2017, 22nd August, 2017, 11th September, 2017, 14th September, 2017, 14th November, 2017, 07th February, 2018 and 30th March, 2018.

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	Nos. of meetings attended	Leave of absence
Mr. Sunil Vachani	Executive Chairman	8	2
Mr. Atul B. Lall	Managing Director	9	1
Dr. R. C Chopra	Independent Director	8	2
*Mr. Vishal Gupta	Director	-	-
Dr. Manuji Zarabi	Independent Director	9	1
Ms. Poornima Shenoy	Independent Director	6	4
Mr. Manoj Maheshwari	Independent Director	9	1

*Resigned w.e.f. 3rd May, 2017.

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 2017-18 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.

Mr. Vishal Gupta resigned from the Directorship and consequentially ceased as a member of Audit Committee effective 3rd May, 2017. Further, Mr. Manoj Maheshwari has been appointed as Independent Director on 3rd May, 2017. The Board re-constituted the Audit Committee on 3rd May, 2017 in accordance with the requirements of the Act, and other applicable provisions with Mr. Manoj Maheshwari as its Chairperson.

As on 31st March, 2018 the Committee comprises of three Independent Director viz. Mr. Manoj Maheshwari (Chairperson), Dr. R.C. Chopra, Dr. Manuji Zarabi.

All members of Audit Committee are financially literate. The Audit Committee met Six (6) times during the financial year 2017-18 on 2nd May, 2017, 13th July, 2017, 10th August, 2017, 14th November, 2017, 07th February, 2018 and 30th March, 2018. 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 20th September, 2016.

Mr. Vishal Gupta resigned from the Directorship and consequentially ceased as a member of Nomination and Remuneration Committee effective 3rd May, 2017. The Board re-constituted the Nomination and Remuneration Committee on 3rd May, 2017 in accordance with the requirements of the Act, and other applicable provisions.

As on 31st March, 2018 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 3 (Three) times during the financial year 2017-18 on 2nd May, 2017, 14th November, 2017 and 30th March, 2018.

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

Corporate Social Responsibility Committee

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

Mr. Vishal Gupta resigned from the Directorship and consequentially ceased as a member of CSR Committee effective 3rd May, 2017.

As on 31st March, 2018 the Committee comprises of two Executive Directors, viz. Mr. Sunil Vachani (Chairperson) and Mr. Atul B Lall and one Independent Director viz. Dr. R.C. Chopra.

The CSR Committee met Three (3) times during the financial year 2017-18 on 13th July, 2017, 14th November, 2017 and 7th February, 2018.

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

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by the Board at its Meeting held on 6th March, 2017.

Mr. Vishal Gupta resigned from the Directorship and consequentially ceased as a member of Stakeholders' Relationship Committee effective 3rd May, 2017.

As on 31st March, 2018 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 two (2) times during the financial year 2017-18 viz. on 14th November, 2017 and 7th February, 2018.

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

Executive Committee

Your board has constituted the Executive Committee which undertakes matters related to day to day affairs of your Company. The Committee comprises of two Executive Directors, viz. Mr. Sunil Vachani and Mr. Atul B Lall who are members of this Committee as on 31st March, 2018.

IPO Committee

Your Board had constituted the IPO (Initial Public Offer) Committee which was formed specifically for matters related

to IPO of your Company. The IPO Committee comprised of two Executive Directors viz. Mr. Sunil Vachani, Mr. Atul B Lall and two Independent Directors viz. Dr. Manuji Zarabi and Mr. Manoj Maheshwari.

Further, with the completion of the IPO of your Company successfully and purpose for which the Committee was formed being met, the Board at its Meeting held on 7th February, 2018 had dissolved the Committee with effect from the said date.

Vigil Mechanism

Your Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The Board has adopted a “Whistle Blower Policy” which 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 the Company’s ‘Code of Conduct’.

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 2017-18.

The Whistle Blower Policy has also been uploaded on the website of your Company at www.dixoninfo.com.

Risk Management

While the business risk is associated with operating environment, ownership structure, Management, System & Policy, the financial risk lies in Asset Quality, Liquidity, Profitability and Capital Adequacy. Your company recognizes these risks and makes best effort to mitigate them in time and ensure that your Company accepts risks based on the risk appetite of the organisation. 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 and 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

Your Company has adequate Internal Control Systems both financial and otherwise commensurate with the size and nature of its business. Corporate Policies, Management Information and well defined reporting systems form part of overall control mechanism. In order to supplement the Internal Control process, your Company has engaged the services of M/s S S Kothari Mehta and 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. 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 Action taken Report which includes the Committee’s observation and recommendations. The said Committee regularly, at its Meeting, reviews the status of such Action taken reports.

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 Company’s operations in future.

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in Form MGT 9 is annexed herewith as Annexure-II.

Directors and Key Managerial Personnel who were appointed or have resigned during the year

BOARD OF DIRECTORS- Details pursuant to Section 149, Section 152 and section 168 of the Act

Name of Director	Designation	Appointed/Resigned/Regularised/re-appointed	Date of Board Meeting/ Annual General Meeting/ Extra Ordinary General Meeting	Remarks	Director liable to Retire by Rotation
Mr. Sunil Vachani (DIN: 00025431)	Executive Chairman and Whole Time Director	Appointed as Whole Time Director and subsequently re-appointed to the extent of his office being liable to be retire by rotation.	EGM held on 5 th May , 2017 AGM held on 08 th August, 2017(Re-appointment)	-	Yes
Mr. Atul B. Lall (DIN:00781436)	Managing Director	Re-appointed as Managing Director	EGM held on 5 th May , 2017	-	Yes. A brief Profile has been provided in Corporate Governance Report
Dr. R.C. Chopra (DIN:01525964)	Independent Director	Re-appointed	EGM held on 1 st April, 2017	-	Not Applicable
Dr. Manuji Zarabi (DIN:00648928)	Independent Director	Regularised	EGM held on 1 st April, 2017	He was appointed as Additional Director on 23 rd February, 2017	Not Applicable
Mr. Manoj Maheshwari (DIN:02581704)	Independent Director	Appointed at Board Meeting dated 3 rd May, 2017. Regularised at EGM held on 5 th May, 2017	EGM held on 5 th May , 2017	He was appointed as Additional Director w.e.f. May 3 rd may, 2017	Not Applicable
Ms. Poornima Shenoy (DIN:02270175)	Independent Director	Regularised	EGM held on 1 st April, 2017	She was appointed as Additional Director on 23 rd February, 2017	Not Applicable
Mr. Vishal Gupta (DIN:02368313)	Non-Executive Director	Resignation	Board meeting held on 3 rd May, 2017	He resigned by way of Letter dated 17 th April, 2017 effective from the date of acceptance by the Board	Not Applicable

The Board wishes to place on record its sincere appreciation for the valuable services rendered by Mr. Vishal Gupta and guidance extended by him during his tenure as Director of the Company.

Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 203 of the Act, as on 31st March, 2018 Mr. Sunil Vachani, Executive Chairman, Mr. Atul B Lall, Managing Director, Mr. Gopal Jagwan, Chief Financial Officer and Mr. Ashish Kumar, Group Company Secretary and Compliance Officer are the KMPs of Your Company.

Name of KMP	Designation	Details of Meetings for Appointment/ Resignation	Remarks
Mr. Sunil Vachani (DIN: 00025431)	Executive Chairman	EGM held on 5 th May , 2017	Appointed as Whole Time Director
Mr. Atul B. Lall (DIN:00781436)	Managing Director	EGM held on 5 th May , 2017	Appointed as Managing Director

Mr. Gopal Jagwan, Chief Financial Officer and Mr. Ashish Kumar, Gr. Company Secretary and Compliance Officer were the Key Managerial Personnel of the Company in their respective capacity during the year.

Further, your Company has appointed Mr. Saurabh Gupta as a Chief Financial Officer of the Company effective 4th May, 2018 in place of Mr. Gopal Jagwan. Mr. Gopal Jagwan is heading "New project and Government liaisoning" and Mr. Saurabh Gupta is designated 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 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, pursuant to the Act read with Articles of Association of your Company, Mr. Atul B. Lall (DIN: 00781436) is liable to retire by rotation and, being eligible, offers himself for re-appointment.

Declaration of Independent Director of the Company

The Board of your Company, as on 31st March, 2018 comprises of Six Directors, out of which four Directors are Independent Directors. All the Independent Directors are appointed on the Board of Your Company in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

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

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 your Company, nature of the industry in which your 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 SEBI.

The performance evaluation of the Independent Directors was 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 30th March, 2018, without the attendance of non-independent Directors and members of Management.

In addition, your Company encourages regular separate meetings of its independent directors to update them on strategies of your Company. At such meetings, the Head of the Departments of your Company make presentations with respect to the Vertical which they are heading. Such Meeting was conducted on 4th May, 2018.

Auditors & Auditors' Report

Statutory Auditors

M/s Singhi & Co., Chartered Accountants (FRN No-302049E) retire at the ensuing Annual General Meeting and are not eligible for re-appointment in view of the provisions of the Act for mandatory rotation of Statutory auditors. The Audit Committee and the Board of Directors at their respective Meetings held on 26th May, 2018 have recommended the appointment of M/s S. N. Dhawan & Co LLP (Firm registration number: 000050N/N500045) as Statutory Auditors of your Company for a period of five years from the conclusion of the ensuing Annual General Meeting in compliance with section 139 of the Act upon receipt of confirmation that their appointment will be within the limits prescribed under section 141 of the Act.

Further, M/s Singhi & Co., Chartered Accountants, present Statutory Auditors' have given their Report on the Financial Statements which are self-explanatory and which do not call for any further clarifications. There has been no qualification, reservation or adverse remarks made by the present Auditor in their report for the Financial Year ended 31st March, 2018 (Standalone and Consolidated). The Auditor's Report is unmodified i.e. it does not contain any qualification.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Company at their meeting held on 14th November, 2017 appointed M/s Shirin Bhatt & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of your Company.

The Secretarial Audit Report is annexed herewith as Annexure -III.

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

Internal Auditors

M/s S S Kothari Mehta & Co, Chartered Accountants perform the duties of internal auditors of your Company and their report is reviewed by the Audit committee quarterly.

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.

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 2017-18. The Cost Audit Report for the FY 2017-18 will be filed with the Ministry of Corporate Affairs.

Corporate Social Responsibility (CSR)

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

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 Companies Act, 2013. 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 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 the Company is enclosed as Annexure -IV and forms part of this report.

Business Responsibility Report

The SEBI Listing Regulations mandates the top 500 listed companies by market capitalisation, to give Business Responsibility Report ("BR Report") in their Annual Report describing the initiatives taken by the Company from an Environmental, Social and Governance perspective in the format specified by the SEBI.

The concept of Business Responsibility Report lays down nine (9) core principles which a Listed Company shall follow while undertaking its business operations. In terms of aforesaid Regulations, a separate section on "Business Responsibility Report" with a detailed compliance report forms part of this Annual Report and is enclosed as Annexure- V.

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

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

Green Initiative

Your Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/ annual reports to shareholders. Electronic copies of the Annual Report and notice of the 25th Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members, who have not registered their e-mail addresses, physical copies of the Annual Report and the Notice of the 25th Annual General Meeting are sent in permitted mode. Members requiring a physical copy may send a request to the Group Company Secretary and Compliance Officer. at 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 25th Annual General Meeting. This is pursuant to Section 108 of the Act, read with relevant rules thereon. 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 as it results in reduced carbon footprint for the Company. However, the audited financial statements of the subsidiary are available on our website www.dixoninfo.com. These documents will also be available for inspection during business hours on all working days at our registered office.

Human Resources

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.

Your Company recognizes people as its most valuable asset and your Company has kept a sharp focus on Employee

Engagement. Your Company’s Human Resource is commensurate with the size, nature and operations of your Company. As on 31st March, 2018, your Company has 780 permanent employees and 2399 contract labour.

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

Particulars of Employees and Remuneration

The disclosure required to be furnished pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

1. The ratio of remuneration of each Director to the Median Remuneration of all employees of the Company for the financial year, who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2017-18 are given below:

Directors	Ratio of Remuneration of each Director to Median Remuneration of Employees	Percentage Increase(+) / Decrease (-) in Remuneration during the FY 2017-18 over 2016-17
Mr. Sunil Vachani (DIN: 00025431)	91.4%.	15%
Mr. Atul B. Lall (DIN:00781436)	73.3%.	15%

2. Mr. Vishal Gupta had resigned from the Directorship w.e.f. 3rd May, 2017. Also, Dr. R.C. Chopra, Dr. Manuji Zarabi, Mr. Manoj Maheshwari and Ms. Poornima Shenoy, Independent Directors were paid only sitting fee.
3. The percentage of increase in remuneration of CFO and the CS are 15% & 0 %, respectively. The percentage increase in the median remuneration of employees in the financial year: 15%
4. The number of permanent employees on the rolls of the Company: 780.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 13.8%, as against increase of 15% in the remuneration of the Executive Chairman and Managing Director. The increment given to each individual

employee is based on the employee’s potential, experience as also their performance and contribution to the Company’s progress over a period of time.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Further, the statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required to be furnished pursuant to Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, as per the provisions of Section 136 (1) of the Act, the reports and accounts are being sent to all the Members of your Company excluding the statement of particulars of employees. In terms of Section 136 of the Act, the said Statement is open for inspection at the Registered Office of the Company. Any shareholders interested in obtaining a copy of the same may write to the Company Secretary at investorrelations@dixoninfo.com.

Director's Appointment And Remuneration Policy

Your Company's policy on directors' appointment and remuneration includes criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Companies Act, 2013, 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 said 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 made thereunder.

The policy aims at prevention of harassment of women at workplace and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The Company has not received any complaint of sexual harassment at workplace during the year under review.

Reporting of fraud by Auditors other than those which are reportable to the Central Government

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 your Company as the provisions of the said Section are not applicable.

Changes in Memorandum of Association

Following key changes have been made in the Memorandum and Articles of Association of Your Company during the year under review and at the date of writing this report:

Date of Shareholders' resolution, unless otherwise specified	Nature of Amendment
18 th April, 2017	Amendment to Clause I of the Memorandum of Association for deletion of the word "Private" and the consequent change in the name of Your Company to Dixon Technologies (India) Limited
	Deletion of Clause III(A)(3) of the Memorandum of Association which read as follows:
	"To buy, sell, deal in shares and securities, foreign exchange, gold, silver, cotton, jute, hessian, oil, oils-seeds and hold them as permitted under the law, from time to time in force."
	Amendment to Clause V of the Memorandum of Association to reflect the re-classification of the authorised share capital of our Company from ₹200.00 million divided into 19,995,000 Equity Shares and 5,000 Preference Shares to ₹200.00 million divided into 20,000,000 Equity Shares

Date of Shareholders' resolution, unless otherwise specified	Nature of Amendment
20 th April, 2017	Amendment to Clause V of the Memorandum of Association to reflect the increase in the authorised share capital of Your Company from ₹200.00 million divided into 20,000,000 Equity Shares to ₹260.00 million divided into 26,000,000 Equity Shares due to the transfer and addition of the authorised share capital of DAPL and DBMPL to the authorised share capital of Your Company, pursuant to the Scheme of amalgamation.

Explanation for Deviation(s)/Variation(s) in use of proceeds from objects stated in offer document

Pursuant to Regulation 32(4) of SEBI Listing Regulations, your Directors confirm that there has been no deviation(s) / variation(s) in the use of proceeds from the Objects stated in the Prospectus dated 11th September, 2017. The Statement of utilization of Initial Public Offer proceeds forms parts of the Financial Statements.

Compliance of Applicable Secretarial Standard

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

Awards & Recognitions

Calendar year	Awards and accreditations
2017	ISO 14001:2015 by United Registrar of Systems for compliance with environmental management system in the manufacture and supply of washing machines at Plot No. C-3/1, Selaqui Industrial, Dehradun, Uttarakhand.
2017	The Company got registered with Department of scientific & Industry Research (DSIR) on 14 th August, 2017
2017	The trademark "Dixon" got registered with the Trade Mark registry on 6 th October, 2017 under class 37.
2018	The trademark "Dixon" got registered with the Trade Mark registry on 21 st February, 2018 under class 9.
2018	The Company received an appreciation award from Public Relations Council of India ("PRCI") at the 8 th Annual Corporate Collateral Awards 2018 in the category of Corporate Film. The said award was received in the month of March'18.
2018	The Company received a certificate dated 28 th February, 2018 from IESA VISION SUMMIT for the stellar success of IPO.
2018	The Company received an award dated 11 th April, 2018 from PHILIPS LIGHTING at Go for Growth Supplier Event India 2018. The award is for "Recognized for: Greater Together".

Directors Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013, your directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts for the financial year ended 31st March, 2018, 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.

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.

For and on behalf of Board of Directors
For **Dixon Technologies (India) Limited**

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

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

Place : Noida
Date : 26th May, 2018

ANNEXURE-I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Dixon Global Private Limited (Wholly Owned Subsidiary of the Company) Dr. Manuji Zarabi and Ms. Poornima Shenoy, Independent Directors, are the Independent Directors on the Board of Dixon Global Private Limited. Also, Mr. Sunil Vachani and Mr. Atul B. Lall hold one share each as a nominee of the Company in Dixon Global Private Limited.	Sale, purchases or supply of any goods or materials.	Continuing	1. Sale & Purchase transactions of CFL, Ballast, electric goods, LED lighting, electronic appliances and Related Spare Parts & Components. Total arrangement amounts to ₹1000 Crores per annum.	23 rd February, 2017	NIL
		Availing or rendering of any services.	Continuing	2. Service transactions for Job Work of electronic appliances and their parts. Total arrangement amounts to ₹1.25 Crores per annum for Service Transactions.	23 rd February, 2017	NIL
		Leasing of property of any kind.	Continuing	3. Lease/Sharing of Office upto ₹2 Lakhs per annum.	23 rd February, 2017	NIL
		Selling or Otherwise Disposing of or buying property of any kind.	Continuing	4. Sale & Purchase of Fixed Assets (Plant and Machinery, etc.) amounting to ₹50 Crores.	23 rd February, 2017	NIL
2.	Padget Electronics Private Limited (Joint Venture of the Company,) Mr. Sunil Vachani and Mr. Atul B. Lall are the directors on the Board of Directors of Padget Electronics Private Limited.	Leasing of property of any kind.	Continuing	1. Lease/Sharing of Office for 10 years. Total arrangement amounts to ₹53.76 lakhs per annum for lease.	23 rd February, 2017	NIL
		Selling or otherwise disposing of , or buying, property of any kind.	Continuing	2. Sale & Purchase of Fixed Assets. Total arrangement amounts to ₹ 100 Cr. for Fixed Assets per annum.	23 rd February, 2017	NIL
		Sale, purchases or supply of any goods or materials.	Continuing	3. Mobile Phones, Electronics Appliances & related Spares Parts and Components. Total arrangement amounts to ₹100 Cr. for mobile phones etc. per annum.	23 rd February, 2017	NIL
		Availing or rendering of any services.	Continuing	4. Service Transaction for Job Work of Electronics Appliances and their Parts. Total arrangement amounts to ₹100 Crores for service transactions P.A.	23 rd February, 2017	NIL

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
3.	AIL Dixon Technologies Private Limited (Joint Venture of the Company.), Mr. Sunil Vachani is the Director on the Board of Directors of AIL Dixon Technologies Private Limited.	Selling or otherwise disposing of, or buying, property of any kind. Sale, purchases or supply of any goods or materials. Availing or rendering of any services.	FY 2017-18 FY 2017-18 FY 2017-18	 Sale & Purchase of Fixed Assets, goods and services. Total arrangement amounts to ₹5 Crores	N.A. N.A. N.A.	NIL NIL NIL
4.	Dixon Applied Technology Training Institute ("DATTI") Partnership Firm in which Mr. Sunil Vachani and Mr. Atul B. Lall are acting partners	Sale, purchases or supply of any goods or materials, availing or rendering of any services. Selling or otherwise disposing of, or buying, property of any kind	FY 2017-18 FY 2017-18	 Sale & Purchase transactions of Goods and Services and Fixed Assets. Total arrangement amounts to ₹5 Lakhs	N.A. N.A.	NIL NIL
5.	Prithvi Vachani Son of Mr. Sunil Vachani	Appointment to any office or place of profit	N.A.	Appointment as Project Manager w.e.f 1 st April, 2018 at a remuneration for an amount not exceeding ₹9 Lakhs p.a	14 th November, 2017	NIL

Note:

During the year under review, all related party transactions were entered into ordinary course of business or at arm's length basis. For details on related party transactions, members may refer to the notes to the Standalone financial statements.

For and on behalf of Board of Directors
Dixon Technologies (India) Limited

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

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

Place: Noida
Date: 26th May, 2018

ANNEXURE-II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

[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 th 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, -201305 Tel: 0120-4737200 Fax: 0120-4737273 email: investorrelations@dixoninfo.com Website: www.dixoninfo.com
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	M/s Karvy Computershare Pvt. Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph: +91 40 6716 1602 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	44.99 %
2	LED BULB	274	18.01 %
3	WASHING MACHINE	275	12.65 %

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 C-33 Noida Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	U51900UP2010P TC042400	Subsidiary	100%	2(87)(ii)
2	Padget Electronics Private Limited C-33 Noida Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	U31908UP2013P TC057573	Joint Venture	50%	2(6)
3	AIL Dixon Technologies Private Limited B-14 & 15 Phase-II Noida Gautam Buddha Nagar Noida -201305	U32309UP2017P TC090189	Joint Venture	50%	2(6)

* Dixon Appliances Private Limited and Dixon Bhurji Moulding Private Limited, two wholly owned subsidiaries of the Company merged into Dixon Technologies (India) Limited pursuant to the approval of amalgamation scheme approved by the Hon'ble bench of NCLT vide order dated 13th April, 2017.

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 1 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4530333	300010	4830343	43.97	4196208	-	4196208	37.05%	(6.92%)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	4530333	300010	4830343	43.97%	4196208	-	4196208	37.05%	(6.92%)
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) FI / Banks	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
2 TOTAL A= [A(1) +A(2)]	4530333	300010	4830343	43.97%	4196208	-	4196208	37.05%	(6.92%)
B. Public Shareholding / Other than Promoter									
1. Institutions									
a) Mutual Funds	-	-	-	-	1886412	-	1886412	16.66%	16.66%
b) Banks / FI	-	-	-	-	15894	-	15894	0.14%	0.14%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	1155730	-	1155730	10.52%	-	-	-	-	(10.52%)
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i) Alternative Investment Fund	-	-	-	-	29754	-	29754	0.26%	0.26%
(ii) Foreign Portfolio Investors	-	-	-	-	1010112	-	1010112	8.92%	8.92%
Sub-total (B)(1)	1155730	-	1155730	10.52%	2942172	-	2942172	25.98%	15.46%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	233	233	0.00%	455036	-	455036	4.02%	4.02%
ii) Overseas	2146265	-	2146265	19.54%	360313	-	360313	3.18%	(16.36%)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	50011	50011	0.46%	723231	24	723255	6.39%	5.93%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2017]				No. of Shares held at the end of the year [As on 31 st March, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4900	628372	633272	5.76	514901	-	514901	4.55%	(1.22%)
c) Others	-	-	-	-	-	-	-	-	-
HUF	-	-	-	-	19998	-	19998	0.18%	0.18%
CLEARING MEMBERS	-	-	-	-	6059	-	6059	0.05%	0.05%
DIRECTORS AND THEIR RELATIVES	-	700000	700000	6.37%	466667	-	466667	4.12%	(2.25%)
FOREIGN BODIES	-	-	-	-	339751	-	339751	3.00%	3.00%
FOREIGN NATIONALS	-	-	-	-	184	-	184	0.00%	0.00%
NON RESIDENT INDIANS	-	-	-	-	11144	-	11144	0.10%	0.10%
NRI NON-REPATRIATION	-	1225000	1225000	11.15%	1068603	-	1068603	9.44%	(1.72%)
TRUSTS	-	-	-	-	8415	-	8415	0.07%	0.07%
Promoters Group	-	244487	244487	2.23%	212385	-	212385	1.88%	(0.35%)
Sub-total (B)(2):-	2151165	2848103	4999268	45.51%	4186687	24	4186711	36.97%	(8.54%)
Total Public B= [B(1) +B(2)]	3306895	2848103	6154998	56.03%	7128859	24	7128883	62.95%	6.92%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7837228	3148113	10985341	100.00%	11325067	24	11325091	100%	-

(ii) Share Holding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year#
		No. of Shares	% of total Shares of the company	Total % of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company#	% of Shares Pledged / encumbered to total shares	
1.	Sunil Vachani	4830343	43.97%	-	4196208	37.05%	-	(6.92%)
	Total	4830343	43.97%	-	4196208	37.05%	-	(6.92%)

(iii) Change in Promoters' Shareholding

There is no change in the shareholdings of Promoters except the following:

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 of the company	reasons for increase/decrease			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				Date	No of Shares	Reason				
1	Sunil Vachani	4830343	43.97%	03 rd May, 2017	233	Purchase	4830576	43.97%	4196208	37.05%
				14 th September, 2017	634368	Shares Sold in the IPO	4196208	37.05%		

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

S.No.	Name of the Promoter	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	INDIA BUSINESS EXCELLENCE FUND 1				
	At the beginning of the year	2146265	19.54%	2146265	19.54%
	Shares sold on 11 th August, 2017	(700064)	-	1446201	13.16
	Shares sold on 25 th August, 2017	(1446201)	-	-	-
	At the end of the year	-	-	-	-
2	MRS. KAMLA VACHANI				
	At the beginning of the year	1225000	11.15%	1225000	11.15%
	Shares acquired on 12 th May, 2017	23	0.00%	1225023	11.15%
	Shares sold on 1 st September, 2017	(160879)	-	1064144	9.69
	At the end of the year	1064144	9.40	1064144	9.40
3	VISTRA ITCL (INDIA) LIMITED (Formerly known as IL&FS Trust Company Limited)				
	At the beginning of the year	1155730	10.52%	1155730	10.52%
	Shares sold on 25 th August, 2017	(495313)	-	660417	6.01%
	Shares sold on 27 th October, 2017	(155500)	-	504917	4.46%
	Shares sold on 3 rd November, 2017	(10000)	-	494917	4.31%
	Shares sold on 10 th November, 2017	(494917)	-	-	-
	At the end of the year	-	-	-	-
4	SBI MAGNUM GLOBAL FUND				
	At the beginning of the year	-	-	-	-
	Shares acquired on 15 th September, 2017	32756	-	32756	0.29
	Shares acquired on 22 nd September, 2017	857531	-	890287	7.86
	Shares acquired on 27 th October, 2017	7000	-	897287	7.92
	Shares sold on 27 th October, 2017	(11648)	-	885639	7.82
	Shares sold on 30 th October, 2017	(700)	-	884939	7.81
	Shares sold on 3 rd November, 2017	(696)	-	884243	7.81
	Shares sold on 1 st December, 2017	(700)	-	883543	7.80
	Shares sold on 8 th December, 2017	(500)	-	883043	7.80
	Shares sold on 22 nd December, 2017	(375)	-	882668	7.79
	Shares sold on 29 th December, 2017	(20325)	-	862343	7.61
	Shares acquired on 9 th March, 2018	30000	-	892343	7.88
	At the end of the year	892343	7.88%	892343	7.88%
5	STEADVIEW CAPITAL MAURITIUS LIMITED				
	At the beginning of the year	-	-	-	-
	Shares acquired on 11 th August, 2017	192191	-	192191	1.75%
	Shares acquired on 15 th September, 2017	67875	-	260066	2.30%
	Shares acquired on 22 nd September, 2017	60000	-	320066	2.83%
	Shares acquired on 08 th December, 2017	12987	-	333053	2.94%
	Shares acquired on 15 th December, 2017	13013	-	346066	3.06%
	At the end of the year	346066	3.06%	346066	3.06%
6	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES				
	At the beginning of the year	-	-	-	-
	Shares acquired on 11 th August, 2017	339751	-	339751	3%
	At the end of the year	339751	3%	339751	3%
7	DSP BLACKROCK EQUITY & BOND FUND				
	At the beginning of the year	-	-	-	-
	Shares acquired on 15 th September, 2017	75196	-	75196	0.66
	Shares acquired on 22 nd December, 2017	81322	-	156518	1.38
	Shares acquired on 29 th December, 2017	5538	-	162056	1.43
	Shares acquired on 19 th January, 2018	32723	-	194779	1.72
	Shares acquired on 26 th January, 2018	53220	-	247999	2.19
	Shares acquired on 02 nd February, 2018	35233	-	283232	2.50
	Shares acquired on 16 th March, 2018	13755	-	296987	2.62
	Shares acquired on 23 rd March, 2018	25587	-	322574	2.85
	At the end of the year	322574	2.85%	322574	2.85

S.No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
8	GOLDMAN SACHS INDIA LIMITED				
	At the beginning of the year	-	-	-	-
	Shares acquired on 15 th September, 2017	75147	-	75147	0.66
	Shares acquired on 22 nd September, 2017	142902	-	218049	1.93
	At the end of the year	218049	1.93	218049	1.93
9	MRS. SHOBHA SIPPY				
	At the beginning of the year	196,000	1.78%	196,000	1.78%
	Shares sold on 01 st September, 2017	(25741)	-	170259	1.55
	At the end of the year	170259	1.50	170259	1.50
10	MRS. SUNITA MANKANI				
	At the beginning of the year	196000	-	196000	1.78%
	Shares sold on 01 st September, 2017	(25,741)	-	170259	1.50
	At the end of the year	170259	1.50	170259	1.50
11	KOTAK MAHINDRA BALANCE UNIT SCHEME 99				
	At the beginning of the year	0	0	0	0
	Shares acquired on 15 th September, 2017	73093	-	73093	0.65
	Shares acquired on 22 nd September, 2017	30000	-	103093	0.91
	Shares acquired on 28 th September, 2017	68478	-	171571	1.51
	Shares acquired on 13 th October, 2017	8000	-	179571	1.59
	Shares acquired on 03 rd November, 2017	11774	-	191345	1.69
	Shares Sold on 01 st December, 2017	(29541)	-	161804	1.43
	Shares Sold on 08 th December, 2017	(13297)	-	148507	1.31
	Shares Sold on 22 nd December, 2017	(23526)	-	124981	1.10
	Shares Sold on 29 th December, 2017	(28000)	-	96981	0.86
	Shares acquired on 12 th January, 2018	7000	-	103981	0.92
	Shares acquired on 19 th January, 2018	35141	-	139122	1.23
	Shares acquired on 26 th January, 2018	7991	-	147113	1.30
	Shares acquired on 23 rd February, 2018	16089	-	163202	1.44
	Shares acquired on 23 rd March, 2018	4304	-	167506	1.48
	Shares acquired on 30 th March, 2018	2368	-	169874	1.50
	At the end of the year	169874	1.50	169874	1.50
12	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED				
	At the beginning of the year	-	-	-	-
	Shares acquired on 15 th September, 2017	5670	-	5670	0.05
	Shares acquired on 29 th September, 2017	14357	-	20027	0.18
	Shares acquired on 06 th October, 2017	27755	-	47782	0.42
	Shares acquired on 13 th October, 2017	16221	-	64003	0.57
	Shares acquired on 20 th October, 2017	73	-	64076	0.57
	Shares acquired on 27 th October, 2017	283	-	64359	0.57
	Shares acquired on 31 st October, 2017	216	-	64575	0.57
	Shares acquired on 03 rd November, 2017	28968	-	93543	0.83
	Shares acquired on 10 th November, 2017	593	-	94136	0.83
	Shares acquired on 17 th November, 2017	555	-	94691	0.84
	Shares acquired on 24 th November, 2017	12875	-	107566	0.95
	Shares acquired on 01 st December, 2017	7431	-	114997	1.02
	Shares acquired on 08 th December, 2017	850	-	115847	1.02
	Shares sold on 15 th December, 2017	(1271)	-	114576	1.01
	Shares acquired on 22 nd December, 2017	1970	-	116546	1.03
	Shares acquired on 29 th December, 2017	584	-	117130	1.03
	Shares acquired on 05 th January, 2018	1404	-	118534	1.05
	Shares acquired on 12 th January, 2018	226	-	118760	1.05
	Shares acquired on 26 th January, 2018	387	-	119147	1.05
	Shares acquired on 02 nd February, 2018	911	-	120058	1.06
	Shares acquired on 09 th February, 2018	1077	-	121135	1.07
	Shares acquired on 16 th February, 2018	206	-	121341	1.07
	Shares acquired on 23 rd February, 2018	439	-	121780	1.08
	Shares acquired on 09 th March, 2018	1140	-	122920	1.09
	Shares acquired on 16 th March, 2018	115	-	123035	1.09

S.No.	Name of the Promoter	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 acquired on 23 rd March, 2018	934	-	123969	1.09
	Shares acquired on 30 th March, 2018	569	-	124538	1.10
	At the end of the Year	124538		124538	1.10
13	VINEET KUMAR MISHRA				
	At the beginning of the year	35000	0.32	35000	0.32
	Shares sold on 22 nd September, 2017	(15000)	-	20000	0.18
	At the end of the Year	20000	0.18	20000	0.18
14	GOPAL JAGWAN				
	At the beginning of the year	35000	0.32	35000	0.32
	Shares sold on 22 nd September, 2017	(14000)	-	21000	0.19
	Shares sold on 29 th September, 2017	(1000)	-	20000	0.18
	At the end of the Year	20000	0.18	20000	0.18
15	PANKAJ SHARMA				
	At the beginning of the year	35000	0.32	35000	0.32
	Shares sold on 22 nd September, 2017	(12000)	-	23000	0.20
	Shares sold on 24 th November, 2017	(3000)	-	20000	0.18
	At the end of the Year	20000	0.18	20000	0.18
16	KAILASH CHANDER SHARMA				
	At the beginning of the year	31138	0.28	31138	0.28
	Shares sold on 22 nd September, 2017	(10745)	-	20393	0.18
	Shares sold on 17 th November, 2017	(2600)	-	17793	0.16
	At the end of the Year	17793	0.16	17793	0.16
17	SANJAY JASWANI				
	At the beginning of the year	23333	0.21	23333	0.21
	At the end of the Year	23333	0.21	23333	0.21

(v) Shareholding of Directors and Key Managerial Personnel

S.No.	Name of the Promoter	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	SUNIL VACHANI				
	At the beginning of the year	4830343	43.97%	4830343	43.97%
	Purchase on 3 rd May, 2017	233	-	4830576	43.97%
	Share Sale in the IPO on 31 st August, 2017	634368	-	4196208	37.05%
	At the end of the year	4196208	37.05%	4196208	37.05%
2	ATUL B. LALL				
	At the beginning of the year	700000	6.37%	700000	6.37%
	Share Sale in the IPO 12 th September, 2017	233333	-	466667	4.12%
	At the end of the year	466667	4.12%	466667	4.12%
3	GOPAL JAGWAN*				
	At the beginning of the year	35000	0.32%	35000	0.32%
	Shares sold on 22 nd September, 2017	(14000)	-	21000	0.19%
	Shares sold on 29 th September, 2017	(1000)	-	20000	0.18%
	At the end of the year	20,000	0.18%	20000	0.18%

Except the above, no other directors or KMPs are holding any shares in the Company.

*Ceased to be Key Managerial Personnel of the Company w.e.f. 04th, May, 2018.

(vi) INDEBTEDNESS

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

(in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	466,480,517	-	-	466,480,517
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,012,952	-	-	1,012,952
Total (i+ii+iii)	467,493,469	-	-	467,493,469
Change in Indebtedness during the financial year				
* Addition	227,971,033	817,567.95	-	228,788,600.95
* Reduction	248,986,944	-	-	248,986,944.00
Net Change	21,015,911	817,567.95	-	20,198,343.05
Indebtedness at the end of the financial year				
i) Principal Amount	445,464,606	817,567.95	-	446,282,173.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,629,008	-	-	2,629,008
Total (i+ii+iii)	448,093,614	817,567.95	-	448,911,181.95

(vii) Remuneration of Directors and Key Managerial Personnel

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

In ₹ Lakhs

S. No.	Particulars of Remuneration	Name of MD/WTM/ 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 (Rs.)	191.30	133.45	324.75
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (Rs.)	0.82	1.36	2.18
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961(Rs.)	-	-	-
2	Stock option(Rs.)	-	-	-
3	Sweat Equity	-	-	-
4	Commission as a % of profit	43.95	81.82	125.77
5	others (specify)	-	-	-
	Total (A)	236.07	216.63	452.70
	Ceiling as per the Act			

The maximum amount payable to Executive Directors individually was ₹ 419.60 Lakhs being 5% of the net profits of the Company and maximum aggregate amount payable to the Executive Directors was ₹ 839.20 Lakhs being 10% of the net profits of the Company. The net profits being calculated as per section 198 of Companies Act, 2013.

b. Remuneration to Other Directors

S. No.	Particulars of Remuneration	Name of Directors					(In ₹ Lakhs)
		Dr. R.C. Chopra	Mr. Manoj Maheshwari	Ms. Poornima Shenoy	Dr. Manuji Zarabi	Mr. Vishal Gupta	Total Amount
1.	Independent Directors						
	Fee for attending board committee meetings	2.66	2.78	1.43	3.38	-	10.25
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.66	2.78	1.43	3.38	-	10.25
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2.66	2.78	1.43	3.38	-	10.25
	Ceiling as per Act	Maximum amount payable to Independent / Non-Executive Directors was ₹83.92 Lakhs being 1% of net profits as per section 198 of Companies Act, 2013 excluding the fees payable to Directors under Section 197(5)					
	Total Managerial Remuneration	Total Managerial remuneration paid to all Directors- ₹462.95 Lakhs					
	Overall Ceiling as per the Act	Maximum amount payable to all the Directors was ₹923.12 Lakhs being 11% of net profits as per section 198 of Companies Act, 2013..					

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

S. No.	Particulars of Remuneration				(In ₹ Lakhs)
		*Mr. Saurabh Gupta	Mr. Gopal Jagwan (CFO)	Company Secretary Mr. Ashish Kumar	Total
1	Gross Salary (PER ANNUM)				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	30.16	50.12	32.76	113.04
	(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)	14.48	20.29	22.81	57.57
	Total	44.64	70.41	55.57	170.61

*Mr. Saurabh Gupta joined the Company on 19th September, 2017 as Sr. Vice President- Investor Relations of the Company. Mr. Saurabh has been appointed as Chief Financial Officer of the Company w.e.f. 4th May, 2018.

(viii) Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors
Dixon Technologies (India) Limited

Place: Noida
Date: 26th May, 2018

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

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

ANNEXURE-III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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 31st March, 2018, 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 31st March, 2018 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 (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 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 Rs. 10 each for cash at a price of Rs. 1766/- per equity share (including a share premium of Rs. 1756 per equity share). The offer comprised of fresh issue of 339,750 equity shares by the Company and Offer for Sale of 3,053,675 Equity Shares by Existing Shareholders of the Company. The Equity Shares of the Company were listed and admitted to dealing on BSE Limited and National Stock Exchange of India Limited with effect from 18th September, 2017.
- b) The shareholders of the Company at their Extra-Ordinary General Meeting held on 18th April, 2017 passed following special resolutions:
- i) pursuant to Section 14 of the Act for conversion of the Company from Private to Public Limited Company.
 - ii) pursuant to Section 14 of the Act, for adoption of new sets of Articles of Associations of the Company;
 - iii) pursuant to Section 13 of the Act, for adoption of new set of Memorandum of Association giving effect to alteration in object clause and consolidation of the Authorised Capital of the Company ;
 - iv) 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), Rs. 500 crore/- (Rupees Five Hundred Crore only) or aggregate of its paid-up share capital and free reserves, whichever is higher;
 - v) pursuant to Section 180(1)(a) to sell, lease, charge and/or mortgage or otherwise dispose of all or any of the immovable and movable property/undertakings/assets of the Company wheresoever situated, present & future, and the whole of the undertaking of the Company in favor of lenders to secure the amount borrowed by the Company or any third party from time to time provided that the maximum extent of the indebtedness secured by the properties does not exceed Rs. 500 Crores or aggregate of its paid-up share capital and free reserves, whichever is higher.
 - vi) 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 Rs. 200 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 Rs. 200 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 Rs. 200 Crores.
 - vii) The Company filed an application under Section 460 of the Act to the Central Government for condonation of delay in filing the particulars of board resolutions passed by the Board of Directors of the Company, under Section 179(3) read with Section 117 of the Act in the meeting of Board of Directors held on 06th December, 2014, in Form MGT-14. The delay was condoned by the Central Government vide its order dated 27th September, 2017 without levy of any penalty.

For **Shirin Bhatt & Associates**

Company Secretaries

Firm Registration No. S2011DE162600

Sd/-

Shirin Bhatt

Proprietor

C.P. No. 9150

M.No. F8273

Place : Noida

Date : 26th May, 2018

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Dixon Technologies (India) Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial statements of the Company.
4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

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

Place : Noida
Date : 26th May, 2018

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

ANNEXURE-IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to Section 135 of Companies Act, 2013)

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

Dixon Technologies (India) Limited ("Company") has long been actively involved in social and community development. We are committed towards social causes and their development and has a vision of creating a more inclusive and better India. In accordance with the primary CSR philosophy of the Company and the specified activities under the 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, eradicating hunger and help towards widows. Brief outline of the Company's CSR objectives and its projects/ programmes are mentioned in the CSR section of the Board's report section of the annual 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. The Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors has constituted the Corporate Social Responsibility ("CSR") Committee. The Members of CSR Committee as on 31st March, 2018 are as follows:

S.No.	Name of the Director	Category
1.	Mr. Sunil Vachani	Chairperson
2.	Mr. Atul B Lall	Member
3.	Dr. R.C. Chopra (Independent Director)	Member

3. Average net profit of the company for last three financial years are as follows:

₹334,803,731/- (Rupees Thirty Three Crores Forty Eight Lakhs Three Thousand Seven Hundred Thirty One Only)

4. Prescribed CSR Expenditure:

2 % of Average Profit (as in item 3 above) is **₹6,696,075/-** (Rupees Sixty Six lakhs Ninety Six thousand and Seventy Five only)

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

(a) Total amount to be spent for the financial year; **₹6,696,075/-**

(b) Amount spent: **₹6,796,075/-**

(c) Amount unspent, if any: **₹NIL**

(d) Reason for not spending the amount: **N.A.**

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. As a responsible corporate citizen, the Company has been undertaking social welfare initiatives. This year the main focus of the Company was to contribute towards the weaker sections of the society, child education and Swachh Bharat initiative and therefore, initiatives were undertaken towards welfare of senior citizens, child education and contribution to Swachh Bharat initiative of the Government of India.

During the financial year 2017-18, Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and in future is committed to incur expenditure for CSR initiatives through structured events or programs and projects.

(a) Manner in which the amount spent during the financial year 2017-18 is detailed below:

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent
1	Socio-Economic Development	measures for reducing inequalities faced by socially and economically backward groups	Delhi & Mumbai	₹ 2,518,000/-	₹2,518,000/-	₹2,518,000/-	Through Magic Bus India Foundation
2	Rural Area Development	Project of installation of Solar Street Light, Handpumps and Bio Toilets Across the India for Development of Rural Areas. And Distribution of Solar LED Lanterns in Rural Areas of Pali Parliamentary Constituency.PRESIDENT	Pali, Rajasthan	₹500,000/-	₹500,000/-	₹500,000/-	Through Sankalp Foundation
3	Welfare of Senior Citizens	Old Age Home	Delhi	₹998,000/-	₹998,000/-	₹998,000/-	Through Guru VishramVridh Ashram
4	Child Education	Imparting value based education	Delhi	₹500,000/-	₹500,000/-	₹500,000/-	Through Nav Abhiyan
5	Eradicating hunger and promotion of education & help for widows	measures for providing mid day meal to children and promoting education; and Help for widows	Agra & Delhi	₹800,000/-	₹800,000/-	₹800,000/-	Through The Akshaya Patra Foundation
6	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	Bhadohi, Varanasi, Allahabad, Uttar Pradesh	₹200,000/-	₹200,000/-	₹200,000/-	Through Rugmark Foundation
7	Swachh Bharat Abhiyan	Swachh Bharat	North India	₹500,000/-	₹500,000/-	₹500,000/-	Through CII Foundation
8	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	₹500,000/-	₹500,000/-	₹500,000/-	Through Jan Madhyam

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent
9	Healthcare to Differently abled persons	Provides artificial limbs and other aids to the largest number of handicapped persons and provide calipers, tricycles and wheel chairs to physically challenged persons free of cost.	Patna, Bihar	₹180,075/-	₹180,075/-	₹180,075/-	Through Bharat Vikash Viklang
10	Education	Education	Maharashtra	₹1,00,000/-	₹1,00,000/-	₹1,00,000/-	Through Chhatrapati Shivaji Samaj Kalyan and Shiksha Prachar Samiti
TOTAL				₹6,796,075 /-	₹6,796,075 /-	₹6,796,075 /-	

6. Responsibility Statement

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

Sd/-
SUNIL VACHANI
 (Chairperson CSR Committee)
 DIN:00025431

Sd/-
ATUL B. LALL
 (Member)
 DIN: 00781436

Place : Noida
 Date : 26th May, 2018

ANNEXURE-V

Business Responsibility Report

Business Responsibility Report is a disclosure mandated by the Securities and Exchange Board of India (SEBI) 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 India operations, including all businesses under its operational control.

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	2017-2018
Sector(s) that the Company is engaged in (industrial activity code-wise)	Group Code: 261, 264, 275, 279 As per National Industrial Classification - Ministry of Statistics and Programme Implementation Please refer to Form MGT-9 of annual return in Director's report for details.
List three key products / services that the Company manufactures / provides (as in balance sheet)	1. Television 2. LED Bulb 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 national locations are provided under section, 'General Shareholder Information', in the Corporate Governance Report forming part of this Annual Report..
Markets served by the Company - Local / State / National / International	"The Company is fully integrated end-to-end product and solution suite to original equipment manufacturers ("OEMs") ranging from global sourcing, manufacturing, quality testing and packaging to logistics. The Company is also a leading original design manufacturer ("ODM") of lighting products, LED TVs and semi-automatic washing machines in India (Source: Frost & Sullivan Report). As an ODM, the Company develops and designs products in-house at its R&D centre. The Company manufacture and supply these products to well-known companies in India who in turn distribute these products under their own brands".
Details of Subsidiary of the Company	Please refer Director's Report
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	Rs. 113,250,910/-
Total turnover	Rs. 221,585.37 Lakhs
Total profit after taxes	Rs. 5700.69 Lakhs
Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	Rs. 67.96 Lakhs
List of activities in which expenditure in four above has been incurred	Please refer section on Corporate Social Responsibility in the Director's Report forming part of this Annual 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

S. No	CSR project or activity identified	P1	P2	P3	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	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	N	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	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?	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?	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?	https://dixoninfo.com/business-responsibility-policy/									
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been formally communicated to internal stakeholders and are available on www.dixoninfo.com for information of the external stakeholders.									
8.	Does the Company have in-house structure to implement the policy/policies?	Yes									
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes									
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company has come under the ambit of Business Responsibility with effect from 31 st March, 2018. Therefore, going forward the Managing Director of the Company shall be reviewing the implementation of the policies.									

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company? Within 3 months, 3-6 months, Annually, More than 1 year

The Company has come under the ambit of Business Responsibility with effect from 1st April, 2018. Going forward, The Managing Director will 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?

The Company has published its first Business Responsibility Report for financial year 2017-18 which forms part of the Company's Annual Report for financial year 2017-18. The same can be accessed at www.dixoninfo.com

Section D- Principle-wise Performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group/Joint Ventures/Suppliers/ Contractors/ NGOs/ Others?

It covers and extend to all stake holders. At Dixon, we believe in performing well by doing good and right things. The Company has adopted the Code of Conduct which guides its employees and directors to conduct business in an ethical, responsible and transparent manner. The Company has zero tolerance approach toward bribery and corruption. The Company emphasises 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.

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. Further, a total of 540 Investor complaints were received during the FY 2017-18 which have been duly addressed.

Section D- Principle-wise Performance

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	The Company aims to have negligible negative impact on the environment by identifying ways to optimise resource consumption in its operations although the very nature of the businesses of the Company has limited impact on environment.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	With a diverse portfolio of products , calculating our environmental performance per product poses unique challenges. The Company has designed technologies to enable resource efficient, sustainable manufacturing processes required to Manufacture our products.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has developed over the last decades supplier intimacy and goodwill which enables the Company to source quality raw materials even when there is scarcity and further takes into account the locational factors while sourcing for various facilities of the Company.
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 procurement source of goods and services are reliability, quality and price. The Company provides regular trainings to upgrade skills of security and housekeeping personnel.
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.	The Company is not a Producer as per the definition of E-waste prescribed under E-Waste Management Rules, 2016 that is to say that the Company does not directly sell or market any product under its brand. However, the Company has entered into an agreement with Greeniva Recycler Pvt Ltd, a recycler for recycling and disposal of E-waste, if any, generated during the manufacturing process.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.	3179 (permanent: 780 & Contractual: 2399)
2. Please indicate the Total number of employees hired on temporary/ contractual/causal basis	Contractual:2399
3. Please indicate the number of permanent women employees	17
4. Please indicate the Number of permanent employees with disabilities	Nil
5. Do you have an employee association that is recognized by management	Nil
6. What percentage of your permanent employees is member of this recognised employee association?	Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not engage in any form of child labour/ forced labour/ involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. No complaints were received by the Company under the aforesaid.

Section D- Principle-wise Performance

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	
a. Permanent Employees	80%
b. Permanent Women Employees	100%
c. Casual/ Temporary/ Contractual Employees	100%
d. Employees with Disabilities	100%

Principle 4: Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders? Yes/ No	Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has employed 20 disabled person (contractual). The Company has provided them with requisite training
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, help towards widows and disabled people.

Principle 5: Human Rights:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company, on its own initiatives, is committed to comply with all human rights and follow it across all stakeholders associated with the Company. The Company does not employ any forced labour and child labour and is committed to promoting the general equality among the employees. The same is being followed by the Subsidiary and Joint Venture Companies.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company had not received any complaint pertaining to sexual harassment during the year under review. Apart from the said complaint, no other complaint was received pertaining to violation of human rights during the year.

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. The same is being followed by the Subsidiary and Joint Venture Companies.
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. The Company has replaced fluorescent lamps with LED Bulbs across its Manufacturing Facilities and offices.
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 implemented to reduce impact on environment and human.

Section D- Principle-wise Performance

4. Does the company have any project related to Clean Development Mechanism? If so, provide details therefor, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	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 with LED Bulbs across its Manufacturing Facilities and offices.
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.
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 st March, 2018

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.	No
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 thereunder.
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 on Corporate Social Responsibility activities for financial year 2017-18 annexed as Annexure IV 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
4. What is your company's direct contribution to community development projects- Amount in ` and the details of the projects undertaken.	The Company has spent ₹67,96,075 towards various CSR initiatives during the year 2017-18. For detailed information relating to list of activities in which expenditure above has been incurred, please refer the Annual Report on CSR Activities annexed as Annexure IV to the Directors' Report.

Section D- Principle-wise Performance

5. What is your company's direct contribution to community development projects?	The CSR projects have been carried out by the Company either directly or by partnering with NGOs and government organizations. Details of CSR projects are available in the Annual Report on Corporate Social Responsibility activities for financial year 2017-18 which forms Annexure IV to the Directors' Report
6. 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 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. Further, the CSR projects are evaluated by the CSR Committee to ensure maximum impact of their initiatives.
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.
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 and none were pending as on end of the financial year.
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.

ANNEXURE-VI

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

a. Conservation of energy:

(i) The steps taken or impact on conservation of energy;

- The Company has strong focus on renewal energy and is using solar/ non-conventional source in the form of solar panels and has installed the same at one of its facility situated at C-33, Phase-II, Noida-201305
- The Company is in process of replacing all the normal conventional lights with LED lights/lamps across its offices/factories. The LED Lamps aids in conserving energy to a great extent.
- The Company has installed plant and machineries which optimizes the process and thus enhance the productivity without substantially increasing power consumption.
- Awareness program were conducted in the Company for energy conservation, during which all the employees were sensitized on conserving the energy. Further, the Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.

(ii) The steps taken by the company for utilising alternate sources of energy;

As aforesaid, the Company has installed Solar Panels at one of its facility. Also, new recourses of alternative energy are being identified by Company

(iii) the capital investment on energy conservation equipment's;

Nil

b. Technology absorption:

(i) the efforts made towards technology absorption;

- In washing machine vertical we had indigenously developed approx 110 new models which are totally exclusive in designs and colours
- One of the new designs is created by Dixon R&D which will come first time in market

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- Your company is now technically more capable of developing various kinds of Electronic items as per our customer requirement.
- Has resulted in increased market share with reduced costs. This has helped the Company in negotiating orders with more Original Equipment Manufacturers.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

S.No.	Name of the Director	Category
(a)	Technology imported.	Nil
(b)	Year of import.	Not Applicable
(c)	Has technology been fully absorbed?	Not Applicable
(d)	If not fully absorbed, areas where this has not taken place. (reasons there) for and future plans of action.	Not Applicable

(iv) The expenditure incurred on Research and Development.

(a) Capital ₹80.46 Lakhs

(b) Recurring ₹352.61 Lakhs

(c) Total ₹433.07 Lakhs

(d) Total R & D expenditures as a percentage of total turnovers 0.19%.

c. Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows as under:

Foreign Exchange Outgo (In Lakhs) :

	2017-18	2016-17
CIF VALUE OF IMPORTS GOODS	1,01,702.11	61,998.52
EXPENDITURE IN FOREIGN CURRENCY	210.67	186.84
Total	1,01,912.78	62,185.36

Foreign Exchange Earnings:	2017-18	2016-17
Export (FOB Basis) - (In Lakhs)	Rs.7,328.86/-	Rs.5,900.72/-

For and behalf of the Board of Directors
For **Dixon Technologies (India) Limited**

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

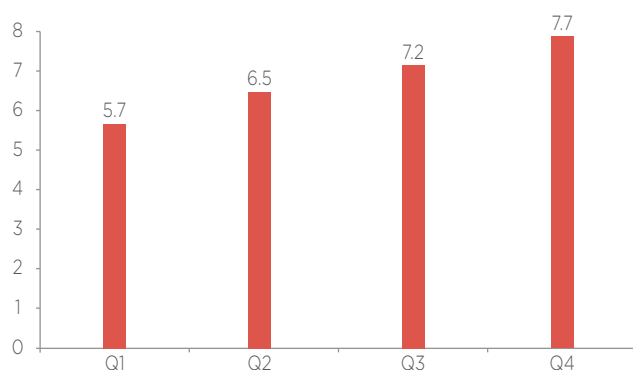
Sd/-
Atul B Lall
(Managing Director)
DIN: 00781436

Place: Noida
Date: 26th May, 2018

Management Discussion & Analysis



GDP Growth Rate in FY18 (in %)



(Source: Economic Times, Ministry of Statistics & Programme)

Indian Economy Overview

India's GDP grew at a rate of 39.78% from \$1.86 trillion in 2013 to \$2.6 trillion as on in April 2018. In India, the government introduced a new momentum to the entire system by taking up the method of speed, scale and sensitivity to deliver success. The country experienced economic growth centered around job creation and people empowerment. India being the world's favorite FDI destination, there was a rise in total FDI inflows from \$152 billion in 2010-14 to \$222.75 billion in 2014-18. As a result, according to FDI Confidence Index, India is ranked among top two emerging markets performers. There is also a rise in the mobile manufacturing companies in India from 3 to 120, reducing mobile imports by 50%. Indian GDP grew at a rate of 6.7% during 2017-18 and it is expected to be in the range of 7.4% in 2018-19. (Source: Economic Times; Economic Survey; IMF; DIPP)

Indian Appliances and Consumer Electronics (ACE) Industry

India is among the fastest growing electronics market countries of the world. It has the world's third largest television industry. The Appliances and Consumer Electronic (ACE) industry of India offers various opportunities in terms of both consumption and manufacturing along with job creation. Despite government's make in India initiative, 25% of the ACE industry products are manufactured abroad. Providing government incentives and positive reforms to these products can help shift the balance production towards India. Main consumers of the ACE industry in the Indian market are the middle class consumers. With increase in urbanization, rise in young population and a continuous growth in the income levels, there is a constant rise in emerging middle class population in India. The middle class population is expected to rise from 470 million people in 2010 to 570 million in 2021, recording a growth of 21% in over a decade.

Consumer perspective

Consumer durables/light electricals market in India increased at 11 % Compounded Annual Growth rate ("CAGR") between FY 2012-2017 to reach ₹ 1.4 trillion (US\$ 21.70 billion). The industry is expected to grow at 13 % CAGR and reach ₹ 3 trillion (US\$ 46.54 billion) by year 2020.

India is one of the largest growing electronics market in the world. Indian electronics market is expected to grow at 41% CAGR between years 2017-2020 to reach US\$ 400 billion. Consumer electronics exports from India reached US\$ 270.08 million during April-December 2017.

Demand growth is likely to accelerate with rising disposable incomes and easy access to credit. Increasing electrification of rural areas and wide usability of online sales would also

aid growth in demand. Rise in working age population also stimulates demand. The contribution of electronics industry to country's GDP has remained low in the past few years. This was because of slow growth in OEM and ODM market. Now, as the OEM and ODM industry have started growing, electronics industry is expected to register sustained growth levels.

OEM industry

The OEM market in electronics segment is expected to grow at a CAGR of 16.2% to reach at a value of \$216.2 billion in 2020 as compared to \$88 billion in 2014. The growth is expected to be driven by mobile phone and industrial electronics market. The need of ODM in the electronics industry has gained prominence due to increasing need for innovative designs. This is also important as the 'Make in India' campaign promotes both in-house production as well as design. The OEM market will grow because of companies making a shift towards localized manufacturing. India constitutes superior design capabilities with competent workforce at around 150% lower wage rate than China. This provides the industry an edge over China's industry. (Source: PwC report and Ibeef and electronics b2b, ELCINA and frost & Sullivan report)

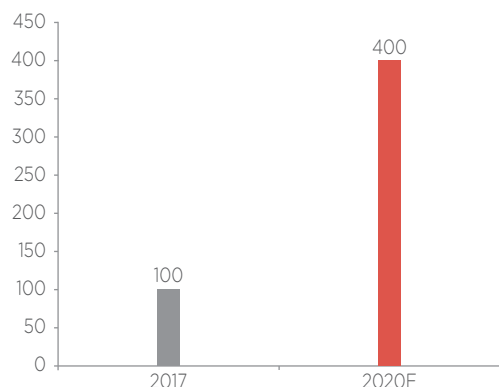
Main segments in the ACE Industry

Consumer Electronics

Television (TV)

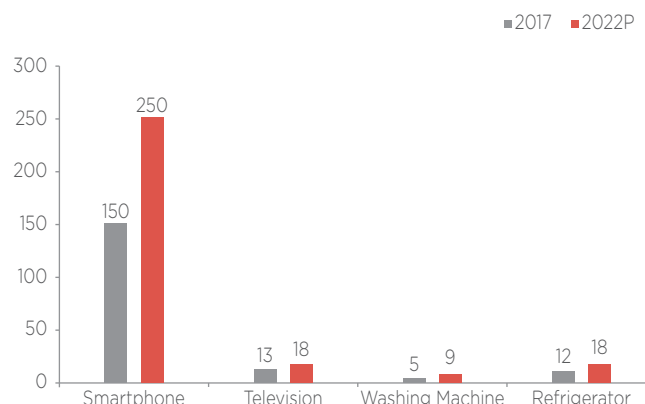
Television market is the largest contributor to the consumer electronics segment. India has the world's third largest television industry. India's television industry is expected to grow at a CAGR of 14.7 per cent over FY 16-21. In the year 2018, the television industry in India is expected to grow to US\$ 11.78 billion from US\$ 9.23 billion in 2016, registering a growth of 12.97 %.

Electronics Market in Indian (in US \$ billion) CAGR 41%



(Source: IBEF)

The Indian ACE Market (in million units)



(Source: PwC report) *P denotes Projected

Number of households having TV in India is expected to rise to 200 million by 2020. The National household penetration for color television in India is 65% while that in China it is 120%. There has been a rise in demand for high screen resolutions TV in India. As a result, the average screen size for television reached at 33" in 2017-18. The television market in India is experiencing a shift from cathode ray tubes to flat panel display. The LCD/LED TV market in India is valued at 21,000 crore as of FY16. A fall in price due to a reduction in import duty on LCD panels, increasing penetration levels and the introduction of small entry-size model are driving the growth of LED or LCD TVs. The television market is also experiencing a growth in demand for smart TV due to higher internet penetration. (Source: PwC report and IBEF and ELCINA).

Dixon competitive strengths

Dixon Technologies (India) Limited ("the Company/Dixon") entered the consumer electronics segment with the production of colored televisions in 1993. The company introduced new products in this segment with a change in time and technology. The company manufactured products such as, DVD players, LCD and LED TVs, and home theaters for its customers. Currently, the company produces 19" to 65" and 4K2K LED TVs. It also produces 2.1 channel and 4.1 channel home theaters for its customers. The capacity in this segment is 1.9 million units and can be expanded to go up to 2.5 million units. Further, the Company has started its LED TVs production at Tirupati facility.

Home Appliances

Washing Machine

The market size of Washing Machine stands at 5 million units as on 2017 and is expected to increase at a rate 10-12% by the end of FY18. The fully automatic washing machines is experiencing an increase in market share due to reduction in

price and higher disposable income. This is also because of a gradual shift from semi-automatic washing machine to fully automatic washing machine. There is a scope for penetration of washing machine in Tier 2 and 3 cities. Currently, national household penetration for washing machine in India stands at 13% against world level of 70%. (Source: Ibef and PwC Report)

Dixon competitive strengths

Dixon started manufacturing of washing machine under its home appliance segment in February 2010. The company currently manufactures semi-automatic washing machine for 6.0 Kg to 9.0 Kg. The company has also undertaken in-house early life test of parts as well as complete washing machines, water leakage testing and noise testing. Also, the Company has in-house design capabilities to manufacture complete range of Semi-automatic washing machines and also, includes development of new design concepts with additional features like magic filter, water fall, side scrubber and air dry. The Company is ready to experience a shift in model mix and capacity expansion with the designing going on for fully automatic washing machines. The company is also planning to start manufacturing washing machine in its Tirupati facility to capture the market in South India.

Lighting Products

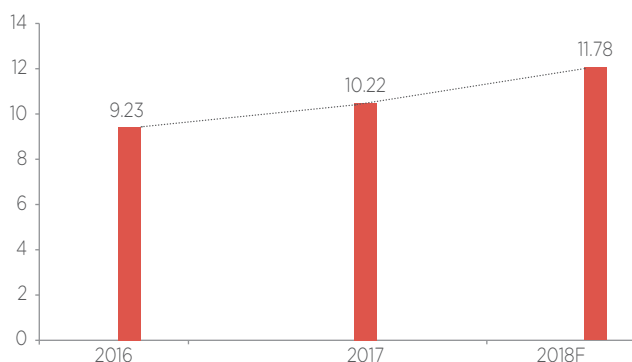
Indian lighting market is one of the key drivers for growth in electronics manufacturing and for rise in component demand. The need for efficient energy lead to creation of efficient energy products and pushed the market towards LED which is an energy efficient product. The Indian LED market, which stood at ₹ 20,000 crore in 2016, is expected to grow at a CAGR of 10-12% to reach at ₹ 30,000 crore by 2020.

Government initiatives for LED lighting:

- ▶ The old conventional lights are to be replaced by 770 million LED lights and 35 million LED streetlights by 2019
- ▶ 27.3 million LED lights is to be distributed to BPL houses under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)
- ▶ Across the country, more than 2.1 million conventional streetlights have been replaced with LED streetlights under Street Lighting National Programme (SLNP)
- ▶ National level projects for LED lights installation such as, Unnat Jyoti by Affordable LEDs for All (UJALA), Domestic Efficient Lighting Programme (DELP), Street lighting National Program (SLNP), etc.
- ▶ To promote and raise awareness, subsidized 9W LED bulb is available to consumers for an amount of INR 10 per month, thus becoming an adoption driver

(Source: Elcina & Electronics B2B, PIB & Eletimes, ELCOMA)

Television Market in Indian (in US\$ billion)



(Source: PwC report) *P denotes Projected

Dixon competitive strengths

The company started its lighting business in 2008 with CFL lamps and drivers. The first customer that Dixon started its lighting business with was Philips India Limited. The company has in-house facility for designing of CFL and LED lighting solutions for products ranging from 0.5W to 20W and include main electronic board designing, mechanical and light source and packaging designing. Backward Integration include sheet metal, plastic moulding and wound components This allowed Dixon to emerge as a leading ODM player in this segment.. The company's new LED bulb capacity is expected to get operationalized in coming months, expected to increase capacity from 9 million units to 14 million units. The company currently exports CFL and LED lamps to Kenya, France, Poland, Netherlands, Dubai, Malaysia, Thailand and Sri Lanka.

Mobile Phones

In India, there are 650 million mobile phone users out of which 300 million people use smart phones. With India moving towards digitalization this number is expected to go up. This is because mobile phones market in India is experiencing a major shift from feature phones to smart phones. The national household penetration of smartphones is 23% as against 50% at global level. In India, 49% of mobile phone handset market is held by Chinese vendors because of the attractive features offered by them at mid-range price segment. The mobile phone market witnessed a tremendous growth in the recent time. The government has an objective to reach at a target mobile phone production level of 500 million units by 2019 generating employment for 15 lakh people by 2019. Mobile phone production in India has reached at a level of ₹ 90,000 crore. (Source: PwC report & Business Standard & Livemint)

Dixon competitive strengths

Dixon entered mobile phone segment through its Joint Venture with PEPL in January 2016. The company manufactures both feature phones and smart phones. The company deals in mobile phone segment by improving its relationship with existing customers, moving towards PCB level assembly in the first step and backward integration for mobile phone chargers. PCBs is one of the most important components of the smart phone, & contributes to nearly 50 percent of the value of the phone The company is planning to set up a plant for PCB in Noida to help the company give a boost in the mobile phone segment and which will enhance the value addition and improve the profitability.

Reverse Logistics

A growth in the electronics and appliance industry will help the EMS sector to grow. With production cost in China gradually going up, the Indian EMS industry is expected to get a boost. The EMS industry is expected to grow at a CAGR of 34.1% to reach at a value of \$8.3 billion by 2020. In India the selling of old imported mobile phones is

restricted by various rules and regulations. The companies in the electronic industry are thus planning to move towards refurbishment of mobile phones in India. This will make it possible for the electronics industry to sell old mobile phones in an organized manner. Also, import for some second hand goods for the purpose of repair or refurbishment have been made free thereby giving a boost to the electronics repair or refurbishment segment. (Source: Frost & Sullivan report & economic times & Economic survey 2017-18)

Dixon competitive strengths

Dixon started its reverse logistics business in 2008 under which the company provides repair or refurbishment for various products. Range of services offered includes Repair and refurbishment of set top boxes, mobile phones, LCD/LED TVs, LED panel, home theatre and computer peripherals & other devices. The Company focuses on B2B reverse logistics, which is in line with the strategy of building relationships with brand owners and OEMs. The Company carries out its reverse logistics through one of its facilities in Noida and 6 service centers in some of the major cities in India.

Security Devices

Over the years, there has been a development in the electronic security system industry of India. The electronic security equipment market has witnessed a growth of over 25% in the past five years. The key drivers of this growth are increase in organized real estate sector, rise in threat perception, and improvement in value proposition of the customers. The CCTV market is expected to grow at CAGR of more than 12% between 2018 and 2023. Tier 1 and Tier 2 cities of contribute the largest share of around 80% in total CCTV market of India. The CCTV camera will get a boost as government increase the number of cameras installed in public places. Various states like Tamil Nadu and Maharashtra have made it mandatory for all private institutions to install CCTV cameras for security. This will give a boost to the CCTV camera market of the country and drive its growth forward. (Source: Hindu Business Line and PRNewswire)

Dixon Competitive Strength

The Company has incorporated a Company AIL Dixon Technologies (India) Limited ("ADTPL") on 08th February, 2017 and entered into Joint Venture Agreement dated 08th May, 2017 with Aditya Infotech Limited for manufacturing of security devices. The commercial operations in the said Company started in the month of January, 2018. We have set up the infrastructure for manufacturing, which is a state of art of facility from Printed Circuit Board Assembly ("PCBA") to final product, of security system, through our joint venture, ADTPL, at the Tirupati facility. This would further help us in strengthening our relationships with our existing customers and gaining new customers as we would be able to penetrate the markets in South India.

The security systems will be manufactured under the Trademark which goes by the Tagline “UPAR WALA SAB DEKH RAHA HAI”. Currently, we are manufacturing CCTV cameras and digital video recorders (DVRs).

Government Initiatives for the Electronics Industry of India

Modified Special Incentive Package Scheme (M-SIPS)

MSIPS was launched to deal with the problems and to attract investments in the electronics manufacturing segment of India. The scheme is available for both new projects as well as expansion projects. Under this scheme, capital subsidy of 20% to SEZ and 25% to non-SEZ units is given for electronics manufacturing. The incentive is provided on a reimbursement basis where a minimum prescribed amount has to be invested to be eligible for investment. The threshold limit for investment varies from 1 crore to 5000 crore depending on the type of project. (Source: MEITY)

Electronic Development Fund (EDF) Policy

The Digital India agenda of government, includes a plan to develop the Electronics System Design and Manufacturing (ESDM) sector to achieve Net Zero Imports by 2020. EDF is a strategic move which is set up with the objective to create a vibrant environment of innovation and R&D along with active industry involvement. EDF has been set up as a Fund of Funds with the aim to be a part of the professionally managed Daughter Funds. This will provide with risk capital to companies that are developing new technologies. (Source: MEITY)

National Policy on Electronics (NPE)

NPE was launched in 2012 with a vision to create a design and manufacturing industry which is globally competitive, and helps the country to not only meet its requirements but also to export electronics products. NPE aims for the ESDM sector to earn a revenue of \$400 billion by investing \$100 billion and providing employment opportunities to 28 million people by 2020. The policy also aims to set up a strong supply chain of raw materials and other electronics component so that indigenous availability of these inputs can reach 60% by 2020. NPE aims to increase the export of ESDM sector to \$80 billion by 2020. (Source: MEITY)

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 FY18.

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 required for washing machine from China. An increase in customs duty for this will lead to a rise in cost of production of washing machine.

(Source: Ventura Research Report)

Research & Development

The Research & Development (R&D) center of Dixon concentrates on R&D for electronics hardware designing, system architecture, mechanical design, component engineering and optics design. It also gives its customers design enhancement and verification. The R&D center had Noida is equipped with latest technologies such as photometric system for light source and color analyzers. R&D team of the company aims at providing techniques and measures to improve manufacturing efficiency on existing products. Improvement of efficiency is to be in an effective way that leads to cost reduction. The company has won various awards for its R&D facilities such as Development Excellence Award (semi-automatic washing machine) in 2016 from Panasonic India Private Limited. The company also received recognition for its R&D center in Noida from Department of Scientific and Industrial Research.

Segment Review

The analysis of the product-wise performance has been covered in the initial sections of the report.

Financial Performance

Particulars	2017-18 (in ₹ lakhs)	2016-17 (in ₹ lakhs)	Y-o-Y Growth (%)
Revenue	285339	249872	14
EBITDA	11686	9264	26
PAT	6090	4757	28
Non-current fixed assets	19498	13852	41
Total Debt	4463	4673	(4)

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 other than lighting segment which recorded a muted 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.

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 24 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.

Outlook

The Indian ACE industry is expected to grow at a CAGR of 9% between 2017 and 2022. The value of Indian ACE industry is expected to increase from ₹2050 billion in 2017 to ₹3150 billion in 2022. Domestic production of ACE has witnessed a huge growth over the years, and it is expected to further grow as government plans to achieve zero net imports of electronics by 2020. The ACE affordability index of India is expected to increase from 81 in 2017 to 87 in 2022. The consumer durables industry which was affected by GST and demonetization is expected to recover as demand improves in all segments. Moving ahead, the company expects to have strong order book for the coming year and it plans to expand its capacity by in various divisions. The company expects that its margin will increase by around 2.5% as there is a growth in order book since July. Financial year 2018-19 is expected to witness a growth in refurbishment business with an order book of around 250 to 300k set top box refurbishment. This will help the company to improve its EBITDA and profitability margins. (Source: PwC report)

Internal Control Systems and Their Adequacy

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 Resources

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.

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



Mr. Ashish Kumar

*Group Company Secretary &
Compliance Officer*

In our corporate journey, we have always grown with a strong foundation of corporate governance and ethics. In our endeavour to drive next-level growth, we remain focused on strengthening the strong governance framework within the organisation.

Company's Philosophy on Code of Governance

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board working in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

Your Company is committed to high standards of corporate governance and has a corporate governance framework which supports our long-term performance and sustainability and protects and enhances stakeholder interests.

The Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for time being in force ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") has strengthened the framework of Corporate Governance for India Inc. For Dixon, however, Corporate Governance has always been a cornerstone of the entire management process, the emphasis being on professional management. Your Company's Board believes that a robust framework and flawless 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.

The Board of Directors are responsible for the overall corporate governance of your Company, its subsidiaries and Joint Ventures (collectively the Group" or "the Dixon Group"). The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic objectives and plans. The Board is committed to protecting and optimising performance and building sustainable value for shareholders.

In conducting business with these objectives, the Board seeks to ensure that the Group is properly managed to protect and enhance shareholder interests, and that the Group, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Group, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for the Group's business and that are designed to promote the responsible management and conduct of the Group. The SEBI Listing Regulations are applicable on entities which are listed on the recognized stock exchanges of India. The Corporate Governance as stipulated in the SEBI Listing Regulations is required to promote investor confidence and to assist companies to meet stakeholder expectations. This Corporate Governance Statement outlines the key aspects of the Company's governance framework and governance practices which are consistent with the SEBI Listing Regulations and other rules and regulations. Details of the key policies and practices are available on the Company's website at www.dixoninfo.com.

Board of Directors

Your Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with your Company's best interests. The Board critically evaluates your Company's strategic direction, management policies and their effectiveness.

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 fulfills 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 31st March, 2018

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	49 Years
Executive Director	Mr. Atul B. Lall	56 Years
Independent Director/ Non-Executive Director	Dr. R. C. Chopra	71 Years
	Ms. Poornima Shenoy	53 Years
	Dr. Manuji Zarabi	70 Years
	Mr. Manoj Maheshwari	52 Years

Note:

- Ms. Poornima Shenoy and Dr Manuji Zarabi were appointed as Additional Independent Directors on 23rd February, 2017 and were regularized at the Extra Ordinary General Meeting held on 1st April, 2017.
- Mr. Manoj Maheshwari was appointed as Additional Independent Director on 3rd May, 2017 and was regularized at the Extra Ordinary General Meeting held on 5th May, 2017.
- The tenure of Dr. R. C. Chopra as an Independent Director is expiring on 13th July, 2018. The Board of your Company had, at its Meeting held on 26th May, 2018 approved appointment of Dr. R. C. Chopra as Additional Director in the capacity of Non-Executive and Non-Independent Director. Your Directors have proposed to appoint Dr. R. C. Chopra as the Non-executive and Non-Independent Director with effect from 14th July, 2018 subject to member's approval at the ensuing Annual General Meeting (the "AGM").

Attendance of Directors at Board Meeting(s) as on 31st March, 2018

During the period under review, Ten (10) Board meetings were held on **3rd May, 2017, 18th May, 2017, 13th July, 2017, 10th August , 2017, 22nd August , 2017, 11th September , 2017, 14th September, 2017, 14th November, 2017, 7th February, 2018 and 30th March, 2018** 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 in the agenda, the same is tabled before the meeting.

Further, the information required, including information as enumerated in 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, last annual general meeting number of shares held in the Company and number of other directorships and chairmanships / memberships of committees of each director in various companies as at 31st March, 2018:

Name of Director	No. Board Meetings 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 st March, 2018	No. of Membership(s)/ Chairmanship(S) of Board Committees in other Companies as on 31 st March, 2018#	
					Chairperson	Member
Mr. Sunil Vachani	8	Present	4,196,208	5	0	0
Mr. Atul B. Lall	9	Absent	466,667	2	0	0
Dr. R. C. Chopra	8	Absent	-	2	0	2
Dr. Manuji Zarabi	9	Present	-	3	0	1
Ms. Poornima Shenoy	6	Absent	-	5	0	2
Mr. Manoj Maheshwari	9	Present	-	2	0	0

In accordance with Regulation 26 of the Listing Regulations, Chairmanship/Committee Membership of Audit Committee & Stakeholders' Relationship Committee of other Public Limited Companies only has been considered.

Note:

Mr. Vishal Gupta, Director at the beginning of the year, resigned from the Directorship by way of letter dated 17th April, 2017 which was effective from the date of approval by the Board on 3rd May, 2017.

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 on 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 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, 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/>.

Independent Directors Meeting

As per Regulation 25(1) of the SEBI Listing Regulations, none of the Independent Directors serves as Independent Directors in more than 7 listed entities and in case of whole-time directors in any listed entity, then 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 30th March, 2018, 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 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 programmes imparted to Independent Directors are available at the following weblink: <https://dixoninfo.com/code-for-independent-director-and-familiarization-programme/>.

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 Committee 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 and regulatory requirements and your Company's Code of Conduct; Performance of your Company's Statutory, Secretarial and 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 and discharges such duties and functions as generally indicated under there under apart from 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 8th August, 2017.

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 2017-18, Six (6) meetings of the Audit Committee were held on **2nd May, 2017, 13th July, 2017, 10th August, 2017, 14th November, 2017, 7th February, 2018 and 30th March, 2018**. The details of the composition, meetings and attendance at the Audit Committee meetings are given hereunder:

Details of Audit Committee Meetings as on 31st March, 2018

Name of Director	Position in the Committee	Designation	Audit Committee Meetings	Meetings Attended
*Mr. Manoj Maheshwari	Chairman	Independent Director	5	4
Dr. R C Chopra	Member	Independent Director	6	6
Dr. Manuji Zarabi	Member	Independent Director	6	6
*Mr. Atul B. Lall	Member	Managing Director	1	1
#Mr. Vishal Gupta	Member	Non- Executive Director	1	0

* Mr. Atul B. Lall was a member of the Audit Committee upto 3rd May, 2017. The Committee was re-constituted at the Board Meeting held on 3rd May, 2017. Mr. Manoj Maheshwari was inducted as a member of the Audit Committee and subsequently designated as the Chairperson of the Committee at the said Meeting held on 3rd May, 2017.

Mr. Vishal Gupta (Director and Member of the Audit Committee at the beginning of the Financial Year)had resigned from the Directorship w.e.f. 3rd May, 2017.

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. Reviewing and recommending for approval to the Board:
 - a. Proposals on borrowings and proposals on non-fund based facilities from banks
 - b. Business plan
 - c. Corporate annual budget and revised estimates;
3. 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;
4. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;

B Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the "NRC") has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to Board diversity; make recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel; 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.

Ms. Poornima Shenoy Chairperson of the committee was unable to attend the Annual General Meeting held on 8th August, 2017 and hence she authorized Mr. Manoj Maheshwari, Member of the Nomination & Remuneration Committee as the representative of the Committee to attend the said Meeting.

Composition, Meetings & 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 2017-18, three (3) meetings of the NRC were held on **2nd May, 2017, 14th November, 2017 and 30th March, 2018**. The details of the composition, meetings and attendance of the NRC are given hereunder:

Details of NRC Meetings as on 31st March, 2018

Name of Director	Position in the Committee	Designation	Nomination and Remuneration Committee Meetings	Meetings Attended
Ms. Poornima Shenoy	Chairperson	Independent Director	2	2
Mr. Manoj Maheshwari	Member	Independent Director	2	1
Dr. Manuji Zarabi	Member	Independent Director	3	3
Mr. Sunil Vachani	Member	Executive Chairman	3	3
* Dr R.C. Chopra	Member	Independent Director	1	1
#Mr. Vishal Gupta	Member	Non- Executive Director	1	0

* Dr R.C. Chopra was a member of the Committee upto 3rd May, 2017. The Board at its Meeting held on 3rd May, 2017 re-constituted the said Committee with addition of Ms. Poornima Shenoy and Mr. Manoj Maheshwari as the Members of the Committee. The Board at the said Meeting approved Ms. Shenoy as the Chairperson of the Committee.

Mr. Vishal Gupta (Director and Member of the NRC at the beginning of the Financial Year) had resigned from the Directorship w.e.f. 3rd May, 2017.

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 technical director and managing director and submitting their recommendations to the Board;
3. Formulation of criteria for evaluation of independent directors and the Board;
4. Devising a policy on Board diversity;
5. 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;

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. 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. The Board will have a meeting, annually, to discuss and evaluate the Performance of the Board as a whole and identify changes, if any, to further enhance its effectiveness.
2. The NRC shall arrange to carry out a confidential process of performance evaluation of every Director by the entire Board of Directors excluding the Director being evaluated.
3. The Independent directors shall hold at least one separate 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 Stakeholders' 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 considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report or non- receipt of declared dividends.

Composition, Meetings & Attendance during the Year

The Stakeholders Relationship Committee was constituted by the Board at their Meeting held on 6th March, 2017. Composition of the Committee is in line with the requirements of section 178 of the Act and the SEBI Listing Regulations. During the financial year under review, 2 (Two) meetings of the Stakeholder's Relationship Committee were held on **14th November, 2017** and **07th February, 2018**. The details of the composition, meetings and attendance of the Stakeholders' Relationship Committee are given hereunder:

Details of Stakeholders Relationship Committee Meetings as on 31st March, 2018

Name of Director	Position in the Committee	Designation	Stakeholders' Relationship Committee Meetings	Meetings Attended
Dr. Manuji Zarabi	Chairman	Independent Director	2	2
Mr. Sunil Vachani	Member	Executive Chairman	2	1
Mr. Atul B.Lall	Member	Managing Director	2	2
# Mr. Vishal Gupta	Member	Non-Executive Director	0	0

Mr. Vishal Gupta (Director and Member of the Stakeholders' Relationship Committee at the start of the Financial year) had resigned from the Directorship w.e.f. 3rd May, 2017

The Company Secretary of your 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;
 - 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.
- 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.

Status of Complaints during FY 2017-18

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 st April, 2017	Nil
Investor queries/complaints received during the Year	540
Investor queries/complaints disposed of during the Year	540
Investor queries/complaints remaining unresolved at the end of Year - 31 st March, 2018	Nil

D Corporate Social Responsibility Committee

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

Composition, Meetings & Attendance during the Year

The Corporate Social Responsibility Committee has been constituted as per the provisions of the Act. During the Financial Year 2017-18, three (3) meetings of the Committee were held on **13th July, 2017, 14th November, 2017** and **7th February, 2018**. The details of the composition, meetings and attendance of the Corporate Social Responsibility Committee are given hereunder:

Details of Corporate Social Responsibility Committee Meeting as on 31st March, 2018

Name of Director	Position in the Committee	Designation	Corporate Social Responsibility Committee Meetings	Meetings Attended
Mr. Sunil Vachani	Chairman	Executive Chairman	3	2
Dr. R.C. Chopra	Member	Independent Director	3	3
Mr. Atul B.Lall	Member	Managing Director	3	3
#Mr. Vishal Gupta	Member	Non- Executive Director	0	0

#Mr. Vishal Gupta (Director and Member of the Corporate Social Responsibility Committee at the start of the Financial Year) had resigned from the Directorship w.e.f. 3rd May, 2017.

The Company Secretary of your 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;
- Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

E Executive Committee

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

Details of composition of Executive Committee as on 31st March, 2018

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 your Company acts as the Secretary to the Committee.

F IPO Committee

The Board had constituted the Initial Public Offer Committee for limited purpose of facilitating the matters related to IPO of your Company. The said Committee was constituted on 3rd May, 2017. The composition of the IPO Committee was as under:

Details of composition of IPO Committee

Name of Director	Position in the Committee	Designation
Mr. Sunil Vachani	Member	Executive Chairman
Mr. Atul B Lall	Member	Managing Director
Mr. Manuji Zarabi	Member	Independent Director
Mr. Manoj Maheshwari	Member	Independent Director

Upon successful completion of IPO of the Company, the IPO committee was dissolved by the Board with effect from 07th February, 2018.

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 paid remuneration in the form of sitting fee.

Remuneration to Non-Executive and Independent Directors

Sitting fee paid to Non-Executive and Independent Directors for the financial year 2017-18 was as under:

Details of Remuneration to Non-Executive and Independent Directors

NAME OF THE NON-EXECUTIVE DIRECTOR	SITTING FEE	COMMISSION	₹ In Lakhs
			TOTAL
Dr. R.C. Chopra	2.66	Nil	2.66
Dr. Manuji Zarabi	3.38	Nil	3.38
Ms. Poornima Shenoy	1.43	Nil	1.43
Mr. Manoj Maheshwari	2.78	Nil	2.78
* Mr. Vishal Gupta	Nil	Nil	Nil
Total	10.25	Nil	10.25

* Mr. Vishal Gupta resigned from the Directorship w.e.f 3rd May, 2017

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 2017-18, other than the remuneration as detailed above.

Remuneration to Executive Directors

The shareholders at the Extra-Ordinary General meeting held on 5th May, 2017, appointed Mr. Sunil Vachani, Executive Chairman of your Company as the Whole Time Director, liable to retire by rotation, for a period of five years effective 5th May, 2017 on certain terms and conditions including remuneration. The remuneration includes fixed and variable salary, Commission, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses etc. as applicable to the employees of your Company.

At the said Meeting dated 5th May, 2017, Mr. Atul B. Lall was re-appointed as Managing Director for a period of five years effective 5th May, 2017, liable to retire by rotation, on certain terms and conditions including his remuneration comprising of fixed and variable salary, Commission, contribution to provident fund, superannuation, gratuity, perquisites and allowances,

reimbursement of expenses etc. as applicable to the employees of your Company. The details of remuneration paid to each of the Directors during the year ended 31st March, 2018 are given below:

Details of Remuneration of Directors

								₹ in Lakhs
Name of Director	Base Salary	Fixed Salary			Bonus / Performance Linked Incentive	Sitting Fee	Commission	Total
		Perquisites and Allowances	Others	Total Fixed Salary				
Mr. Sunil Vachani	81.24	110.88	-	192.12	-	-	43.95	236.07
Mr. Atul B. Lall	64.85	69.96	-	134.81	-	-	81.82	216.63

Notes:

- (1) The amount of Commission is calculated on the profits of Financial Year ended 31st March, 2018 as per the Financial Statements thereto and the same shall be paid during the Financial Year ending 31st March, 2019.
- (2) The Commission calculated on the profits of Financial Year ended 31st March, 2017 as per the Financial Statements thereto was paid by the Company during the Financial Year ended 31st March, 2018 which was Rs. 73.09 Lakhs and 58.61 Lakhs for Mr. Sunil Vachani and Mr. Atul B Lall, respectively.

Further, the Executive Chairman and the Managing Director of your Company had voluntarily foregone their Commission accrued during the half year ended 30th September, 2017 and the same was noted by the Board at their Board Meeting held on 14th November 2017.

Also, the Executive Chairman had voluntarily foregone his Commission accrued during the Quarter ended 31st December, 2017 and the same was noted by the Board at their Board Meeting held on 7th February, 2018.

No Stock Options were granted to Executive / Non-Executive Directors during the Financial Year 2017-18.

Service Contracts, Notice Period, Severance Fee

Your Company does not enter into service contracts with the 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
2014-15	30 th September, 2015 at 11.00 a.m.	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	1. Approval of Related Party Transactions
2015-16	30 th September, 2016 at 11.00 a.m.	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	NIL
2016-17	08 th August, 2017 at 11.00 a.m.	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	Nil

Special Resolutions passed through Postal Ballot

No special resolution was passed through postal ballot during FY 2017-18.

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 Computershare Private Limited (“the KARVY”) 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 18th July, 2018 shall be eligible to participate in the e-voting.

Extra-Ordinary General Body Meetings (including adjourned Meetings) during the FY 2017-18

Your Company had convened three Extra Ordinary General Meetings during the FY 2017-18 which were held prior to listing of the Company on Stock Exchanges. The details of the same are as follows:

Date and Time	Venue	Special Resolution Passed
1 st April, 2017	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	No Special Resolution passed
18 th April, 2017	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	1. Conversion into public company and deletion of the word “private” 2. Adoption of new set of articles of association 3. Alteration in the object clause of memorandum of association 4. Adoption of revised set of memorandum of association 5. Authorisation to Board under section 180(1)(c). 6. Authorisation to Board under section 180(1)(a). 7. Approval of related party transactions 8. Approval of inter-corporate loans, investments, guarantee or security and acquisition
05 th May, 2017	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	1. Initial public offer 2. Re- appointment of Mr. Sunil Vachani as an Executive Chairman of the company and appointment as Whole Time Director 3. Re-appointment of Mr. Atul B. Lall as a Managing Director of your company.

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. In addition to submission to stock exchange, 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 www.dixoninfo.com.

The details of announcements of Quarterly results by your Company during the FY 2017-18 are as follows:

Quarter ended	Date of Board Meeting where Quarterly results were approved	Date of Publishing in Newspaper
30 th September, 2017	14 th November, 2017	15 th November, 2017
31 st December, 2017	07 th February, 2018	08 th February, 2018
31 st March, 2018	26 th May, 2018	27 th May, 2018 (proposed)

Note:

Your Company’s shares were listed on the Stock Exchanges effective 18th September, 2017. Therefore stock exchanges fillings for the quarter ended 30th June, 2017 were not applicable on your Company.

Website

Your Company's website contains a separate dedicated section 'Stakeholders Relations' where shareholders' information and official news releases pertaining to financial results etc., are available. Your Company's Annual Report is also available in downloadable form.

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 the 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 intimated to the Stock Exchanges in advance. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

General Shareholder Information

Annual General Meeting

- Day and Date : Wednesday, 25th July, 2018
- Time : 03.00 P.M.
- Venue: International Trade Expo Center Limited, Hall-C, Expo Drive, A- II, sector-62, Noida-201301

Financial Year

1st April, 2017 - 31st March, 2018

Listing Details

At present, the equity shares of your company are listed on BSE and NSE. The annual listing fees for the Financial Year 2018-19 to BSE and NSE has been paid.

Name of Stock Exchange	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

For the year ended 31st March, 2018, results were announced for:

- First quarter- Not applicable
- Half yearly- 14th November, 2017
- Third quarter- 7th February, 2018
- Fourth quarter and annual- 26th May, 2018 (proposed)

Tentative Financial Calendar - for the Financial Year ending 31st March, 2019

Quarterly Results for the Quarters ending 30th June, 2018, 30th September, 2018, 31st December, 2018, 31st March, 2019 will be approved in the Board Meetings, subject to finalization of dates by the Board of Directors. Annual General Meeting for the Financial Year 2018-19 will tentatively held between July-September, 2019. The Financial Results/statements for the FY 2018-19 will be published in Newspapers alongwith intimation to Stock Exchanges, BSE and NSE. Additionally, the same will be posted on the website of your Company at www.dixoninfo.com.

Book Closure

The dates of book closure are from 19th July, 2018 to 25th July, 2018 inclusive of both days.

Dividend Policy and Dividend Payment date

The Board had approved Dividend Distribution Policy of your Company in its meeting held on 7th February, 2018.

The Board has recommended in its meeting held on 26th May, 2018 a final dividend of ₹2 per equity share subject to approval by the shareholders at the ensuing Annual General Meeting, which will be paid on or before 23rd August, 2018.

Transfer to Investor Education & Protection Fund

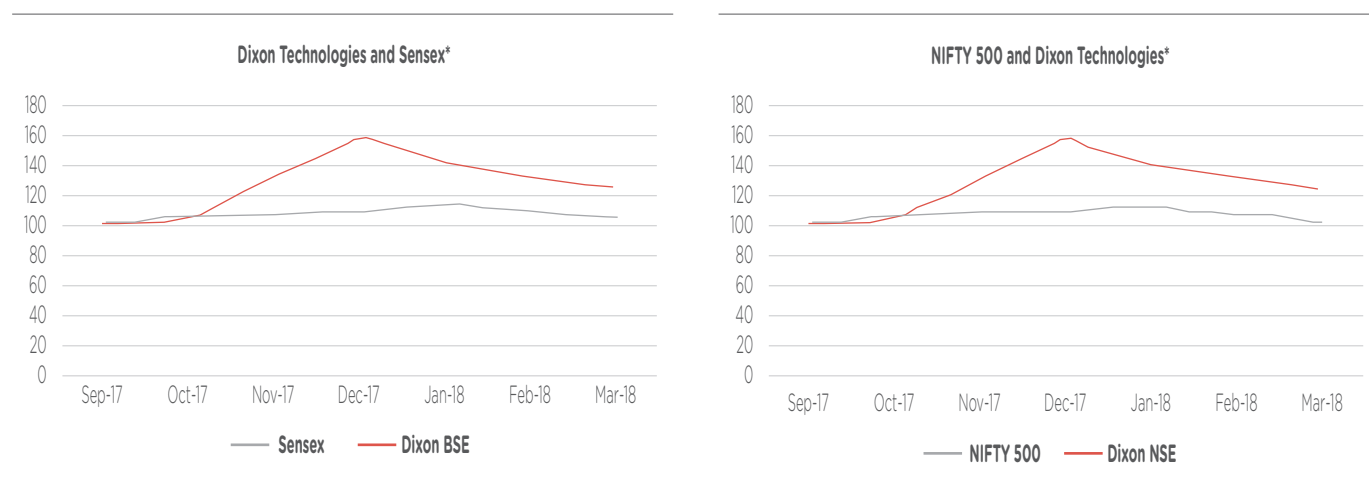
During the year, your Company was not required to transfer any amount to the Investor Education and Protection Fund.

Market price data, during each month

Month	SENSEX		NIFTY 500	
	High	Low	High	Low
Sep-17	32524.11	31081.83	8976.75	8476.30
Oct-17	33340.17	31440.48	9177.20	8640.80
Nov-17	33865.95	32683.59	9309.65	8949.00
Dec-17	34137.97	32565.16	9496.40	8981.95
Jan-18	36443.98	33703.37	9895.00	9377.30
Feb-18	36256.83	33482.81	9764.35	8968.50
Mar-18	34278.63	32483.84	9297.40	8744.50

Stock Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
Sep-17	3020.25	2510	3024	2506.35
Oct-17	2800.05	2585.9	2805.7	2578.8
Nov-17	3555	2641.05	3555.9	2650
Dec-17	4490.85	3105.25	4494	3130
Jan-18	4298.95	3584.85	4300	3578.2
Feb-18	4175.45	3101	4182	3100
Mar-18	3632.6	3131.05	3635	3125

Performance in comparison to broad - based indices such as BSE Sensex and NIFTY 500 Index

*The values has been Indexed to base 100

Declaration that securities not suspended during the year

The securities of your Company have not been suspended during the year

Company's Registrar & Transfer Agent:

Your Company's Registrars & Transfer Agents ("RTA") for its share registry (both, physical as well as electronic) is Karvy Computershare 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 dematerialisation/rematerialisation of shares are processed generally within 21 days.

Distribution of Shareholding by size as on 31st March, 2018

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	35,067	99.370909	680,583	6,805,830	6.009515
5001- 10000	82	0.232367	57,789	577,890	0.510274
10001- 20000	30	0.085012	45,066	450,660	0.397931
20001- 30000	20	0.056675	52,251	522,510	0.461374
30001- 40000	4	0.011335	12,457	124,570	0.109995
40001- 50000	5	0.014169	22,135	221,350	0.195451
50001- 100000	14	0.039672	108,112	1,081,120	0.954624
100001& Above	67	0.189861	10,346,698	103,466,980	91.360838
Total	35,289	100.00	11,325,091	113,250,910	100.00

Dematerialisation of Shares

As on 31st March, 2018, 99.99978 % of shareholding of your Company was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. In terms of the notification issued by Securities and Exchange Board of India ("SEBI"), trading in the equity shares of your Company is permitted only in dematerialised form with effect from 18th September, 2017. 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 impact on equity as of 31st March, 2018

Your Company does not have any outstanding GDR / ADR / Warrants or any convertible instruments as on 31st March, 2018.

Commodity Price risk or foreign exchange risk and hedging activities

1) Financial Assets or Financial Liabilities, at fair value through Profit or Loss

This category includes derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value and attributable transaction costs are recognized in net profit in the consolidated Statement of Profit and Loss when incurred. Subsequent to initial

recognition, these derivatives are measured at fair value through Profit and Loss and the resulting gain or loss are included in other income. Assets/Liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after Balance Sheet date.

2) Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

Plant Locations

Following are the list of Manufacturing Facilities Located PAN India:

Company Name : Dixon Technologies (India) Ltd.

S. No	Location Address	Nature of Location
1	B-14 & 15, Phase-II, Noida-201305, Uttar Pradesh	Manufacturing Plant
2	C-33, Phase-II, Noida-201305, Uttar Pradesh	Manufacturing Plant
3	B-45, Phase-II Extn., Noida-201305, Uttar Pradesh	Manufacturing Plant
4	Khasra No. 1050, Central Hope Town, Industrial Area, Selaqui, Dehradun-248197, Uttarakhand	Manufacturing Plant
5	Plot No. C-3/1, Industrial Area, Selaqui-248197, Dehradun, Uttarakhand	Manufacturing Plant
6	Plot No. 262 M, Industrial Area, Central Hope Town, Selaqui-248197, Dehradun, Uttarakhand	Manufacturing Plant
7	Shed No.2, EMC II, near Tirupati airport, vikruthamala, yerpedu mandal, chittoor, Andhra Pradesh- 517526	Manufacturing Plant

Company Name : Padget Electronics Pvt. Ltd. (Joint Venture)

S. No	Location Address	Nature of Location
1	B-18, Phase-II, Noida-201305, Uttar Pradesh	Manufacturing Plant

Company Name : AIL Dixon Technologies Pvt. Ltd. (Joint Venture)

S. No	Location Address	Nature of Location
1	Shed No. 1, EMC II, Govindavaram, Chittoor-517526, Andhra Pradesh- 517526	Manufacturing Plant

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 RTA indicating the folio numbers to be consolidated at below mentioned address of RTA:

Address for correspondence

Shareholding related queries:

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad,
Telangana 500 032, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-Mail: einward.ris@karvy.com

General Correspondence

DIXON TECHNOLOGIES (INDIA) LIMITED

B-14 & 15, Phase-II, Noida,
UttarPradesh-201305
Tel: 0120-4737200
Fax: 0120-4737273
E-Mail: investorrelations@dixoninfo.com
Website: http://www.dixoninfo.com

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 or at 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 your Company of related party transactions and as per approvals accorded by the members at the General meetings of your Company except as disclosed in the Directors' report and detailed information as disclosed in Annexure - I to the Directors' report. For details on the Related Party Transactions, please refer Notes of the 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. Omnibus approval is obtained for Related Party Transactions which are of repetitive nature.

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

Your Company got listing approval from the Stock Exchanges during the Financial Year 2017-18 with effect from 18th September, 2017. 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

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:

1. Distinct Individuals are appointed to the posts of Chairman and Managing Director,
2. The Internal Auditors report directly to the Audit Committee of the Board.

Weblink:

- a. Web link of Policy for determining 'material' subsidiaries is <https://dixoninfo.com/policy-on-material-subsidiary/> and;
- b. 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

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
Vigil Mechanism	22	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
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 (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, online upload of Action Taken Reports (ATRs) 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 Regulations:

DR. R. C. CHOPRA	
DIN	01525964
Date of Birth	21 st January, 1947
Date of Appointment/ Re-appointment	14 th July, 2018
Qualification	He holds a degree of doctor of philosophy (science) from the University of Bombay. He superannuated as Scientist 'G'- from the Department of Information Technology (presently known as MeitY).
Expertise in Specific area	He has over 32 years of experience in the electronics industry.
Directorships in other Companies	Listed Entities - Nil Unlisted Entities- 1. Onicra Credit Rating Agency of India Limited 2. Onicra Credit Information Company Limited
Membership / Chairman of Committees (other than your Company)*	Listed Entities - Nil Unlisted Entities- 1. Onicra Credit Information Company Limited- Audit Committee- Member 2. Onicra Credit Rating Agency of India Limited-Audit Committee - Member
Shareholding in the Company	Nil
Relationships between directors inter-se	No relationship

* Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

MR. ATUL B. LALL	
DIN	00781436
Date of Birth	05 th January, 1962
Date of the First Appointment / Re-appointment	05 th May, 2017
Qualification	He holds a master's degree in management studies from the Birla Institute of Technology and Science, Pilani
Expertise in Specific area	Mr. Atul B. Lall is the Managing Director of your Company. He holds a master's degree in management studies from the Birla Institute of Technology and Science, Pilani. He is responsible for your 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.'
Directorship in other Companies	Listed Entities - Nil Unlisted Entities - 1. Fincraft Learnings Private Limited 2. Padget Electronics Private Limited
Membership/Chairman of Committees (other than your Company)*	—
Shareholding in the Company	466667 no. of shares, 4.12%
Relationships between directors inter-se	No relationship

* Only two committees, namely, Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26(1)(b) of the SEBI Regulations.

Regulation 34(3) compliance

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 of 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 Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website www.dixoninfo.com. The Code is applicable to all Board members and Senior Management personnel of your Company Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of your Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of your Company as on 31st March, 2018 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director is as below:

Declaration on Code of Conduct

Dixon Technologies (India) Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees. I hereby certify that the Board members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct for the financial year 2017-18.

For Dixon Technologies (India) Limited

Sd/-

Atul B. Lall

(Managing Director)

Date: 26th May, 2018

Compliance Certificate from Practising Company Secretary Regarding Compliance of Conditions of Corporate Governance under SEBI Listing Regulations

The Members

Dixon Technologies (India) Limited

B-14 & 15, Phase-II Noida

Uttar Pradesh, Gautam Buddha Nagar

We have examined the compliance of conditions of Corporate Governance by Dixon Technologies (India) Limited ("the Company"), for the Financial Year ended 31st March, 2018 with effect from 18th September, 2017 being the date of listing of Equity Shares of the Company on BSE Limited and National Stock Exchange of India Limited 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

Place: Noida

Date: 26th May, 2018

Sd/-

Shirin Bhatt

Proprietor

C.P. No. 9150

M.No. F8273

CEO / CFO Certificate

To,
The Board of Directors
Dixon Technologies (India) Limited

1. We have reviewed financial statements and the cash flow statement of Dixon Technologies (India) Limited for the year ended 31st March, 2018 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)

Date: 26th May, 2018

Independent Auditor's Report

To the Members of **Dixon Technologies (India) Limited**,

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Dixon Technologies (India) Limited ("the company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (Including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Companies Act, 2013, 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, Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 over financial reporting 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 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 Ind AS financial statements – Refer Note No. 38 (1A) (v), (vi), (vii), (viii) & (ix) to the Ind AS financial statements,
 - ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There was no amount which were required to be transferred to the investor education & protection fund.

For Singhi & Co.

Chartered Accountants
Firm Reg. No. 302049E

B.L. Choria

Partner

Membership No.: 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

Annexure - A

referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements

Re: **Dixon Technologies (India) Limited**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. As informed to us, the company has a phased programme of physical verification of its property, plant and equipment, which in our opinion, is reasonable having regard to the size of the company and the nature of its property, plant and equipment. Management has physically verified certain property, plant and equipment during the year and as informed to us, no material discrepancies were noticed as compared to books of account.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, inventories (except stock in-transit) were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and the discrepancy between physical stock and book stock were not significant and the same has been properly adjusted in the books of account.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act' 2013, therefore provisions of this clause are not applicable to the company.
- (iv) In our opinion and According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the guarantees given & Investment made in its subsidiary and Joint controlled entities during the year. The company has not given any loan to its subsidiary and jointly controlled entities during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder with regard to the deposits accepted from the public are not applicable to the company.
- (vi) The company is required to maintain cost records 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, we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, service tax, custom duty, excise duty, income tax, cess and other statutory dues applicable to it with the appropriate authorities.
- b. According to the information and explanation given to us and records of the Company, there are dues outstanding of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax on account of disputes as stated below:

Nature of Dues	Amount Involved (Rs.in Lakhs)	Amount Paid under Protest (Rs.in Lakhs)	Forum Where the dispute is pending	Year
Sales Tax excl. penalty & Interest	49.48	18.79	Joint Commissioner	2015-16, 2017-18
	8.02	1.22	High Court	2009-12
	12.91	9.36	Deputy Commissioner	2009-10, 2011-12, 2014-15, 2016-17
	0.76	0.76	Asst. Commissioner	2014-15
	141.79	20.51	Joint Commissioner (Appeal)	2008-09, 2011-14
	212.96	50.63		
Custom Duty	42.68	120.00	Add. Commissioner of Custom	2011-12
	421.46	1.76	Commissioner of Custom	2009-12
	149.50	9.89	CESTAT	2009-12, 2013-15
	613.64	131.65		
Central Excise excl. penalty & interest	28.52	-	Add. Commissioner of Central Excise	2009-10
	8.13	2.25	Ass. commissioner of Central Excise	2007-08
	376.53	28.16	CESTAT	2012-2016
	36.24	-	Commissioner of Central Excise	2008-09
	453.82	-	Supreme Court	2007-08
	903.25	30.41		
Income Tax	169.62	-	ITAT	AY-2013-14
	60.39	-	CIT	AY-2014-15
	230.02	-		

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. There are no outstanding dues to the financial institutions and debenture holders.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained. The company has raised money by way of Initial Public offer which has been utilized by the Company for the purpose as given in the prospectus so far spent.
- (x) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees, has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, and based on our examination of the record of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Act.
- (xii) The Company is not a Nidhi Company, therefore provisions of this clause are not applicable to the company.
- (xiii) Based on our examination of the books and records of the Company, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit, therefore provisions of this clause are not applicable to the company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him, therefore provisions of this clause are not applicable to the company.
- (xvi) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore provisions of this clause are not applicable to the company.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B.L. Choraria

Partner

Place: Noida (Delhi- NCR)

Dated: 26th May, 2018

Membership No.: 022973

Annexure – B to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Dixon Technologies (India) Limited, (“the Company”) as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting

was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS financial statements, whether due to fraud or error.

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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control 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 control over financial reporting 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 Ind AS 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria

Place: Noida (Delhi- NCR)
Date: 26th May, 2018

Partner
Membership No. 022973

Standalone Balance Sheet

As at 31st March, 2018

(Rs. in Lakhs unless otherwise stated)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
ASSETS				
Non-current assets				
(a) Property, Plant & Equipment	5	16,811.47	12,853.09	10,529.68
(b) Capital work-in-progress	5	1,254.72	195.78	0.87
(c) Intangible assets	6	18.28	8.63	11.97
(d) Intangible assets under development	6	338.87	-	-
(e) Equity Accounted Investment (Investment in Subsidiary & Joint Ventures)	7	1,325.01	905.01	820.01
	A	19,748.35	13,962.51	11,362.54
(f) Financial Assets				
(i) Trade Receivables	8	222.69	-	90.86
(ii) Security Deposits	9	16.23	39.28	22.47
(g) Deferred Tax Assets (Net)	22	-	67.35	246.49
(h) Other Non-Current Assets	10	1,364.72	1,169.75	867.33
	B	1,603.64	1,276.38	1,227.14
Current Assets				
(a) Inventories	11	23,159.66	15,666.47	9,924.44
(b) Financial Assets				
(i) Trade Receivables	12	12,723.65	13,373.87	8,897.52
(ii) Cash and Cash Equivalents	13	793.79	117.24	132.46
(iii) Bank balances other than Note 13 above	14	2,797.11	438.45	195.11
(iv) Others	15	1,568.65	1,043.93	180.77
(c) Other Current Assets	16	4,418.56	2,576.93	1,592.27
(d) Current Tax Assets	17	1,780.88	1,363.82	791.59
	C	47,242.30	34,580.71	21,714.16
TOTAL ASSETS	(A+B+C)	68,594.29	49,819.60	34,303.83
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	18	1,132.51	1,098.53	310.32
(b) Other Equity	19	29,248.78	17,884.14	10,737.60
	D	30,381.29	18,982.67	11,047.91
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	20	800.13	989.01	4,944.23
(b) Provisions	21	413.96	310.87	241.35
(c) Deferred Tax Liabilities (Net)	22	388.56	-	-
	E	1,602.65	1,299.88	5,185.58
Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	23	3,264.27	3,306.35	2,491.40
(ii) Trade Payables	24			
Total outstanding dues of Micro, small & medium enterprises		1,299.02	1,763.49	890.94
Total outstanding dues of others		21,622.36	20,936.90	12,839.14
(iii) Other Financial Liabilities	25	1,100.68	1,023.94	653.27
(b) Other Current Liabilities	26	6,813.40	760.80	339.02
(c) Provisions	27	323.71	267.50	68.43
(d) Current Tax Liabilities	28	2,186.92	1,478.06	788.14
	F	36,610.36	29,537.05	18,070.34
TOTAL EQUITY & LIABILITIES	(D+E+F)	68,594.29	49,819.60	34,303.83
Corporate and General Information	1	-	-	-
Basis of Accounting	2			
Significant Accounting Policies	3			
Significant Judgements and Key Estimates	4			
Other notes on accounts	38			

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria

Partner
Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

**For and on behalf of the Board of Directors
Dixon Technologies (India) Limited**

Chairman
Managing Director
Chief Financial officer
Company Secretary

Sunil Vachani
Atul B. Lall
Saurabh Gupta
Ashish Kumar

Standalone Statement of Profit and Loss

for the year ended 31st March, 2018

		(Rs. in Lakhs unless otherwise stated)	
Particulars	Note No.	For the Year Ended 31st March, 2018	For the Year ended 31st March, 2017
INCOME			
I Revenue from Operations	29	221,585.37	166,836.60
II Other income	30	338.86	94.62
III Total Income(I+II)		221,924.23	166,931.22
IV EXPENSES			
(a) Cost of materials consumed	31	190,181.21	141,264.47
(b) Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	32	(2,967.63)	(1,916.58)
(c) Excise Duty		564.26	2,350.11
(d) Employee benefits expense	33	6,897.67	5,886.27
(e) Finance costs	34	1,318.32	1,501.21
(f) Depreciation and Amortisation expenses	35	1,434.62	1,003.28
(g) Other expenses	36	16,263.03	10,782.93
Total expenses		213,691.48	160,871.68
V Profit before Exceptional Items & Tax (III-IV)		8,232.75	6,059.54
VI Exceptional Items		-	-
VII Profit before Tax (V-VI)		8,232.75	6,059.54
VIII Tax expense:	37		
(1) Current tax		2,186.92	1,478.06
(2) Deferred tax		391.07	184.91
(3) Income tax for earlier years (net)		(45.92)	23.77
IX Profit for the Year (VII-VIII)		5,700.69	4,372.80
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(21.21)	(16.67)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7.34	5.77
Other Comprehensive Income for the Year (Net of Tax)		(13.87)	(10.90)
XI Total Comprehensive Income for the Year (IX+X)		5,686.82	4,361.90
Earning per Share	38(5)		
(Nominal value of share Rs. 10)			
(1) Basic		51.03	42.41
(2) Diluted		51.03	40.12
Corporate and General Information	1		
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements and Key Estimates	4		
Other notes on accounts	38		

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors**Dixon Technologies (India) Limited**

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Standalone Cash Flow Statement

for the year ended 31st March, 2018

(Rs. in Lakhs unless otherwise stated)

	Year ended 31st March, 2018	Year ended 31st March, 2017
A Cash flow from operating activities		
Profit before tax	8,232.75	6,059.54
Adjustments for :		
Depreciation and amortisation expense	1,434.62	1,003.28
Interest on borrowings	1,302.16	1,494.05
Gain /Loss on Exchange fluctuation on borrowings	23.77	(7.46)
Loss on sale of Property, Plant & Equipment	18.29	55.26
Provision for Impairment of Property, Plant & Equipment	56.21	7.04
Employee Stock Option Plan	-	6.87
Interest on Margin Money	(130.70)	(18.42)
	10,937.10	8,600.15
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(7,493.19)	(5,742.03)
Trade receivables	427.53	(4,385.49)
Other current assets	(1,841.63)	(984.66)
Other current financial assets	(524.72)	(863.16)
Other non-current financial assets	23.05	(16.81)
Other non current assets	(194.97)	(302.42)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	220.99	8,970.31
Current Provisions	56.20	182.40
Other current liabilities	6,031.40	421.77
Non Current Provisions	103.09	69.52
Cash generated from operating activities	7,744.85	5,949.58
Current taxes paid (net)	(1,777.03)	(1,339.92)
Net cash generated from/ (used in) operating activities	5,967.83	4,609.66
B Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(7,215.96)	(3,757.76)
Sale proceeds of property, plant and equipment	341.00	177.22
Investment in Equity	(420.00)	(85.00)
Margin Money	(2,358.67)	(243.33)
Interest on Fixed Deposit/ Margin Money	130.70	18.42
Net cash generated from/(used in) investing activities	(9,522.93)	(3,890.45)
C Cash flows from financing activities		
Interest paid	(1,302.16)	(1,216.30)
Proceeds from issue of share	5,711.80	609.62
(Repayment) / proceeds from Current Borrowings	(65.85)	822.42
(Repayment) / proceeds from non Current financial borrowings	(188.87)	(483.31)
Current financial liabilities	76.74	370.67
Dividend Paid	-	(837.52)
Net cash generated from/(used in) financing activities	4,231.65	(734.42)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	676.55	(15.21)
Cash and cash equivalents at the beginning of the year	117.24	132.46
Cash and cash equivalents at the end of year (refer note 13)	793.79	117.24

Standalone Cash Flow Statement

for the year ended 31st March, 2018

Change in Liability arising from financing activities

Change in Liability arising from financing activities	31st March 2017	Cash Flow	(Rs. in Lakhs unless otherwise stated)	31st March 2018
			Non Cash Changes Foreign Exchange Movement	
Borrowings - Non Current (Refer Note 20)	989.01	(188.87)	-	800.13
Borrowings - Current (Refer Note 23)	3,306.35	(65.85)	23.77	3,264.27

- 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.

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Standalone Statement of Change in Equity

for the year ended 31st March, 2018

a) Equity Share Capital

Particulars	(Rs. in Lakhs unless otherwise stated)	Amount
Balance as at 1st April 2016		310.32
Add: Shares Issued During the Year		
Issued under conversion of Debenture during the Year		129.00
Issued under ESOP Scheme during the Year		31.48
Bonus Issue		627.73
Balance as at 31st March 2017		1,098.53
Add: Shares issued under Initial Public Offer		33.98
Balance as at 31st March 2018		1,132.51

b) Other Equity

	Reserve & Surplus					Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Share Option Outstanding	Equity Component of Convertible Debenture	Retained Earnings	Remeasurement of Defined Benefit Plans
Balance as at 1st April, 2016	152.68	33.24	704.94	191.57	1,873.90	7,814.69	(33.43)
Profit for the Year						4,372.80	4,372.80
Transfer of Equity Component of Convertible Debenture on Conversion					(1,873.90)	1,873.90	-
Premium on Conversion of Debenture into Equity Share	3,620.67						3,620.67
Premium on Issue of shares under ESOP Scheme	776.58						776.58
Issue of Bonus Shares	(627.73)						(627.73)
Share Option Outstanding				6.87			6.87
Issue of Equity Shares				(198.44)			(198.44)
Remeasurement Gain/(Loss)							(16.67)
Impact of Tax							5.77
Total Comprehensive Income	3,922.19	33.24	704.94	-	-	14,061.39	(44.32)
Interim Dividend Paid						659.12	659.12
Dividend Distribution Tax						134.18	134.18
						793.30	-
Balance as at 31st March 2017	3,922.19	33.24	704.94	-	-	13,268.09	(44.32)
							17,884.14

Standalone Statement of Change in Equity

for the year ended 31st March, 2018

	(Rs. in Lakhs unless otherwise stated)						Total	
	Reserve & Surplus			Items of Other Comprehensive Income				
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Share Option Outstanding	Equity Component of Convertible Debenture	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 31st March 2017	3,922.19	33.24	704.94	-	-	13,268.09	(44.32)	17,884.14
Profit for the Year						5,700.69		5,700.69
Premium on Issue of shares under IPO	5,966.01							5,966.01
Expenses of Initial public offer	(288.18)							(288.18)
Remeasurement Gain/(Loss)							(21.21)	(21.21)
Impact of Tax							7.34	7.34
Balance as at 31st March 2018	9,600.02	33.24	704.94	-	-	18,968.77	(58.19)	29,248.78

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

1 Corporate And General Information

Dixon Technologies (India) Limited is a Public Limited Company incorporated in India having its registered office at Noida, Uttar Pradesh, India. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Pvt. Ltd. in the year 1993. The Company is listed on BSE Limited and National Stock Exchanges 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 for all periods up to and including the year ended 31st March, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These Financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the Company is provided in Note No. 38(15). Certain Ind-AS accounting policies of the Company used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS

were recognised directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101.

The Financial statements of the Company for the year ended 31st March, 2018 have been approved by the Board of Directors in their meeting held on 26th May, 2018.

2.2 Basis of Measurement

The Financial statements have been prepared on historical cost basis, except for following:

- ▶ Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- ▶ Defined benefit plans – plan assets measured at fair value.

2.3 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 lakhs as per the requirements of Schedule III of "the Act", unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the Financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/ materialized.

2.5 Current vs. Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- ▶ Expected to be realised or intended to sold or consumed in normal operating cycle;
- ▶ Held primarily for the purpose of trading;
- ▶ Expected to be realised 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

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.

3 Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the Financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial statements.

3.1 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.

3.2 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.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other Comprehensive Income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 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 realised 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 recognised 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 recognised for carry forward of unused tax losses and unused tax credits.
- ▶ Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- ▶ The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- ▶ Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised either in other comprehensive income (OCI) or in equity. Deferred tax items are recognised 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

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for the year ended 31st March, 2018

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 recognised as on asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which Tax credit is allowed to be carried forward. The company review the "Tax Credit Entitlement" asset at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

3.4 Property, Plant and Equipment

3.4.1 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 recognised in the Statement of Profit and Loss.

3.4.2 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.
- ▶ Major Inspection/ Repairs/ Overhauling expenses are recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortised part of the previously recognised expenses of similar nature is derecognised.

3.4.3 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.
- ▶ 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 amortised over the period of lease.
- ▶ Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognised 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 recognised in the Statement of Profit and Loss.

3.4.5. 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.

3.4.6. 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.

3.5 Leases

3.5.1. 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 fulfillment 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.

3.5.2. 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 recognised 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 recognised 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.

3.5.3. 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 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

3.6 Revenue Recognition

- ▶ Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- ▶ The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1. Sale of Goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.6.2. Interest Income

For all debt instruments measured either at amortised 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.

3.6.3. Dividend Income

Dividend Income from investments is recognised when the Company's right to receive payment has been established

3.6.4. Other Operating Revenue

Export incentive and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

3.6.5. Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

3.7 Employee Benefits

3.7.1. 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 recognised in respect of employees' services up to the end of the reporting period.

3.7.2. 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.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

- ▶ Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognised 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 unrecognised 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

Notes to the Standalone Financial Statements

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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 recognised in other comprehensive income. Remeasurement recognised 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.

3.7.4. Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

3.8 Government Grants

Government grants are recognised 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 recognised 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 or 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.

3.9 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 recognised 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).

3.10 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 amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.11 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 recognised in the Statement of Profit and Loss.

3.12 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.

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for the year ended 31st March, 2018

3.12.1 Financial Assets

► Recognition and Initial Measurement:

All Financial assets are initially recognised 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:

- Measured at Amortised Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing Financial assets.

- Measured at Amortised Cost: A debt instrument is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the Statement of Profit and Loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
- Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS – 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.
- All other financial instruments are classified as measured at FVTPL.

► Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

► Impairment of Financial Assets

The Company assesses at each date of Balance Sheet whether a Financial asset or a group of Financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other Financial assets, expected credit losses are measured at an amount equal to the 12 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.

3.12.2. 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 recognised 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 amortised 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 recognised in Statement of Profit or Loss. Other Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or 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 recognised 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 recognised less cumulative amortization.

► Derecognition

A financial liability is derecognised 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 recognised 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.

3.12.3. 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 or Loss immediately.

3.13 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

Notes to the Standalone Financial Statements

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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 recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognised 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 recognised as finance cost.

3.14.2. 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 recognised 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.

3.14.3. 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 recognised though are disclosed, where an inflow of economic benefits is probable.

3.15 Intangible Assets

3.15.1. Recognition and Measurement

3.15.1.1. 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.

3.15.2. 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 recognised in the Statement of Profit & Loss.

3.15.3. Amortization

- ▶ Other Intangible assets are amortised 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.

3.15.4. 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.

3.16 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

Notes to the Standalone Financial Statements

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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 recognised 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 derecognised 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 recognised in profit or loss in the period of derecognition.

3.17 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 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.

3.18 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.

3.19 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.

3.20 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.

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

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

All assets and liabilities for which fair value is measured or disclosed in the Financial statements are categorised within the fair value hierarchy, described as follows, based on the 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.

3.21 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry

of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April 2018. The Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is Financial periods beginning on or after 1st April 2018. The Company is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

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 recognised in the Financial statements is included in the following notes:

- ▶ Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognised 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,

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for the year ended 31st March, 2018

significant judgement is required in assessing the impact of any legal or economic limits.

- ▶ Useful lives of depreciable/ amortisable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortisable 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.
- ▶ 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.
- ▶ 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.
- ▶ Provisions and Contingencies: The assessments undertaken in recognising 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.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ Research & Development: The revenue expenditure on R&D is charged to statement of profit & loss of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.
- ▶ 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.

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for the year ended 31st March,, 2018

Note. 5 Property, Plant & Equipment (Refer Note no. 38(2))

	LAND - FREE HOLD	LAND - LEASE HOLD (99 Years)	OFFICE BUILDINGS	FACTORY BUILDINGS	ELECTRIC INSTALLATIONS	PLANT & MACHINERY	TOOLS & DIES	FAN , COOLERS, & AC's, etc.	OFFICE EQUIPMENT	FURNITURE & FIXTURES	VEHICLES	COMPUTERS	TOTAL	CAPITAL WORK IN PROGRESS	GRAND TOTAL
Gross Block as at 1st April, 2016	115.58	70217	110.94	3,707.54	400.61	7024.76	993.38	238.22	105.27	567.49	624.18	268.59	14,858.86	0.87	14,859.73
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deemed Cost As at 1st April, 2016	115.58	651.72	100.75	2,965.92	225.37	4,537.46	767.49	160.09	52.79	453.26	410.55	88.72	10,529.79	0.87	10,530.66
Additions	250.34	-	228.98	242.28	95.51	1,842.22	409.82	78.80	39.93	238.39	30.97	105.59	3,562.89	195.78	3,758.67
Disposals	-	-	-	-	-	191.08	46.09	-	-	-	9.37	0.23	246.78	0.87	247.65
Balance as at 31 March, 2017	365.92	651.72	329.73	3,208.20	320.88	6,188.60	1,131.22	238.89	92.72	691.65	432.15	194.08	13,845.90	195.78	14,041.68
Additions	-	-	-	1053.95	187.50	3,177.31	824.12	76.53	67.26	193.37	99.35	125.04	5,804.49	1058.94	6,863.43
Disposals	-	-	-	15.69	-	170.65	191.53	-	-	14.76	-	0.34	392.97	-	392.97
Balance as at 31 March, 2018	365.92	651.72	329.73	4,246.46	508.38	9,195.26	1,763.81	315.42	159.98	870.25	531.50	318.78	19,257.42	1,254.72	20,512.14
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	7.89	1.65	122.50	35.60	511.85	73.99	44.16	16.91	63.44	70.61	51.35	999.94	-	999.94
Disposals	-	-	-	-	-	12.01	-	-	-	-	2.23	0.07	14.30	-	14.30
Balance as at 31 March, 2017	-	7.89	1.65	122.50	35.60	499.84	73.99	44.16	16.91	63.44	68.38	51.28	985.63	-	985.63
Charge for the Year	-	7.89	5.26	126.99	50.44	743.90	175.89	6215	21.90	82.64	69.35	8413	1,430.55	-	1,430.55
Disposals	-	-	-	0.51	-	24.69	6.08	-	-	2.26	-	014	33.68	-	33.68
Balance as at 31 March, 2018	-	15.79	6.91	248.98	86.04	1,219.04	243.80	106.32	38.80	143.82	137.73	135.28	2,382.50	-	2,382.50
Impairment Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	-	-	-	-	46.18	6.45	-	-	-	-	-	52.63	-	52.63
Disposals	-	-	-	-	-	45.59	-	-	-	-	-	-	45.59	-	45.59
Balance as at 31 March, 2017	-	-	-	-	-	0.59	6.45	-	-	-	-	-	7.04	-	7.04
Charge for the Year	-	-	-	-	-	56.21	-	-	-	-	-	-	56.21	-	56.21
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March, 2018	-	-	-	-	-	56.80	6.45	-	-	-	-	-	63.25	-	63.25
Net carrying amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 1 April, 2016	115.58	651.72	100.75	2,965.92	225.37	4,537.46	767.49	160.09	52.79	453.26	410.55	88.72	10,529.79	0.87	10,530.66
At 31 March, 2017	365.92	643.83	328.08	3,085.71	285.27	5,688.17	1,050.79	194.73	75.81	628.21	363.77	142.80	12,853.09	195.78	13,048.87
At 31 March, 2018	365.92	635.93	322.83	3,997.48	422.33	7,919.42	1,513.57	209.11	121.18	726.44	393.77	183.50	16,811.47	1,254.72	18,066.19

*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, selbaqui, Dehradun, Uttarakhand and registered in the name of the company. During the year certain parties filed a legal case before DRAT, Allahabad claiming right on the land. The cost of land is Rs. 250.34 Lakhs and capital assets created thereon as on 31st March, 2018 is Rs. 1078.73 Lakhs.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 6. Intangible Assets

	(Rs. in Lakhs unless otherwise stated)		
	Computer Software	Intangible Assets Under Development	Total
(At Cost)			
Balance as at 1st April, 2016	69.09	-	69.09
Accumulated Amortisation	57.12	-	57.12
Deemed Cost As at 1st April, 2016	11.97	-	11.97
Additions	-	-	-
Disposals	-	-	-
Balance as at 31st March, 2017	11.97	-	11.97
Additions	13.72	338.87	352.59
Disposals	-	-	-
Balance as at 31st March, 2018	25.69	338.87	364.56
Accumulated amortisation			
Balance as at 1st April, 2016	-	-	-
Charge for the Year	3.34	-	3.34
Disposals	-	-	-
Balance as at 31st March, 2017	3.34	-	3.34
Charge for the Year	4.07	-	4.07
Disposals	-	-	-
Balance as at 31st March, 2018	7.41	-	7.41
Impairment Losses			
Balance as at 1st April, 2016	-	-	-
Charge for the Year	-	-	-
Disposals	-	-	-
Balance as at 31st March, 2017	-	-	-
Charge for the Year	-	-	-
Disposals	-	-	-
Balance as at 31st March, 2018	-	-	-
Net carrying amount			
At 1st April, 2016	11.97	-	11.97
At 31st March, 2017	8.63	-	8.63
As at 31st March, 2018	18.28	338.87	357.15

Note 7. Equity Accounted Investment (Investment in subsidiary & joint ventures)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment In Equity Instrument			
(Value at cost unless stated otherwise)			
Unquoted			
- In Subsidiary Company			
Dixon Global Private Limited	100.01	100.01	100.01
(10,00,000(31st March, 2017:10,00,000) (1st April, 2016:10,00,000) equity shares of Rs. 10 Each			
- In Joint Control Companies			
Padget Electronics Private Limited	750.00	750.00	720.00
7500000 (31st March, 2017:7500000) (1st April, 2016:7000000) equity shares of Rs. 10 Each (1st April, 2016 includes Rs. 20 Lakhs for share application money)	-	-	-
AIL Dixon Technologies Private Limited	475.00	55.00	-
(4750000 (31st March, 2017:500000) (1st April, 2016:Nil) equity shares of Rs. 10 Each (31st March, 2017 includes Rs. 50 Lakhs for share application money)			
Total	1,325.01	905.01	820.01

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 8. Trade Receivables (Unsecured, considered good unless otherwise stated)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	622.44	301.68	227.61
	622.44	301.68	227.61
Less: Provision for doubtful receivables	(399.74)	(301.68)	(136.75)
Total	222.69	-	90.86
Break Up of Trade receivables Details			
Considered good	222.69	-	90.86
Considered good Doubtful	399.74	301.68	136.75
	622.44	301.68	227.61
Less: Provision for doubtful receivables	(399.74)	(301.68)	(136.75)
Total	222.69	-	90.86

Note 9. Security Deposits (Unsecured, considered good)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	16.23	39.28	22.47
Total	16.23	39.28	22.47

Note 10. Other Non-Current Assets (Unsecured Considered Good unless otherwise stated)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances [Refer Note: 38(1)(B)]	960.98	811.65	590.27
Electricity Deposit	179.95	146.29	107.01
Amount Paid under Protest to Government department	223.80	211.80	170.05
Other Advances considered doubtful	14.72	14.72	14.72
Less : Provision for Doubtful advances	(14.72)	(14.72)	(14.72)
Total	1,364.72	1,169.75	867.33

Note 11. Inventories (As valued and certified by the Management)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials and Packing Materials etc.	14,924.83	10,370.74	6,847.75
Work-in-progress	4,269.92	3,603.57	2,428.30
Finished Goods	3,690.04	1,378.63	647.44
Scrap	-	10.12	-
Goods in Transit (Raw Materials and Packing Materials etc)	274.87	303.41	0.95
Total	23,159.66	15,666.47	9,924.44

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 12. Trade Receivables (Unsecured, considered good)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	12,723.00	13,368.07	8,851.57
Receivables from Related Party (Joint Venture - Padget Electronics Private Limited)	0.64	5.79	45.95
Total	12,723.65	13,373.87	8,897.52
Break Up of Trade receivables			
Unsecured, considered good	12,723.65	13,373.87	8,897.52
Total	12,723.65	13,373.87	8,897.52

Note 13. Cash and Cash Equivalents

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances With Banks			
In current/Cash Credit Accounts	747.70	100.07	70.26
Cash in hand	46.09	17.17	62.19
Total	793.79	117.24	132.46

Note 14. Bank Balances (Other Than Note: 13)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance in Unpaid Dividend Account (1 April, 2016 - Rs. 165)	-	-	0.00
Balances with Bank in Fixed deposit and Margin Money (Including Interest)	2,797.11	438.45	195.11
Total	2,797.11	438.45	195.11

Note 15. Other Financial Assets (Unsecured, considered good)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	409.43	118.95	111.85
Advance to Employees	49.59	856.68	52.28
Amount Receivables from Government Authorities	917.91	1.63	14.23
Other Receivables	191.71	57.69	2.41
Advance to Related Party (Joint Venture - AIL Dixon Technologies Private Limited)	-	8.98	-
Total	1,568.65	1,043.93	180.77

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for the year ended 31st March 2018

Note 16. Other Current Assets

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government Authorities	3,686.50	2,085.64	1,288.73
Advances for materials and services	611.04	436.16	254.35
Prepaid Expenses	121.02	55.13	49.19
Total	4,418.56	2,576.93	1,592.27

Note 17. Current Tax Assets

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax & TDS	1,780.88	1,363.82	791.59
Total	1,780.88	1,363.82	791.59

Note 18. Equity Share Capital

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
AUTHORISED			
26,000,000 (31st March, 2017: 26,000,000) (1st April, 2016: 50,00,000) Equity shares of Rs.10/- each	2,600.00	2,600.00	500.00
Nil (31st March, 2017: Nil) (1st April, 2016: 5000) Preference Shares of Rs.10/- each	-	-	0.50
	2,600.00	2,600.00	500.50
ISSUED, SUBSCRIBED AND PAID-UP			
11325091 (31st March, 2017: 10985341) (1st April, 2016: 31,03,157) Equity shares of Rs.10/- each fully paid up	1,132.51	1,098.53	310.32
Total	1,132.51	1,098.53	310.32

The Authorised Share Capital of the company has been re-classified/consolidated from 19,995,000 equity shares of Rs. 10/- each and 5,000 preference shares of Rs. 10/- each to 20,000,000 equity shares of Rs. 10/- each on 18th April 2017. Further on 20th April 2017, Authorised Share Capital of the Company has been increased to Rs. 260,000,000/- divided in to 26,000,000 equity shares of Rs. 10/-

a) Reconciliation of equity shares

	(Rs. in Lakhs unless otherwise stated)		
	No of Share	No of Share	No of Share
Balance as at the beginning of the year	10985341	3103157	3103157
Add: shares issued during the year			
Shares issued under Initial Public Offer (refer (h) below)	339750	-	-
Issued under conversion of Debenture during the year (refer (d) below)	-	1290041	-
Issued under ESOP Scheme during the year (refer (e) below)	-	314806	-
Bonus Issue (refer (f) below)	-	6277337	-
Balance as at the end of the year	11325091	10985341	3103157

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

b) Terms & Right of Equity shareholders

Each holder of equity shares is entitled to one vote per shares. 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.

Mr. Sunil Vachani	4196208	4830343	2070147
(In %)	37.05%	43.97%	66.71%
India Business Excellence Fund 1		2146265	
(In %)		19.54%	
Mrs. Kamla Vachani	1064144	1225000	525000
(In %)	9.40%	11.15%	16.92%
IL&FS Trust Company Limited		1155730	
(In %)		10.52%	
Mr. Atul B. Lall		700000	
(In %)		6.37%	

d) Terms & conditions of convertible Debentures

- Convertible debentures amounting to Rs. 374,967,000 has been converted into 1290041 equity share on 27th August 2016 in compliance with applicable law, based on the formula stated in The Investment Agreement dated March 28, 2014 (as amended) and Share allotted on Premium Rs. 280.66 Per share

Date of Issue	No of Debentures	Total Rs. In Lakhs
24-June-08	199967	1,999.67
21-Nov-08	60000	600.00
31-Jan-09	40000	400.00
28-Apr-09	50000	500.00
28-Oct-09	25000	250.00
Total	374967	3,749.67

- Stock Option Plan** -The Company has allotted 314806 fully paid up shares of face value Rs. 10 each as on 17th September 2016 under the Scheme of ESOP as referred in Note 38 (11)

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

The Company has allotted 6277337 fully paid up shares of face value Rs. 10 each during the year ended 31st March, 2017, pursuant to bonus issue approved by share holders in the Extra Ordinary general meeting held on 20th September, 2016 and Company has allotted 4 bonus shares for every 3 shares held, on number of share 4,708,004.

g) Share holding pattern with respect of Holding or ultimate Holding company

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

h) Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March, 2018, for 33,93,425 equity shares of Rs. 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 Selling share holders. The equity shares were issued at a price of Rs. 1766 per share (including premium of Rs. 1756 per share). Out of the total proceeds from the IPO of Rs. 59,928 Lakhs, the Company's share was Rs. 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.

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for the year ended 31st March 2018

Note 19. Other Equity

(Rs. in Lakhs unless otherwise stated)				
	Refer Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Component of Convertible Debenture	19(a)	-	-	1,873.90
General Reserve	19(b)	704.94	704.94	704.94
Share Premium	19(c)	9,600.02	3,922.19	152.68
Capital Redemption Reserve	19(d)	33.24	33.24	33.24
Other Comprehensive Income	19(e)	(58.19)	(44.32)	(33.43)
Share Option Outstanding	19(f)	-	-	191.57
Retained Earnings	19(g)	18,968.77	13,268.09	7,814.69
Total		29,248.78	17,884.14	10,737.60

(a) Equity Component of Convertible Debenture

(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	-	1,873.90
Less: Transfer to Retained Earning on conversion of debenture	-	1,873.90
Closing Balance	-	-

(b) General Reserve-

(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	704.94	704.94
Closing Balance	704.94	704.94

(c) Share Premium-

(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017
Balance As per last financial statement	3,922.19	152.68
Add: During the year		
Premium on Issue of shares under IPO	5,966.01	-
Premium on Conversion of Debenture into Equity Share	-	3,620.67
Premium on Issue of share under ESOP Scheme	-	776.58
Less: During the year		
Issue of bonus share	-	(627.73)
Expenses of Initial Public Offer	(288.18)	-
(Includes proportionate payment of Rs.7.62 Lakhs to Statutory Auditors)		
Closing Balance	9,600.02	3,922.19

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for the year ended 31st March 2018

(d) Capital Redemption Reserve-

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	33.24	33.24
Closing Balance	33.24	33.24

(e) Other Comprehensive Income-

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Remeasurement of Defined Benefit Plans		
As per last Financial statement	(44.32)	(33.43)
During the year	(13.87)	(10.90)
Closing Balance	(58.19)	(44.32)

(f) Share Option outstanding

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	-	191.57
Add : During the year	-	6.87
Less : During the year	-	198.44
Closing Balance	-	-

(g) Retained Earnings

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	13,268.09	7,814.69
Add : During the year		
Profit during the year	5,700.69	4,372.80
Transfer from Equity Component of Convertible Debenture on Conversion	-	1,873.90
Less: Appropriation		
Interim dividend on Equity Shares for the year	-	659.12
Dividend distribution tax on Interim dividend on Equity Shares	-	134.18
Closing Balance	18,968.77	13,268.09
Total	29,248.78	17,884.14

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 20. Borrowings

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Debentures (Unsecured)			
Convertible Debentures	-	-	3,471.92
	-	-	3,471.92
Term Loans (Secured)			
From Banks			
Foreign currency loans			
Standard Chartered Bank	548.47	861.88	1,175.29
Rupee loan			
Vehicle Loans	31.82	48.24	73.02
From others			
Rupee loan			
Hero FinCorp Ltd	-	-	121.80
Tata Capital Housing Finance Ltd.	159.06	-	-
Vehicle Loans	52.61	70.70	94.02
Total Amount of Term Loans	791.96	980.83	1,464.13
Finance lease obligations (Unsecured)	8.18	8.18	8.18
	8.18	8.18	8.18
Total Borrowings	800.13	989.01	4,944.23
Total Secured Borrowings	791.96	980.83	4,936.05
Total Unsecured Borrowings	8.18	8.18	8.18
Total	800.13	989.01	4,944.23

- Debenture converted into Equity shares during the FY 2016-17
- USD 2000000 Foreign currency loan from Standard Chartered Bank is secured against first pari passu charge on movable Property, Plant & 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 & future), is repayable in 17 Quarterly instalments from December, 2016. Last instalment payable on December, 2020. Rate of 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 thereof varying from 2014 ending on 2022, bearing interest rate varying from 9.50% p.a. to 13.50% p.a.
- Property 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 9.00% p.a.
- 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 the Standalone Financial Statements

for the year ended 31st March 2018

		(Rs. in Lakhs unless otherwise stated)		
Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
With In One Year	Minimum Lease Payment	0.66	0.66	0.66
	Present Value of MLP	0.61	0.61	0.61
After One Year but not more than Five Year	Minimum Lease Payment	2.63	2.63	2.63
	Present Value of MLP	3.84	3.84	3.84
More Than Five Year	Minimum Lease Payment	40.15	40.81	41.46
	Present Value of MLP	5.55	5.55	5.56
Total Minimum Lease Payments	Minimum Lease Payment	43.44	44.10	44.75
	Present Value of MLP	9.99	10.00	10.00
Amounts representing Finance Charges		33.45	34.10	34.75
Present value of MLP		9.99	10.00	10.00

Note 21. Provisions

		(Rs. in Lakhs unless otherwise stated)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits	[Refer note : 38(13)]	413.96	310.87	241.35
Total		413.96	310.87	241.35

Note 22: Deferred Tax (Net)

Calculation of deferred tax (net) as on 31st March, 2018 is as given below:

		(Rs. in Lakhs unless otherwise stated)		
Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liability				
-Arising on account of timing differences in Depreciation		1,677.47	1,291.07	1,073.05
Deferred Tax Assets				
-Arising on account of timing differences in accrued expenses		382.36	379.69	340.80
Tax Credit Entitlement		906.55	978.73	978.73
Deferred Tax Liability /(Assets) (Net)		388.56	(67.35)	(246.49)

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognised in Statement of Profit & Loss	(Rs. in Lakhs unless otherwise stated)	
			Recognised in OCI	As at 31st March, 2017
Deferred Income Tax Liabilities				
Depreciation	1,073.05	218.02	-	1,291.07
Deferred Income Tax Assets				
Expenses allowable on payment basis	84.05	25.64	5.77	115.46
Others	256.75	7.48		264.23
	732.24	184.91	(5.77)	911.38

Particulars	As at 1st April, 2017	Recognised in Statement of Profit & Loss	(Rs. in Lakhs unless otherwise stated)	
			Recognised in OCI	As at 31st March, 2018
Deferred Income Tax Liabilities				
Depreciation	1,291.07	386.40	-	1,677.47
Deferred Income Tax Assets				
Expenses allowable on payment basis	115.46	26.65	7.34	149.45
Others	264.23	(31.32)		232.91
	911.38	391.07	(7.34)	1,295.11

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.

Note 23. Borrowings

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
From Banks (Secured)			
Foreign Currency Loan			
Buyer Credits	1,264.27	155.77	-
Rupee Loan			
Packing Credit Loan	2,000.00	1,000.00	132.74
Working Capital Loan	-	2,150.58	2,358.66
Total	3,264.27	3,306.35	2,491.40

Loans from banks (comprising of vendor financing, working capital demand loans) are secured on pari-passu basis over all the present & future book debts and stock-in-trade comprising of raw material, Components, work in process 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 & 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 (Uttarkhand) and Personal Guarantee of Chairman Mr. Sunil Vachani

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 24. Trade Payables

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables for goods and services			
- Total outstanding dues of Micro, Small and Medium enterprises [Refer note:38(3)]	1,299.02	1,763.49	890.94
- Total outstanding dues of others	21,622.36	20,936.90	12,839.14
Total	22,921.38	22,700.39	13,730.08

Note 25. Other Financial Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding forward Marked to Market (MTM)	26.62	170.58	23.93
Unpaid Dividend (1st April, 2016 - Rs. 165)	-	-	0.00
Current maturities of Long Term Borrowings	398.42	377.62	254.22
Employee related Liabilities	649.35	465.61	372.15
Interest accrued but not due on Borrowings	26.29	10.13	2.97
Total	1,100.68	1,023.94	653.27

Note 26. Other Current Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances Received from Customers	5,601.08	320.57	84.43
Statutory Dues	1,212.32	440.22	254.59
Total	6,813.40	760.80	339.02

Note 27. Provisions

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits [Refer note:38(13)]	17.87	22.74	18.43
Provision for Warranty	305.84	244.76	50.00
Total	323.71	267.50	68.43

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Movement of Provision for Warranty			
Balance as at beginning of the year	244.76	50.00	-
Add : Provision created during the year	261.30	194.76	50.00
Less : Utilised/Written back during the year	200.22	-	-
Balance as at Closing of the year	305.84	244.76	50.00

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 28. Current Tax Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax	2,186.92	1,478.06	743.92
Provision for Dividend Distribution Tax	-	-	44.22
Total	2,186.92	1,478.06	788.14

Note 29. Revenue From Operations

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Sale of Products (including Excise Duty), (Including Export Sales Rs. 7328.86 Lakhs, Previous Year Rs. 5900.72 Lakhs)	217,032.87	163,592.31
	217,032.87	163,592.31
Other Operating Revenues		
Service Charges Received	2,300.88	564.80
Export Benefits	278.10	206.21
Job Work Charges	1,401.36	2,397.54
Scrap Sale	-	20.30
Rent Received (Production facility charges)	54.36	55.44
GST Incentive on Area base Exemption	467.80	-
Other Incentive	50.00	-
	4,552.50	3,244.29
Total	221,585.37	166,836.60

Note 30. Other Income

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
<u>Interest Received (Gross):</u>		
-On Fixed Deposits/ Margin Money	130.70	18.42
-Others	48.27	60.08
<u>Other Non Operating Income</u>	-	-
Other receipts	2.61	2.63
Interest received on income tax refund	5.38	-
Exchange Fluctuations (Net)	95.49	-
Excess Liabilities, Credit Balances, Provisions etc. Written Back	56.41	13.49
	338.86	94.62

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 31. Cost of Materials Consumed*

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Opening Stock	10,370.74	6,847.00
Add: Purchase (Including Components) (Net of Foreign Exchange Gain Rs. 524.92 Lakhs (PY: Foreign Exchange Gain Rs. 748.91 Lakhs)	194,735.31	144,788.21
	205,106.05	151,635.20
Less: Closing Stock	14,924.83	10,370.74
	190,181.21	141,264.47

*Cost of material includes material sold without processing Rs. 137.24 Lakhs (PY: Nil)

Note 32. Changes In Inventories Of Finished Goods and Work-In-Progress

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Inventories at the beginning of the year		
Finished Goods	1,378.63	647.44
Work in Progress	3,603.57	2,419.99
Scrap	10.12	8.30
	4,992.32	3,075.74
Inventories at the end of the Year		
Finished Goods	3,690.04	1,378.63
Work in Progress	4,269.92	3,603.57
Scrap	-	10.12
	7,959.96	4,992.32
(Increase)/Decrease	(2,967.63)	(1,916.58)

Note 33. Employee Benefits Expense

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, Wages, Bonus etc.	5,815.38	5,044.64
Contribution to Provident and Other Funds	299.50	316.03
Contribution to Gratuity Fund	99.48	66.41
Employee Stock Option Plan	-	6.87
Staff Welfare Expenses	683.30	452.32
Total	6,897.67	5,886.27

Note 34. Finance Cost

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Interest	1,234.11	1,426.42
Other Financial charges (Including Bank Charges)	84.21	74.79
Total	1,318.32	1,501.21

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 35. Depreciation and Amortisation Expenses

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
On Tangible Assets	1,430.55	999.94
On Intangible Assets	4.07	3.34
Total	1,434.62	1,003.28

Note 36. Other Expenses

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Consumption of Stores and Spare parts	2,512.79	2,140.03
Manufacturing Expenses	6,090.52	3,804.81
Service Charge Paid	2,133.43	610.37
Power & Fuel	1,404.00	1,057.65
Rent	481.92	241.81
Repairs to Buildings	90.85	77.47
Repairs to Plant & Equipment	609.62	444.05
Repairs to Others Assests	223.52	226.94
Insurance	94.92	62.80
Rates & Taxes	90.04	86.85
Selling & Distribution Expenses	1,049.42	678.11
Donations	2.20	2.93
R & D Expenses	56.00	51.54
Director's Sitting Fees	10.24	1.67
Payment to Auditors [Refer Note: 38(12)]	40.45	31.10
Bad debts Write off	18.18	2.17
Provision for doubtful debts / loans & Advances	98.06	164.93
Provision for Impairment of Property , Plant & Equipment	56.21	7.04
Loss on sale of Property , Plant & Equipment	18.29	55.26
Corporate Social Responsibility Expenses	67.96	30.50
Exchange Fluctuations (Net)	-	70.25
Increase/(decrease) in Excise Duty & Cess on Finished goods	(8.04)	1.20
Miscellaneous Expenses	1,122.45	933.44
Total	16,263.03	10,782.93

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 37. Tax Expense

	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Current Tax	2,186.92	1,478.06
Deferred Tax	391.07	184.91
	2,577.99	1,662.97
Income Tax for earlier years (net)	(45.92)	23.77
Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense of comprehensive Income		
Income before Income taxes	8,232.75	6,059.54
Indian Statutory Income tax Rate	34.61%	34.61%
Estimated Income tax expenses	2,849.19	2,097.09
Tax effect of adjustments to reconcile expected Income tax expense to reported		
Income tax expense :		
Income exempt	(201.25)	(461.13)
Effect on Tax Allowance	(162.58)	(5.24)
Deferred Tax/ Tax Credit Entitlement U/S 115 JAA	74.63	(2.24)
Other	18.00	34.50
Income Tax expense in the Statement of Profit and Loss	2,577.99	1,662.97

Note 38. Other Notes On Accounts

1- A. Contingent liabilities & Assets

	(Rs. in Lakhs unless otherwise stated)		
Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Contingent liabilities not provided in respect of			
(i) Letters of Credit (outstanding)	4,746.88	1,054.66	832.10
(ii) Guarantees issued by bankers on behalf of Company to Bombay Stock Exchange and other Government Departments (These are covered by the charge created in favour of Company's banker by way of hypothecation of stock and debtors besides pledge of fixed deposits as margin money)	308.71	18.43	4.43
(iii) Corporate Guarantees given to Banks on behalf of subsidiaries for purpose of financial assistance.	5,450.00	3,950.00	6,050.00
(iv) Bill Discounting with Banks	8,622.75	1,132.09	1,492.36
(v) Demand for Sales Tax under appeal with Department/ Tribunal/ Courts and show cause notice etc. (Deposit Under Protest- Rs. 50.63 Lakhs (March 31, 2017-Rs.43.76 Lakhs (1st April, 2016-Rs.29.66 Lakhs)) (Excluding Interest & Penalty)	212.96	94.20	87.14
(vi) Demand for Excise, Custom Duty, Service Tax under appeal with Dept./Tribunal/ Courts and show cause notice etc. excluding Penalty & Interest (Deposit Under Protest Rs-162.06 Lakhs (March 31, 2017-Rs.159.81 Lakhs) (1st April, 2016-Rs.131.65 Lakhs))	1,516.89	1,581.65	1,722.92
(vii) Demand for Income Tax under appeal with CIT (A), Tribunal and objection filed under dispute resolution panel (Excluding Interest & Penalty)	230.02	169.62	-
(viii) Cases pending in labour court and not provided for	18.44	17.01	10.77

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Note 38. Other Notes On Accounts (contd..)

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(ix) Stamp Duty appeal filed with Chief Controller of Revenue, Allahabad (Deposit Under Protest Rs. 4.15 Lakhs (March 31,2017-Rs 4.15 Lakhs) (1st April, 2016 - Rs. 4.15 Lakhs))	17.78	17.78	17.78
(x) Bond given to custom department on behalf of the Joint venture company	6,700.00	7,570.00	5,000.00

B. Capital commitments:

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 1st April, 2016
Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	652.51	1,647.17	287.18

C. Contingent Assets

(i) Claim for M-SIPS Incentives

The Company will get incentive on capital expenditure incurred for electrical appliances. A incentive of 25% of total capital expenditure and 100% of CVD/Excise paid is available. Incentive will be disbursed after fulfilment of specified conditions and submission of application to the Government Authority. Incentive will be granted once the agency appointed by Government Authority completes its verification and issues order in this regard. The company expects that an amount of Rs. 384.09 Lakhs will be sanctioned by Government Authority in this regard on approval accorded by the competent authority.

(ii) Investment subsidy for setting up industry in specified area in Andhra Pradesh

The Government of Andhra Pradesh vide Order No. GO(MS) No. 170 dated December 16, 2016 and GO(MS) No. 37 dated March 03, 2017 has announced certain fiscal incentives to the company for setting up industries in the notified Electronics Manufacturing Clusters (EMCs) of the State. Incentive will be disbursed after fulfilment of specified conditions and submission of application to the Government Authority and company expects Rs. 30.20 Lakhs as investment subsidy relating to the year.

2. Assets Mortgage and/or pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are :

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 1st April, 2016
Current:			
Financial assets			
Trade Receivables	12,946.34	13,373.87	8,988.38
Inventories	23,159.66	15,666.47	9,924.44
Total current assets pledged as security	36,106.00	29,040.34	18,912.82
Non-current:			
Land	817.75	817.75	817.75
Vehicles	393.77	363.77	410.55
Buildings	3,701.07	2,967.65	2,875.23
Plant & Machinery	9,432.98	6,738.95	5,304.95
Total non-currents assets Mortgage and/or pledged as security	14,345.57	10,888.12	9,408.47
Total assets Mortgage and/or pledged as security	50,451.57	39,928.46	28,321.29

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

3. Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 1st April, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,299.02	1,763.49	890.94
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

4. Leases

Disclosures for operating leases

- 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.
- The Company has given three different portions of its properties on lease to its Subsidiary, Joint venture and 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.

Lease Income & Expenditure recognised in the Standalone Summary Statement of Profit and Loss

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
i) As a lessee (Expenses)		
Factory Building, Godown, Office Space, Service Centre & Transit House	481.92	241.81
i) As a lessor (Income)		
Factory Building	54.36	55.44

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

5. Earnings per share

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Net Profit/(Loss) After Tax for the year (in Lakhs)	5,700.69	4,372.80
Weighted average Number of Equity Shares for computing Basic Earnings per share. (in Lakhs)	111.71	103.12
Weighted average Number of Equity Shares for computing Diluted Earnings per share. (in Lakhs)	111.71	109.00
Face value of per share	10.00	10.00
-Basic EPS	51.03	42.41
-Diluted EPS	51.03	40.12

6. Research & Development Costs

The Company has incurred following expenditure on Research & Development -

a) Revenue Expenditure

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Cost of Material Consumed	55.57	64.49
Power & Fuel	3.60	3.00
Salaries, Wages, Bonus etc.	186.27	223.71
Contribution to Provident and Other Funds	12.64	15.37
Contribution to Gratuity Fund	6.54	5.95
Staff Welfare Expenses	0.07	0.42
Consumption of Store and spare parts	1.13	0.00
Repairs to Plant and Equipment	4.60	0.06
Repairs to Other Assets	3.50	0.58
Rates & Taxes	0.64	0.44
Depreciation & Amortisation Expenses	7.22	2.00
Other Expenses : -		
R & D Expenses	56.00	51.54
Miscellaneous Expenses	14.85	22.78
Total	352.61	390.36

b) Capital Expenditure

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Purchase of Property, Plant and Equipment	80.46	45.85
Total	80.46	45.85

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

7. The following table shows foreign currency exposures on financial instruments at the end/beginning of respective years.

		As at 31st March, 2018			As at 31st March, 2017			(Rs. and USD in Lakhs unless otherwise stated)		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged	Total	Hedged	Unhedged
Term Loan	In USD	12.94	12.94	-	17.65	17.65	-	20.00	20.00	-
	In INR	861.88	861.88	-	1,175.29	1,175.29	-	1,332.00	1,332.00	-
Buyers' Credit	In USD	19.44	-	19.44	2.40	-	2.40	-	-	-
	In INR	1,264.27	-	1,264.27	155.77	-	155.77	-	-	-
Creditors	In USD	184.01	32.30	151.71	195.92	46.73	149.19	58.12	19.76	38.36
	In INR	11,968.91	2,101.18	9,867.73	12,703.20	3,029.73	9,673.47	3,855.39	1,310.54	2,544.85
Debtors	In USD	19.14	-	19.14	33.20	-	33.20	9.20	-	9.20
	In INR	1,245.08	-	1,245.08	2,152.40	-	2,152.40	610.52	-	610.52

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

8. Fair value of Financial assets & Financial liabilities (current & non current)

(A) Financial Instrument by Category

	As at 31st March, 2018				As at 31st March, 2017				(Rs. in Lakhs unless otherwise stated)			
	Fair Value through Profit & Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVTOCI)	Amortised Cost		Fair Value through Profit & Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVTOCI)	Amortised Cost		Fair Value through Profit & Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVTOCI)	Amortised Cost	
Financial Asset												
Non Current												
Trade Receivables			222.69									90.86
Other(Security deposits)			16.23									22.47
Current												
Trade Receivables			12,723.65				13,373.87					8,897.52
Cash and Cash Equivalents			793.79				117.24					132.46
Bank balances other than above			2,797.11				438.45					195.11
Others			1,568.65				1,043.93					180.77
Total of Financial Assets	-	-	18,122.12		-	-	15,012.77					9,519.19
Financial Liabilities												
Non Current												
Borrowings			800.13				989.01					4,944.23
Trade payables			-				-					-
Current												
Borrowings			3,264.27				3,306.35					2,491.40
Trade Payables			22,921.38				22,700.39					13,730.08
Outstanding forward (MTM)	26.62				170.58				23.93			
Unpaid Dividend			-				-					0.00
Current maturities of Long Term												
Debts			398.42				377.62					254.22
Employee Related Liability			649.35				465.61					372.15
Interest accrued but not due on												
Borrowings			26.29				10.13					2.97
Financial Liabilities	26.62	-	28,059.84		170.58	-	27,849.11		23.93	-		21,795.04

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

Fair Value Hierarchy

B) Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

	31.03.18			31.03.17			31.03.16		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
FVTPL									
Outstanding forward (MTM)	NA	26.62	NA	NA	170.58	NA	NA	23.93	NA
FVTOCI									
Designated as Hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Not Designated as Hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Financial Liabilities									
Derivatives not designated as hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign Exchange Forward Contracts (MTM)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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 technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 2.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Valuation Techniques used for fair value measurement

Particulars	Fair value as on Mar 31,2018	Valuation Technique	(Rs. in Lakhs unless otherwise stated)	
			Unobservable input	Range
Unquoted Equity	NA	NA	NA	NA
Debt Securities	NA	NA	NA	NA
Hedge Funds	NA	NA	NA	NA
Forward Contract	26.62	Present Value	Reports from Bank	NA

Valuation processes

1. 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).
2. 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.

Changes in level 2 and 3 fair values are analyzed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

C) Fair Value of Financial Assets & Liabilities measured at amortised cost

Particulars	(Rs. in Lakhs unless otherwise stated)					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset						
Non Current						
Trade Receivables	222.69	222.69	-	-	90.86	90.86
Others(Security Deposit)	16.23	16.23	39.28	39.28	22.47	22.47
Current						
Trade Receivables	12,723.65	12,723.65	13,373.87	13,373.87	8,897.52	8,897.52
Cash and Cash Equivalents	793.79	793.79	117.24	117.24	132.46	132.46
Bank balances other than						
Cash & Cash Equivalent	2,797.11	2,797.11	438.45	438.45	195.11	195.11
Others	1,568.65	1,568.65	1,043.93	1,043.93	180.77	180.77
Total of Financial Assets	18,122.12	18,122.12	15,012.77	15,012.77	9,519.19	9,519.19

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Particulars	(Rs. in Lakhs unless otherwise stated)					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
Non Current						
Borrowings	800.13	800.13	989.01	989.01	4,944.23	4,944.23
Trade payables	-	-	-	-	-	-
Current						
Borrowings	3,264.27	3,264.27	3,306.35	3,306.35	2,491.40	2,491.40
Trade Payables	22,921.38	22,921.38	22,700.39	22,700.39	13,730.08	13,730.08
Outstanding forward (MTM)	26.62	26.62	170.58	170.58	23.93	23.93
Unpaid Dividend	-	-	-	-	0.00	0.00
Current maturities of Long Term Debts	398.42	398.42	377.62	377.62	254.22	254.22
Employee Related Liability	649.35	649.35	465.61	465.61	372.15	372.15
Interest accrued but not due on Borrowings	26.29	26.29	10.13	10.13	2.97	2.97
Financial Liabilities	28,086.46	28,086.46	28,019.69	28,019.69	21,818.97	21,818.97

- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable.

9. Summary Statement Of Standalone Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise loans and 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 loans, 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 risk, credit risk 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 a group basis. For banks and financial institutions, 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.

Class 1 Quality

Class 2 Standard

Class 3 Doubtful

Class 4 Loss

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Expected Credit Loss for Loans & Trade Receivables -31.03.2018

				(Rs. in Lakhs unless otherwise stated)	
Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	12,723.65			12,723.65
Standard	Class 2	222.69			222.69
Doubtful	Class 3	-			-
Loss	Class 4	399.74	100	399.74	-
	Total	13,346.08		399.74	12,946.34
Loans					
	Class 4	14.72	100	14.72	-
	Total	14.72		14.72	-
	Grand Total	13,360.81		414.47	12,946.34

Expected Credit Loss for Loans & Trade Receivables -31.03.2017

				(Rs. in Lakhs unless otherwise stated)	
Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	13,373.87			13,373.87
Standard	Class 2	-			-
Doubtful	Class 3	-			-
Loss	Class 4	301.68	100	301.68	-
	Total	13,675.55		301.68	13,373.87
Loans					
	Class 4	14.72	100	14.72	-
	Total	14.72		14.72	-
	Grand Total	13,690.27		316.40	13,373.87

Expected Credit Loss for Loans & Trade Receivables -01.04.2016

				(Rs. in Lakhs unless otherwise stated)	
Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	8,897.52			8,897.52
Standard	Class 2	90.86			90.86
Doubtful	Class 3	-			-
Loss	Class 4	136.75	100	136.75	-
	Total	9,125.12		136.75	8,988.38
Loans					
	Class 4	14.72	100	14.72	-
	Total	14.72		14.72	-
	Grand Total	9,139.85		151.47	8,988.38

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Reconciliation of loss allowance provision

Reconciliation of Loss Allowance	(Rs. in Lakhs unless otherwise stated)		
	Loss allowance measured at 12 month Expected Losses	Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
Loss allowance as on 1st April 2016	151.47		
-Changes due to purchase of asset			
Adjustement Against Provisions			
-Modification of contractual cash flow that did not result in derecognition			
-Change in risk parameters			
-Change from 12 month to life time expected measurement and vice-versa	164.93		
Loss allowance as on 31st March, 2017	316.40		
-Changes due to purchase of asset			
Adjustement Against Provisions			
-Modification of contractual cash flow that did not result in derecognition	-		
-Change in risk parameters	-		
-Change from 12 month to life time expected measurement and vice-versa	98.06		
Loss allowance as on 31st March, 2018	414.47		

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 mutual funds and 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.

Maturities of financial liabilities

As on 31.03.2018

Financial Liabilities	(Rs. in Lakhs unless otherwise stated)		
	<12 month	>12 month	Total
Non Derivative			
Short term borrowings	3,264.27	-	3,264.27
Trade Payables	22,921.38	-	22,921.38
Long Term Borrowings		800.13	800.13
Other Financial Liabilities	1,100.68		1,100.68

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

As on 31.03.2017

	(Rs. in Lakhs unless otherwise stated)		
Financial Liabilities	<12 month	>12 month	Total
Non Derivative			
Short term borrowings	3,306.35		3,306.35
Trade Payables	22,700.39		22,700.39
Long Term Borrowings		989.01	989.01
Other Financial Liabilities	1,023.94		1,023.94

As on 01.04.2016

	(Rs. in Lakhs unless otherwise stated)		
Financial Liabilities	<12 month	>12 month	Total
Non Derivative			
Short term borrowings	2,491.40		2,491.40
Trade Payables	13,730.08		13,730.08
Long Term Borrowings		4,944.23	4,944.23
Other Financial Liabilities	653.27		653.27

C) Market Risk Management

I. Foreign Currency Risk

1. The company operates internationally and is exposed 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 objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.
2. 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 not classified as hedge.
3. 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.

(a) Foreign currency risk exposure

Particulars	As at 31st March, 2018 USD in lakhs	As at 31st March, 2017 USD in lakhs	As at 1st April, 2016 USD in lakhs
Financial Assets	19.14	33.20	9.20
Financial Liabilities	171.15	151.60	38.36
Net Exposure	152.00	118.40	29.16

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

(b) Sensitivity

Particulars	Sensitivity Analysis	Impact on PAT (USD in Lakhs)		
		31st March, 2018	31st March, 2017	1st April, 2016
USD Sensitivity (Increase)	0.05	4.97	3.87	0.95
USD Sensitivity (Decrease)	0.05	(4.97)	(3.87)	(0.95)

(c) Sensitivity

Particulars	Sensitivity Analysis	Impact on Other Equity (USD in Lakhs)		
		31st March, 2018	31st March, 2017	1st April, 2016
USD Sensitivity (Increase)	0.05	4.97	3.87	0.95
USD Sensitivity (Decrease)	0.05	(4.97)	(3.87)	(0.95)

II. Cash flow and fair value interest rate risk

The company'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 & 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

Particulars	(Rs. in Lakhs unless otherwise stated)		
	31st March, 2018	31st March, 2017	1st April, 2016
Variable Rate borrowings	3,264.27	3,306.35	2,491.40
Fixed Rate Borrowings	1,190.38	1,358.45	5,190.26

(b) Sensitivity Analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Impact on PAT	
	31st March, 2018	31st March, 2017
Interest Rate - increase by 50 basis points	10.67	10.81
Interest Rate - decrease by 50 basis points	(10.67)	(10.81)

(c) Sensitivity Analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Impact on PAT	
	31st March, 2017	1st April, 2016
Interest Rate - increase by 50 basis points	10.67	10.81
Interest Rate - decrease by 50 basis points	(10.67)	(10.81)

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

III) Price Risk

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

IV) Warranty & Guarantee Risk

The entity gives three years on warranty on LED Bulbs and one year on television. LED Bulb are replaced with new bulbs and in respect of television defective part is changed.

The entity sets its quality parameter and test products from production line on regular intervals. Before dispatch the products is selected on sample basis and test its quality to reduce chances of defective products out for delivery.

10. 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 investments and cash and cash equivalents) to equity ratio is used to monitor capital.

	(Rs. in Lakhs unless otherwise stated)		
Particulars	31.03.2018	31.03.2017	01.04.2016
Net Debt	3,669.03	4,555.74	7,557.39
Total Equity	30,381.29	18,982.67	11,047.91
Debt Equity Ratio	0.12	0.24	0.68

11. Employee Stock Option Plan

Employee Stock Option Plan - 2010: The company had an Employee Stock Option Plan ('the 2010 Plan') 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 2010 plan to the shareholders on 3rd June 2008 and shareholders approved the recommendations of the board of director in Extra Ordinary General Meeting held on 3rd June 2008. The maximum aggregate number of shares that may be awarded under the 2010 plan was 4,37,000 shares. The company has approved 2 grants vide its meeting held on 2nd Nov'2010 and 1st July, 2015 As per the plan, option granted under ESOP would vest in not less than one year and not more than 3 years from the date of grant of such option. The Plans are Equity Settled Plans.

	(Number in Lakhs)	
Particulars	Grant I	Grant II
Date of Grant	2nd Nov 2010	1st July, 2015
Date of Share holders Approval	3rd June 2008	3rd June, 2008
Date of Board of Directors Approval / Committee	2nd Nov 2010	1st July, 2015
No. of Option	2.56	1.37
Method of settlement (Cash/Equity)	Equity	Equity
Vesting Period	Year 1- 33.33%	Year 1- 100%
	Year 2- 33.33%	
	Year 3- 33.34%	
Exercise Price (Per Share Rs.)	119	290
Exercise Period	5 years	1 year
Ext. of Exercise Period	1 year	
Board Approval for Extension	14th Oct 2015	
Fair Value of Share at the time of Grant	227	295

Notes to the Standalone Financial Statements

for the year ended 31st March, 2018

(Number in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price
Exercisable at the beginning	-	-	-	-	-	-
Granted	-	-	-	-	1.37	290.00
Forfeited and expired	-	-	-	-	-	-
Exercised	-	-	3.15	193.65	-	-
Exercisable at the end	-	-	-	-	3.15	193.65

12. Payments to auditors:

(Rs. in Lakhs unless otherwise stated)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Audit Fees	19.00	15.40
Tax Audit Fees	3.00	2.00
Out of pocket expenses	2.75	2.47
Certification fees	12.20	2.63
Company Law matter	-	4.54
Payment to Cost Auditor	3.50	4.07
Total	40.45	31.10
Proportional Payment w.r.t. IPO	7.62	

13. Employee Benefits

Defined Contribution Plan

- a) **Provident Fund & 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.

(Rs. in Lakhs unless otherwise stated)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Contribution towards Provident Fund & other Funds	299.50	316.03

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.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Assumptions

Particulars	2017-2018	2016-2017
Approach Used	Projected Units Credit Method	Projected Units Credit Method
Future Salary Increase	6.00%	6.00%
Discount rate	7.71%	7.54%

Change in Net Defined Benefit Obligation

	(Rs. in Lakhs unless otherwise stated)	
Particulars	2017-2018	2016-2017
Liability at the beginning of the year	333.61	259.79
Interest Costs	25.15	20.78
Current Service Costs	57.24	45.63
Past Service Cost including curtailment Gains/ Losses	17.08	-
Benefits paid	(22.47)	(9.25)
Actuarial (Gain)/Loss on obligations due to change in Obligation	21.21	16.67
Liability at the end of the year	431.83	333.61

Net interest Cost

	(Rs. in Lakhs unless otherwise stated)	
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Cost	25.15	20.78
Total	25.15	20.78

Service Cost

	(Rs. in Lakhs unless otherwise stated)	
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Service Cost	57.24	45.63
Total	57.24	45.63

Actuarial (Gain)/Loss on obligation

	(Rs. in Lakhs unless otherwise stated)	
Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(6.99)	14.47
Actuarial (Gain)/Loss on arising from Experience Adjustment	28.19	2.20

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Balance sheet and related analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Present Value of the obligation at end	431.83	333.61
Unfunded Liability/provision in Balance Sheet	(431.83)	(333.61)
Unfunded Liability recognised in Balance Sheet	(431.83)	(333.61)

Amount recognised in Statement of Profit and Loss

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Service Cost	74.33	45.63
Net Interest Cost	25.15	20.78
Expense recognised in statement of profit and loss	99.48	66.41

Other Comprehensive Income (OCI)

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Actuarial Gain or (Loss) for the year on PBO	(21.21)	(16.67)
Unrecognised actuarial gain/(loss) at the end of the year	(21.21)	(16.67)

Expected contribution for the next Annual reporting period

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Service Cost	75.30	57.46
Net Interest Cost	33.29	25.15
Expected Expense for the next annual reporting period	108.59	82.61

Sensitivity Analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	31.03.2018	31.03.2017
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	431.83	333.61
Impact due to increase of 0.50 %	(20.22)	(16.09)
Impact due to decrease of 0.50 %	21.86	17.39
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	431.83	333.61
Impact due to increase of 0.50 %	19.96	17.56
Impact due to decrease of 0.50 %	(18.58)	(16.38)

• Sensitivities due to mortality & 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 & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Maturity Profile of Defined Benefit Obligation

(Rs. in Lakhs unless otherwise stated)

2017-18		2016-17	
Year	Amount	Year	Amount
Apr 2018- Mar 2019	17.87	Apr 2017- March 2018	22.74
Apr 2019- Mar 2020	6.72	Apr 2018- March 2019	4.78
Apr 2020- Mar 2021	6.86	Apr 2019- March 2020	4.80
Apr 2021- Mar 2022	20.49	Apr 2020- March 2021	5.12
Apr 2022- Mar 2023	22.66	Apr 2021- March 2022	22.47
Apr 2023- Mar 2024	20.75	Apr 2022- March 2023	14.77
Apr 2024 onwards	336.47	Apr 2023 onwards	258.92

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- A) Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk -** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability -** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

14. The company undertook Corporate Social Responsibility ('CSR') Programme and the following expenditure are made during the year

(Rs. in Lakhs unless otherwise stated)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Gross amount required to be spent by the company	66.96	30.33
B. Amount spent by the company on		
Donation to Magic Bus India Foundation (Sec.8) company for project related to orphans	25.18	15.15
Donation to The Akshaya Patra Foundation	8.00	-
Donation to CII Foundation	5.00	-
Donation to Jan Maadhyam	5.00	-
Donation to Nav Abhiyan	5.00	-
Donation to Sankalp Foundation	5.00	-
Donation to Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	1.00	0.70
Relief Material sent for Jammu & Kashmir Flood	-	-
Donation to Chief Minister's Relief Fund	-	-
Donation to Saint Hardy Education and Orphan Welfare society for the Project related to orphans.	5.00	
Donation to Rugmark Foundation for the project related School	2.00	2.00
Donation to Khushii for the Project related to orphans	-	

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Donation to Bansividya Memorial Trust	-	5.00
Donatioan to Bharat Vikas Viklang Nyas	1.80	0.50
Donation to Delhi Langar Seva Society	-	1.00
Donation to Guru Vishram Vridh Ashram	4.98	4.15
Donation to Noida Deaf Society	-	2.00
Total Amount Spent	67.96	30.50
Amount of Short /(Excess) Spent	(1.00)	(0.17)

15. Transition to Ind AS

15.1 Basis for Preparation

For all period up to and including the year ended 31st March, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

15.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions

15.2.1 Optional Exemptions Availed

a. Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Standard has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind AS, or of interests in associates that occurred before the transition date i.e., 1st April, 2016.

b. Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets and investment property also.

c. Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

d. Investments in Subsidiaries and Associates

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in subsidiaries and associates at Deemed Cost calculated at the previous GAAP carrying amount as on the date of transition, as the company has elected to measure such investments at Cost under Ind AS 27 "Consolidated and Separate Financial Statements".

15.2.2 Mandatory Exceptions

a. Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below :

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Separate Equity and Liability portion in convertible debentures

b. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively

15.3 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101 :

1. Reconciliation of material items of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

2. Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017
3. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
4. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

As on 31st March, 2017

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
I ASSETS				
A Non-current Assets				
(a) Property Plant and Equipment	12,911.43	-	58.34	12,853.09
(b) Capital work-in-progress	195.78	-		195.78
(c) Intangible assets	8.63			8.63
(d) Investment Accounted for Using Equity Method		(905.01)		905.01
(e) Financial Assets		-		
(i) Investments	905.01	905.01		
(ii) Trade receivable				
(iii) Loans & Advances	2,187.76	2,187.76		-
(iv) Others Financial Assets		(39.28)		39.28
(f) Deferred tax assets (net)		(67.35)		67.35
(g) Other non-current assets		(1,169.75)		1,169.75
Total	16,208.61	911.38	58.34	15,238.89
B Current Assets				
(a) Inventories	15,666.47			15,666.47
(b) Financial Assets				
(i) Investments				
(ii) Trade receivables	13,373.87			13,373.87
(iii) Cash and cash equivalents	555.69	438.45		117.24
(iv) Bank Balances Other than (iii) Above	-	(438.45)		438.45
(v) Loans & Advances	4,871.86	4,871.86		
(vi) Others Financial Assets	-	(1,043.93)		1,043.93
(c) Other Current Assets	112.82	(2,464.11)		2,576.93
(d) Current Tax Assets	-	(1,363.82)		1,363.82
Total	34,580.71	-	-	34,580.71
TOTAL	50,789.32	911.38	58.34	49,819.60
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	1,098.53	-	-	1,098.53
(b) Other Equity	17,950.66	-	66.52	17,884.14
Total	19,049.19		66.52	18,982.67
B Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	980.83		(8.18)	989.01
(b) Provisions	432.93	122.06	-	310.87
(c) Deferred tax liabilities (Net)	911.38	911.38	-	-
Total	2,325.14	1,033.44	(8.18)	1,299.88

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
C Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	3,306.35			3,306.35
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	1,763.49		-	1,763.49
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,107.48	170.58		20,936.90
(iii) Other financial liabilities	-	(1,023.94)		1,023.94
(b) Other current liabilities	1,614.16	853.36		760.80
(c) Provisions	1,623.51	1,356.00		267.50
(d) Current Tax Liabilities	-	(1,478.06)		1,478.06
Total	29,414.99	(122.06)	-	29,537.05
TOTAL	50,789.32	911.38	58.34	49,819.60

As on 1st April 2016

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
I ASSETS				
A Non-current Assets				
(a) Property Plant and Equipment	10,580.13	-	50.45	10,529.68
(b) Capital work-in-progress	0.87	-	-	0.87
(c) Intangible assets	11.97	-	-	11.97
(d) Investment Accounted for Using Equity Method		(820.01)	-	820.01
(e) Financial Assets				
(i) Investments	820.01	820.01	-	-
(ii) Trade receivable	90.86	-	-	90.86
(iii) Loans & Advances	1,442.40	1,442.40	-	
(iv) Others Financial Assets		(22.47)	-	22.47
(f) Deferred tax assets (net)		276.69	(523.18)	246.49
(g) Other non-current assets	-	(867.33)	-	867.33
Total	12,946.24	829.29	(472.73)	12,589.68
B Current Assets				
(a) Inventories	9,924.44	-	-	9,924.44
(b) Financial Assets				
(i) Investments		-	-	
(ii) Trade receivables	8,897.52	-	-	8,897.52
(iii) Cash and cash equivalents	327.57	195.11	-	132.46
(iv) Bank Balances Other than (iii) Above		(195.11)	-	195.11
(v) Loans & Advances	2,415.97	2,415.97	-	
(vi) Others Financial Assets		(180.77)	-	180.77
(c) Other Current Assets	51.60	(1,540.66)	-	1,592.27
(d) Current Tax Assets		(791.59)	-	791.59
Total	21,617.11	(97.05)	-	21,714.16
TOTAL	34,563.35	732.24	(472.73)	34,303.83

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	310.32	-		310.32
(b) Other Equity	9,995.30	-	(742.30)	10,737.60
Total	10,305.61	-	(742.30)	11,047.91
B Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	5,213.80	-	269.57	4,944.23
(b) Provisions	241.35	-		241.35
(c) Deferred tax liabilities (Net)	732.24	732.24		
Total	6,187.40	732.24	269.57	5,185.58
C Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2,491.40	-	-	2,491.40
(ii) Trade payables			-	
Total outstanding dues of micro enterprises and small enterprises	890.94	-		890.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,863.07	23.93		12,839.14
(iii) Other financial liabilities		(653.27)		653.27
(b) Other current liabilities	968.36	629.34	-	339.02
(c) Provisions	856.57	788.14	-	68.43
(d) Current Tax Liabilities		(788.14)	-	788.14
Total	18,070.34	(0.00)	-	18,070.34
TOTAL	34,563.35	732.24	(472.73)	34,303.83

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Summary Statement Of Standalone Reconciliation Of Statement Of Profit And Loss

For the year ended March 31, 2017

	Notes	(Rs. in Lakhs unless otherwise stated)			
		For the year ended March 31			
		2017 I GAAP	Ind AS Adjustments	Classification Difference	2017 IND AS
1 INCOME :					
Revenue from Operations	29	164,431.05	-	2,405.55	166,836.60
Other Income	30	150.06	-	(55.44)	94.62
Total Income		164,581.11	-	2,350.11	166,931.22
2 EXPENSES :					
Cost of Materials Consumed	31	141,264.47	-	-	141,264.47
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	32	(1,916.58)	-	-	(1,916.58)
Excise Duty				2,350.11	2,350.11
Employee Benefits Expense	33	6,094.51	(191.57)	(16.67)	5,886.27
Finance Costs	34	1,223.46	277.75	-	1,501.21
Depreciation and Amortisation Expense	35	995.38	7.89	-	1,003.28
Other Expenses	36	10,782.93	-	-	10,782.93
Total Expenses		158,444.16	94.08	2,333.44	160,871.68
3 Profit Before Exceptional Items and Tax		6,136.95	(94.08)	16.67	6,059.54
4 Exceptional items		-			
5 Profit Before Tax (3-4)		6,136.95	(94.08)	16.67	6,059.54
6 Taxes Expenses (i+ii)	37				
(i) Current Tax		1,478.06		-	1,478.06
(ii) Deferred Tax		179.14		5.77	184.91
(iii) Tax Credit		(523.18)	523.18	-	-
(iv) Tax for Earlier year		23.77		-	23.77
7 Profit / (Loss) for the year (after tax) (5-6)		4,979.15	(617.25)	10.90	4,372.80
8 Other Comprehensive Income					
(i) Items that will not be reclassified to profit & loss					
Remeasurement of post-employment benefit obligations		-		(16.67)	(16.67)
(ii) Income tax relating to items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefit obligations		-		5.77	5.77
Profit / (Loss) for the year (after tax) (7-8)		4,979.15	(617.25)	-	4,361.90

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Summary Statement Of Standalone Reconciliation Of Statement Of Cash Flow

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
Cash generated from operating activities	4,756.03	(146.37)	-	4,609.66
Net cash generated from/(used in) investing activities	(3,774.94)	(115.51)	-	(3,890.45)
Net cash generated from/(used in) financing activities	(996.30)	(15.87)	277.75	(734.42)
Cash and cash equivalents at the beginning of the year	132.46	-	-	132.46
Cash and cash equivalents at the end of year (refer note 13)	117.24	-	-	117.24

Reconcilliation of Total Equity

	(Rs. in Lakhs unless otherwise stated)	
Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity under Previous Indian GAAP	19,049.19	10,305.61
Add: Equity in nature transfer to other equity on conversion of debenture	1,873.90	1,873.90
Tax Credit	-	523.18
Difference in rent accrued and actual paid in lease rent	-	-
Land Appreciation on account of recognition of finance lease	8.21	8.21
Less: Finance Cost due to time value of compulsory Convertible Debentures	(1,873.90)	(1,596.15)
Amortisation of land	(66.56)	(58.66)
Recognition of financial lease liability.	(8.18)	(8.18)
Equity as per Ind As	18,982.67	11,047.91

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

b. Re-Classifications

The Company has done the following reclassifications as per the requirements of Ind-AS :

- Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- Excise duty on sales was netted off with Sales under Previous IGAAP and now it is required to be presented separately under IND AS

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

c. Forward Contract

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognised in the Trade Payable as per Agreement with Vendors. Whereas under IGAAP accounting for forward contract was optional.

d. Leases

Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19.

The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

e. Leases/Amortisation Expense

Under India GAAP, lease agreement to use land was excluded from accounting of leases under AS 19. Under IND AS, use of land is not excluded from accounting of leases. Due to the above, measurement amount of lease, operating or finance has been changed resulting into change in amortisation expenses.

f. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2018 increased by Rs. 13.87 Lakhs. There is no impact on the total equity as at 31st March, 2018.

g. Retained earnings

Retained earnings as at 1st April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

h. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income did/does not exist under previous GAAP.

i. Convertible Debentures

Under Ind AS, The requirement to separate out the equity and liability component of a compound instrument is consistence with the principle that a financial instrument must be classified in accordance with its substance, rather than its legal form. A compound instrument takes the legal form of a single instrument, while the substance is that both a liability and equity instrument exists require use of split accounting approach.

The proceeds is analysed between the debt component and the equity component. The debt is measured first and the equity component is the residual. The debt is the present value of mandatory payments discounted at market rate of interest for similar debts without conversion option. On conversion of a compound instrument at maturity, the entity should de-recognize the liability component and recognize it as equity. Equity issued on conversion is measured at the carrying amount of the liability component at the date of conversion. The equity component recognised earlier shall remain in equity.

The concept of other comprehensive income did/does not exist under previous GAAP.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

16. 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.

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Segment Revenue		
Washing Machine	28,425.20	18,802.62
Moulding	10,969.10	7,802.71
Other Electronics	192,120.06	147,960.98
Total Income From Operations (Gross)	231,514.37	174,566.30
Less : Inter Segment Revenue	9,929.00	7,729.70
Net Income From Operations (Gross)	221,585.37	166,836.60
Segment Results		
Washing Machine	1,988.75	1,695.71
Moulding	926.81	844.76
Other Electronics	8,675.41	6,865.60
Profit/(Loss) Before Finance Cost & Tax	11,590.97	9,406.07
Less: Finance Cost	1,318.32	1,501.21
Less: Un-allocable Expenses / (Income)(Net)	2,039.89	1,845.32
Profit/(Loss) Before Tax	8,232.75	6,059.54

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 1st April, 2016
Segment Assets			
Washing Machine	7,674.33	4,891.94	3,274.92
Moulding	4,511.64	2,787.18	1,993.07
Other Electronics	45,479.40	36,467.11	25,105.75
Unallocated Assets	10,928.92	5,673.37	3,930.10
Total	68,594.29	49,819.60	34,303.83
Segment Liabilities			
Washing Machine	1,304.26	612.26	1,255.36
Moulding	912.71	1,637.68	572.47
Other Electronics	28,439.64	21,897.02	12,568.85
Unallocated Liabilities	7,556.39	6,689.96	8,859.25
Total	38,213.00	30,836.92	23,255.92

Major Customer

Revenue from two customers of the company represented approximately Rs. 143900.15 Lakhs (Previous year Rs. 108648.16 Lakhs) of the company's total revenue.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

17 Investment in subsidiary and joint ventures

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 “ Consolidated and Separate Financial Statements”

(b) The Company's investments in direct subsidiary is as under:

Name of Subsidiary	Country of incorporation	Portion of ownership Intetrest as at 31st March, 2018	Portion of ownership Intetrest as at 31st March, 2017	Portion of ownership Intetrest as at 1st April 2016	Method Used to account for the investment
Dixon Global Private Limited	India	100%	100%	100%	Cost

The company have made an investment in Dixon Global Private Limited Rs. 100.01 Lakhs.The said company is engaged in trading of electrical goods.

(c) The Company's investments in Joint Ventures are as under:

Name of Joint Venture	Country of incorporation	Portion of ownership Intetrest as at 31st March, 2018	Portion of ownership Intetrest as at 31st March, 2017	Portion of ownership Intetrest as at 1st April 2016	Method Used to account for the investment
Padget Electronics Private Limited	India	50%	50%	50%	Cost
AIL Dixon Technologies Pvt. Ltd.	India	50%	50%	NA	Cost

i. Padget Electronics Private Limited

The Company's interest in this joint venture is reported as equity accounted investments and stated at cost. However, aggregate amount of the Company share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Income	67,635.36	82,900.07
Expenses	67,032.21	82,461.73
Assets	25,962.83	28,510.84
Liabilities	24,563.33	27,506.29
Contingent liabilities	2,662.50	1,050.00
Commitments (net of advance)	Nil	Nil

ii. AIL Dixon Technologies Pvt. Ltd

The Company's interest in this joint venture is reported as equity accounted investments and stated at cost. However, aggregate amount of the Company share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Income	77.60	-
Expenses	168.73	1.17
Assets	1,018.61	58.66
Liabilities	602.82	4.83
Contingent liabilities	-	-
Commitments (net of advance)	-	-

- 18** The Company had made an Initial Public Offer (IPO) during the year, for 33,93,425 equity shares of Rs. 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 Selling share holders. The equity shares were issued at a price of Rs. 1766 per share (including premium of Rs. 1756 per share). Out of the total proceeds from the IPO of Rs. 59,928 Lakhs, the Company's share was Rs. 6,000 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.

Details of utilization of IPO Proceeds are as follows :

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Object of the Issue as per Prospectus	Total Utilization Up to Mar 2018	Amount Pending for Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company	2,200.00	2,200.00	-
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	-	758.00
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	886.00	-	886.00
Upgradation of the information technology infrastructure of the Company	1,063.00	366.75	696.25
General corporate purposes	770.60	698.39	72.21
	5,677.60	3,265.14	2,412.46
IPO Expenses*	322.40	288.18	
Total	6,000.00		

Note: The company has deposited Rs. 2400 lacs in scheduled banks as fixed deposit and balance in IPO current account in scheduled bank.

* Estimated IPO Expenses reduced by Rs. 20 lacs and accordingly expense transferred to General Corporate Expenses.

- 19** The two Subsidiaries (Transferor Companies) of the Company namely, Dixon Appliance Private Limited ('DAPL') and Dixon Bhurji Moulding Private Limited ('DBMPL') have been amalgamated with the Company in terms of the scheme of amalgamation ('Scheme') sanctioned by the National Company Law Tribunal (NCLT), Allahabad pursuant to its Order dated 13th April, 2017. The Scheme became effective on 20th April 2017 with appointed date of 1st April 2016. The Company has accounted for amalgamation of the Transferor Companies in its books of accounts in accordance with pooling of interest method' as prescribed under AS 14 as per the terms of the NCLT Order
- 20** The Company has been converted into a Public Limited Company and consequently the name of the Company changed from "Dixon Technologies (India) Private Limited" to "Dixon Technologies (India) Limited. A fresh certificate of incorporation pursuant to change of name was issued by the ROC on May 2, 2017.
- 21** Previous Year figures have been Regrouped/Rearranged wherever necessary.

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

22. Related party disclosure

I. Key Managerial Personnel and their relatives

Name	Designation
Key Managerial Personnel	
Executive	
Mr. Sunil Vachani	Chairman
Mr. Atul B. Lall	Managing Director
Mr. Gopal Jagwan	Chief financial officer (Till 4th May 2018)
Mr. Saurabh Gupta	Chief financial officer (From 4th May 2018)
Non Executive Independent	
Mr. Ramesh Chandra Chopra	Independent Director
Mr. Manuji Zarabi	Independent Director
Ms. Poornima Shenoy	Independent Director
Mr. Manoj Maheshwari	Independent Director
Relative of Key Managerial Personnel	
Relationship	
Mrs. Gayatri Vachani	Wife of Chairman
Mr. Kamal Vachani	Brother of Chairman
Mr. Ravi Vachani	Brother of Chairman
Mrs. Geeta Vaswani	Sister of Chairman

II. Other related parties

Holding Company	NA
Subsidiary Company	M/s Dixon Global Pvt. Ltd.
Joint Venture	M/s Padget Electronic Pvt. Limited
	M/s AIL Dixon Technologies Private Limited (W.e.f. 8th February 2017)
Enterprises over which KMP or relative of KMP have significant influence	M/s Dixon Applied Technology Training Institute (Partnership firm in which Managing Director/Chairman is Partner)
	M/s Prisma Electronics (Proprietorship concern in which Chairman is proprietor)
	M/s Six Sigma Electronics (Partnership concern in which Chairman is a 50% partner)
	M/s Fincraft Learnings Private Limited (Company in which Managing Director/Chairman is Director/Shareholder)
	M/s Rage (Partnership firm of Chairman's relative)

Notes to the Standalone Financial Statements

for the year ended 31st March 2018

III The following transactions were carried out with the related parties in the ordinary course of business:

		(Rs. in Lakhs unless otherwise stated)				
Sl. No.	Particulars	Subsidiary Companies / Joint Venture	Key Management Person	Relative of KMP	Enterprises over which KMP or relative of KMP have significant influence	Total
A	Interest Received	Current year	-	22.26	-	22.26
		Previous Year	-	26.26	-	26.26
B	Purchase of Goods	Current year	44,406.51	-	-	44,406.51
		Previous Year	35,905.08	-	3.44	35,908.51
C	Sale of Goods	Current year	4,861.52	-	-	4,861.52
		Previous Year	98.22	-	1.28	99.50
D	Remuneration	Current year	-	520.9	-	520.92
		Previous Year	-	504.6	-	504.58
E	Rent Received	Current year	63.73	-	-	63.73
		Previous Year	63.71	-	-	63.71
F	Sundry Debtors & (Creditors) / Amount Recoverable & (Payable) year end balances	Current year	(361.95)	-	(1.85)	(363.80)
		Previous Year	(1,835.34)	567.69	-	(1,267.64)
G	Investments	Current year	420.00	-	-	420.00
		Previous Year	85.00	-	-	85.00
H	Purchase of Property, Plant and Equipment	Current year	59.55	-	1.85	61.40
		Previous Year	251.99	107.00	-	465.99
I	Outstanding Guarantees given by the Company	Current year	5,450.00	-	-	5,450.00
		Previous Year	3,950.00	-	-	3,950.00
J	Job Charges Received (Including Duty)	Current year	11.22	-	-	11.22
		Previous Year	1.23	-	-	1.23
K	Advance against Property	Current year	-	-	-	-
		Previous Year	-	16.04	16.04	32.09
L	Loan/advance Given	Current year	-	-	-	-
		Previous Year	8.98	536.18	-	545.16
M	Surety Bond Given to Custom Department on behalf of the Joint Venture	Current year	6,700.00	-	-	6,700.00
		Previous year	6,100.00	-	-	6,100.00
N	Bond Given to Custom Department by the Subsidiary/Joint Venture company on behalf of the company	Current year	5,645.00	-	-	5,645.00
		Previous Year	2,420.00	-	-	2,420.00
O	Sale of Property, Plant and Equipment	Current year	60.63	-	-	60.63
		Previous Year	-	-	-	-
P	Proceed received under ESOP Scheme	Current year	-	-	-	-
		Previous Year	-	442.21	-	442.21
Q	Perquisite to Employee Under ESOP Scheme	Current year	-	-	-	-
		Previous Year	-	272.06	-	272.06
R	Nos. of Bonus share issued	Current year	-	-	-	-
		Previous Year	-	31.80	1.40	33.20
S	Nos. of share issued under ESOP Scheme	Current year	-	-	-	-
		Previous Year	-	2.15	-	2.15
T	Sitting Fees	Current year	-	10.24	-	10.24
		Previous Year	-	1.67	-	1.67

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Independent Auditor's Report

To the Members of **Dixon Technologies (India) Limited**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Dixon Technologies (India) Limited ("the Holding Company"), its subsidiary (the holding Company and its subsidiary together referred to as "the Company or the group") and its Jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 change in equity of the company are in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company 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 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility for the Consolidated Ind AS financial statements

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidation Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor, referred to in the Other Matters paragraph below, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Company as at 31st March, 2018, their consolidated profit (including consolidated total comprehensive income), their consolidated cash flows and consolidated statement of change in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

1. Note No. 38(17), In its Subsidiary Company Dixon Global Private Limited, During the financial year 2015-16, email account of the company get hacked and a payment amounting to Rs. 191.20 Lakhs that was intended to be made to Cixi city Chenyang get diverted to the hacker's account in Hungary. Out of which Rs 71.36 Lakhs was subsequently recovered and Police investigation in the matter and recovery of balance amount is in process in Hungry.

Our Opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statement of one jointly controlled entity, whose Ind AS financial statements reflect total assets of Rs. 2037.22 Lakhs as at 31st March, 2018, total revenue of Rs. 155.20 Lakhs and net cash outflows amounting to Rs. 68.95 Lakhs for the year ended 31st March, 2018 and in which share of net loss of the group is Rs. 58.04 Lakhs. These Ind AS financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit of the consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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), the Consolidated Cash Flow Statement and consolidated statement of change 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 Ind AS financial statements.

- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- e. On the basis of the written representations received from the directors of the Holding Company, its subsidiary company and its jointly controlled entities as on 31st March, 2018 taken on record by the respective Board of Directors of the Holding Company, its subsidiary company, and its jointly controlled entities, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the group – Refer Note No. 38 (1A) (v),(vi),(vii),(viii) & (ix) to the Consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Holding company, its subsidiary company and its jointly controlled entities.

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria

Partner

Place: Noida (Delhi- NCR)

Date: 26th May, 2018

Membership No. 022973

Annexure – A to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Dixon Technology (India) Limited (“the Holding Company”) and its subsidiary company, and one of its jointly controlled entity as this clause is not applicable to the another jointly controlled entity which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its Subsidiary Company and its Jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 Institute of Chartered Accountants of India and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company, its subsidiary and its jointly controlled entity’ internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control 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 control over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its Subsidiary Company and its jointly controlled entity, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria

Partner
Membership No. 022973

Place: Noida (Delhi- NCR)
Date: 26h May 2018

Consolidated Balance Sheet

As at 31st March, 2018

(Rs. in Lakhs unless otherwise stated)				
Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-current assets				
(a) Property, Plant & Equipment	5	17,883.49	13,642.56	11,184.60
(b) Capital work-in-progress	5	1,254.72	195.78	0.87
(c) Intangible assets	6	21.39	13.44	11.97
(d) Intangible assets under development	6	338.87	-	-
	A	19,498.47	13,851.78	11,197.44
(e) Financial Assets				
(i) Trade Receivables	7	446.14	-	90.86
(ii) Security Deposits	8	24.53	39.28	22.47
(g) Deferred Tax Assets (Net)	22	-	25.39	262.45
(h) Other Non-Current Assets	9	1,383.43	1,182.13	893.61
	B	1,854.11	1,246.79	1,269.39
Current Assets				
(a) Inventories	10	32,234.01	28,219.71	13,628.22
(b) Financial Assets				
(i) Investment	11	1,111.69	-	10.00
(ii) Trade Receivables	12	29,627.80	28,020.60	8,875.04
(iii) Cash and Cash Equivalents	13	1,266.72	271.45	167.64
(iv) Bank balances other than Note 13 above	14	3,145.73	1,261.90	578.45
(v) Other Financial Assets	15	1,661.10	1,524.52	1,165.56
(c) Other Current Assets	16	6,154.33	2,956.30	2,101.40
(d) Current Tax Assets	17	2,032.88	1,514.48	833.08
	C	77,234.25	63,768.95	27,359.40
TOTAL ASSETS	(A+B+C)	98,586.82	78,867.52	39,826.23
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	18	1,132.51	1,098.53	310.32
(b) Other Equity	19	30,364.92	18,608.29	11,077.60
	D	31,497.43	19,706.83	11,387.91
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	20	800.13	989.01	4,944.23
(b) Provisions	21	362.40	316.91	241.35
(c) Deferred Tax Liabilities (Net)	22	407.17	-	-
	E	1,569.71	1,305.92	5,185.58
Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	23	3,264.27	3,306.35	2,491.40
(ii) Trade Payables	24			
Total outstanding dues of Micro, small & medium enterprises		1,305.58	1,769.81	890.94
Total outstanding dues of others		50,168.53	48,530.70	17,552.33
(iii) Other Financial Liabilities	25	1,137.95	1,100.02	784.18
(b) Other Current Liabilities	26	6,849.75	1,271.62	586.52
(c) Provisions	27	381.68	267.52	68.43
(d) Current Tax Liabilities	28	2,411.93	1,608.74	878.94
	F	65,519.69	57,854.78	23,252.73
TOTAL EQUITY & LIABILITIES	(D+E+F)	98,586.82	78,867.52	39,826.23
Corporate and General Information	1			
Basis of Accounting	2			
Significant Accounting Policies	3			
Significant Judgements and Key Estimates	4			
Other notes on accounts	38			

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria

Partner
Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors Dixon Technologies (India) Limited

Chairman
Managing Director
Chief Financial officer
Company Secretary

Sunil Vachani
Atul B. Lall
Saurabh Gupta
Ashish Kumar

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2018

		(Rs. in Lakhs unless otherwise stated)	
	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
INCOME			
I Revenue from Operations	29	285,339.14	249,872.23
II Other income	30	417.47	140.61
III Total Income (I+II)		285,756.62	250,012.85
IV EXPENSES			
(a) Cost of materials consumed	31	252,200.77	220,560.86
(b) Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	32	(3,498.27)	(2,552.68)
(c) Excise Duty		1,175.72	4,169.46
(d) Employee benefits expense	33	7,275.05	6,391.08
(e) Finance costs	34	1,345.23	1,554.29
(f) Depreciation and Amortisation expenses	35	1,518.24	1,071.36
(g) Other expenses	36	16,916.71	12,179.95
Total Expenses		276,933.46	243,374.32
V Profit before Exceptional Items & Tax (III-IV)		8,823.16	6,638.53
VI Exceptional Items		-	-
VII Profit before Tax (V-VI)		8,823.16	6,638.53
VIII Tax expense:	37		
(1) Current tax		2,411.93	1,608.74
(2) Deferred tax		366.34	266.86
(3) Income tax for earlier year (net)		(45.19)	5.97
IX Profit for the Year (VII-VIII)		6,090.08	4,756.96
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(17.23)	(16.67)
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.96	5.77
X Other Comprehensive Income for the Year (Net of Tax)		(11.27)	(10.90)
XI Total Comprehensive Income for the Year (IX+X)		6,078.80	4,746.06
Earning per Share	38(5)		
(Nominal value of share Rs. 10)			
(1) Basic		54.51	46.13
(2) Diluted		54.51	43.64
Corporate and General Information	1		
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements and Key Estimates	4		
Other notes on accounts	38		

The Notes are an integral part of the Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

B. L. Choraria
Partner
Membership No. 022973

Place: Noida (Delhi-NCR)
Date: 26th May, 2018

For and on behalf of the Board of Directors
Dixon Technologies (India) Limited

Chairman
Managing Director
Chief Financial officer
Company Secretary

Sunil Vachani
Atul B. Lall
Saurabh Gupta
Ashish Kumar

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(Rs. in Lakhs unless otherwise stated)

	Year ended 31st March, 2018	Year ended 31st March, 2017
A Cash flow from operating activities		
Profit before tax	8,823.16	6,638.53
Adjustments for :		
Depreciation and amortisation expense	1,518.24	1,071.36
Interest on borrowings	1,329.07	1,547.13
Loss on sale of Property, Plant & Equipment	18.24	55.25
Gain /Loss on Exchange fluctuation on borrowings	23.77	(7.46)
Provision for Impairment of Property, Plant & Equipment	56.21	7.04
Employee Stock Option Plan	-	6.87
Income on Investment	(11.69)	-
Interest on Margin Money	(251.16)	(119.51)
	11,505.85	9,199.21
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(4,014.30)	(14,591.49)
Trade receivables	(2,053.33)	(19,054.70)
Other current assets	(3,198.03)	(854.90)
Other current financial assets	(136.58)	(358.96)
Other non-current financial assets	14.75	(16.81)
Other non current assets	(201.31)	(288.51)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,173.60	31,857.25
Current Provisions	96.92	182.42
Other current liabilities	5,577.95	685.10
Non Current Provisions	45.50	75.56
Cash generated from operating activities	8,811.00	6,834.16
Current taxes paid (net)	(2,009.60)	(1,546.11)
Net cash generated from/(used in) operating activities	6,801.40	5,288.05
B Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(7,581.86)	(3,911.14)
Sale proceeds of property, plant and equipment	342.47	123.16
Investment in Equity/Mutual Fund	(1,111.69)	10.00
Margin Money	(1,883.83)	(683.44)
Dividend Income	11.69	-
Interest on Fixed Deposit/ Margin Money	251.16	119.51
Net cash generated from/(used in) investing activities	(9,972.06)	(4,341.91)

Consolidated Cash Flow Statement

for the year ended 31st March, 2018

(Rs. in Lakhs unless otherwise stated)		
	Year ended 31st March, 2018	Year ended 31st March, 2017
C Cash flows from financing activities		
Interest paid	(1,329.07)	(1,547.13)
Issue of share capital	5,711.80	609.62
(Repayment) / proceeds from Current Borrowings	(65.85)	822.42
(Repayment) / proceeds from non Current financial borrowings	(188.87)	(205.55)
Current financial liabilities	37.93	315.84
Dividend Paid	-	(837.52)
Net cash generated from/(used in) financing activities	4,165.93	(842.33)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	995.28	103.80
Cash and cash equivalents at the beginning of the year	271.45	167.64
Cash and cash equivalents at the end of year (refer note 13)	1,266.72	271.45

(Rs. in Lakhs unless otherwise stated)				
Change in Liability arising from financing activities	31st March, 2017	Cash Flow	Non Cash Changes Foreign Exchange Movement	31st March, 2018
Borrowings - Non Current (Refer Note 20)	989.01	(188.87)	-	800.13
Borrowings - Current (Refer Note 23)	3,306.35	(65.85)	23.77	3,264.27

- 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) Figure 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.

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

a) Equity Share Capital

(Rs. in Lakhs unless otherwise stated)

Particular	Amount
Balance as at 1st April, 2016	310.32
Add: Shares Issued During the Year	
Issued under conversion of Debenture during the Year	129.00
Issued under ESOP Scheme during the Year	31.48
Bonus Issue	627.73
Balance as at 31st March, 2017	1,098.53
Add: Shares issued under Initial Public Offer	33.98
Balance as at 31st March, 2018	1,132.51

b) Other Equity

(Rs. in Lakhs unless otherwise stated)

	Reserve & Surplus						Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Share Option Outstanding	Equity Component of Convertible Debenture	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2016	152.68	33.24	703.36	191.57	1,873.90	8,156.27	(33.43)	11,077.60
Profit for the Year						4,756.96		4,756.96
Transfer of Equity Component of Convertible Debenture on Conversion					(1,873.90)	1,873.90		-
Premium on Conversion on Debenture into Equity Share	3,620.67							3,620.67
Premium on Issue of shares under ESOP Scheme	776.58							776.58
Issue of Bonus Shares	(627.73)							(627.73)
Share Option Outstanding				6.87				6.87
Issue of Equity Shares				(198.44)				(198.44)
Remeasurement Gain/(Loss)							(16.67)	(16.67)
Impact of Tax							5.77	5.77
Total Comprehensive Income	3,922.19	33.24	703.36	-	-	14,787.13	(44.32)	19,401.60
Interim Dividend Paid						659.12	-	659.12
Dividend Distribution Tax						134.18	-	134.18
	-	-	-	-	-	793.30	-	793.30
Balance as at 31st March, 2017	3,922.19	33.24	703.36	-	-	13,993.83	(44.32)	18,608.29

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2018

	(Rs. in Lakhs unless otherwise stated)							
	Reserve & Surplus						Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Share Option Outstanding	Equity Component of Convertible Debenture	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 31st March, 2017	3,922.19	33.24	703.36	-	-	13,993.83	(44.32)	18,608.29
Profit for the Year						6,090.08		6,090.08
Premium on Issue of shares under IPO	5,966.01							5,966.01
Less: Expenses of Initial public offer	(288.18)							(288.18)
Remeasurement Gain/(Loss)							(17.23)	(17.23)
Impact of Tax							5.96	5.96
Balance as at 31st March, 2018	9,600.02	33.24	703.36	-	-	20,083.90	(55.60)	30,364.92

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

1 Corporate And General Information

Dixon Technologies (India) Limited is a Public Limited Company incorporated in India having its registered office at Noida, Uttar Pradesh, India. It was incorporated as per the provisions of the Companies Act as Dixon Utilities and Exports Pvt. Ltd. in the year 1993. The Parent 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 Company" or "the Group".

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 for all periods up to and including the year ended 31st March, 2016, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These Financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Group has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the Group is

provided in Note No. 38(15). Certain Ind-AS accounting policies of the Group used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognised directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101.

The Financial statements of the Group for the year ended 31st March, 2018 have been approved by the Board of Directors in their meeting held on 26th May, 2018.

2.2 Basis of Measurement

The Financial statements have been prepared on historical cost basis, except for following:

- ▶ Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- ▶ Defined benefit plans – plan assets measured at fair value.

2.3 Functional and Presentation Currency

The 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.

2.4 Use of Estimates and Judgements

The preparation of Financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the Financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period prospectively in which the results are known/ materialized.

2.5 Current vs. Non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- ▶ Expected to be realised or intended to sold or consumed in normal operating cycle;

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

- ▶ Held primarily for the purpose of trading;
- ▶ Expected to be realised 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.

2.6 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 of 31st March, 2018. 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 have been changed where necessary to ensure 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

On transition to IND AS

Ind AS 103 'Business Combinations' has not been applied to acquisitions of subsidiaries, or of interests in Joint Venture that occurred before the transition date.

3 Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the Financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements.

3.1 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.

3.2 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.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in Other Comprehensive Income.

3.3.1 Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2 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 realised 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 recognised 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 recognised for carry forward of unused tax losses and unused tax credits.
- ▶ Deferred tax assets are recognised 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 recognised outside the Statement of Profit and Loss is recognised either in Other Comprehensive Income (OCI) or in equity. Deferred tax items are recognised 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 recognised 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.

3.4 Property, Plant and Equipment

3.4.1 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 recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

3.4.2 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 derecognised when replaced.
- ▶ Major Inspection/ Repairs/ Overhauling expenses are recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortised part of the previously recognised expenses of similar nature is derecognised.

3.4.3 Depreciation and Amortisation

- ▶ 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.
- ▶ 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 amortised over the period of lease.
- ▶ Depreciation method, useful lives and residual values are reviewed at each Financial year-end and adjusted if appropriate.

3.4.4 Disposal of Assets

An item of property, plant and equipment is derecognised 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 recognised in the Statement of Profit and Loss.

3.4.5 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.

3.4.6 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.

3.5 Leases

3.5.1 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 Group has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

3.5.2 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 recognised as revenue in the period in which they are earned.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

► 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 recognised 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.

3.5.3 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.

3.6 Revenue Recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the

consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

- The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1 Sale of Goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

3.6.2 Interest Income

For all debt instruments measured either at amortised 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.

3.6.3 Dividend Income

Dividend Income from investments is recognised when the Group's right to receive payment has been established

3.6.4 Other Operating Revenue

Export incentive and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

3.6.5 Insurance claims

Insurance claims are accounted for on acceptance or to the extent amount have been received.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

3.7 Employee Benefits

3.7.1 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 recognised in respect of employees' services up to the end of the reporting period.

3.7.2 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.

3.7.3 Post Employment Benefits

The Group operates the following post employment schemes:

► Defined Benefit Plans

The liability or asset recognised 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 recognised 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 unrecognised 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 recognised in Other Comprehensive Income. Remeasurement recognised 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.

3.7.4 Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

3.8 Government Grants

Government grants are recognised 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 recognised 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.

3.9 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 recognised 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

- ▶ Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10 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 amortised over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

3.11 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 recognised in the Statement of Profit and Loss.

3.12 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.

3.12.1 Financial Assets

- ▶ Recognition and Initial Measurement:

All Financial assets are initially recognised 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:

- ▶ Measured at Amortised Cost;
- ▶ Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- ▶ Measured at Fair Value Through Profit or Loss (FVTPL); and
- ▶ Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing Financial assets.

- ▶ Measured at Amortised Cost: A debt instrument is measured at the amortised 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 amortised cost using the effective interest rate (EIR) method.

- ▶ Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
- ▶ The objective of the business model is achieved by both collecting contractual cash flows and selling the Financial assets; and
- ▶ The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the Statement of Profit and Loss in investment income.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

- ▶ Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
- ▶ Equity Instruments measured at FVTOCI: Equity instrument in scope of Ind AS - 109 are measured at fair value. On initial recognition, an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an investment by investment basis.
- ▶ All other Financial instruments are classified as measured at FVTPL.

▶ Derecognition

The Group derecognises 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.

3.12.2 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 recognised 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 amortised 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 recognised in Statement of Profit and Loss. Other Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised 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 recognised 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 recognised less cumulative amortisation.

▶ Derecognition

A Financial liability is derecognised 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 recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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.

3.12.3 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.

3.13 Impairment of Non-Financial Assets

- ▶ The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- ▶ An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 Provisions, Contingent Liabilities and Contingent Assets

3.14.1 Provisions

Provisions are recognised 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 recognised as finance cost.

3.14.2 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 recognised 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.

3.14.3 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 recognised though are disclosed, where an inflow of economic benefits is probable.

3.15 Intangible Assets

3.15.1 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 amortisation and accumulated impairment loss, if any.

3.15.2 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 recognised in the Statement of Profit & Loss.

3.15.3 Amortisation

- ▶ Other Intangible assets are amortised over a period of three years.

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for the year ended 31st March, 2018

- ▶ The amortisation period and the amortisation 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 amortisation period is changed accordingly.

3.15.4 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.

3.16 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 recognised 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 derecognised 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 recognised in profit or loss in the period of derecognition.

3.17 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.

3.18 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.

3.19 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

3.20 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.

3.21 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's Financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:-

Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Group is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach). The effective date for

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for the year ended 31st March, 2018

adoption of Ind AS 115 is Financial periods beginning on or after 1st April, 2018. The Group is evaluating the requirements of the amendment and the effect on the Financial statements will be given in due course.

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 recognised in the Financial statements is included in the following notes:

- ▶ Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognised 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.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ 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.
- ▶ Impairment of Financial Assets: The Group reviews its carrying value of investments carried at amortised 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.
- ▶ 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.
- ▶ 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.
- ▶ Research & Development: The revenue expenditure on R&D is charged to statement of profit & loss of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.
- ▶ 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.

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for the year ended 31st March, 2018

Note. 5 Property, Plant & Equipment (Refer Note no. 38(2))

	LAND - FREE HOLD*	LAND - LEASE HOLD (99 Years)	OFFICE BUILDINGS	FACORY BUILDINGS	ELECTRIC INSTALLATIONS	PLANT & MACHINERY	TOOLS & DIES	FAN , COOLERS & AC's, etc.	OFFICE EQUIPMENT	FURNITURE & FIXTURES	VEHICLES	COMPUTERS	Total	Capital Work in Progress	Grand Total
(Rs. in Lakhs unless otherwise stated)															
Gross Block as at 1st April, 2016	115.58	702.17	133.93	3,823.59	453.89	7,401.98	996.00	238.49	109.06	623.75	654.68	297.24	15,550.35	0.87	15,551.22
Accumulated Depreciation	-	50.45	14.94	737.96	176.52	2,299.21	225.00	78.20	52.69	116.01	236.80	182.68	4,170.46	-	4,170.46
Impairment	-	-	-	-	-	194.36	0.93	-	-	-	-	-	195.29	-	195.29
Deemed Cost As at 1st April, 2016	115.58	651.72	118.99	3,085.63	277.38	4,908.40	770.07	160.29	56.37	507.73	417.88	114.56	11,184.60	0.87	11,185.47
Additions	250.34	-	228.98	264.82	95.63	1,975.03	411.45	78.80	44.88	248.70	31.33	134.65	3,764.61	195.78	3,960.39
Disposals	-	-	-	-	-	191.63	46.09	-	-	-	9.37	0.23	247.33	0.87	248.20
Balance as at 31st March, 2017	365.92	651.72	347.97	3,350.45	373.01	6,691.80	1,135.42	239.09	101.25	756.43	439.84	248.98	14,701.89	195.78	14,897.67
Additions	-	-	-	1,126.58	212.46	3,412.73	835.01	76.53	71.33	204.04	99.67	131.55	6,169.92	1,058.94	7,228.86
Disposals	-	-	-	15.69	-	172.11	191.53	-	-	14.76	-	0.34	394.43	-	394.43
Balance as at 31st March, 2018	365.92	651.72	347.97	4,461.34	585.47	9,932.43	1,778.91	315.62	172.58	945.71	539.51	380.20	20,477.38	1,254.72	21,732.10
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	7.89	6.48	122.50	40.68	547.61	74.31	44.18	17.98	71.25	70.63	63.09	1,066.59	-	1,066.59
Disposals	-	-	-	-	-	12.01	-	-	-	-	2.23	0.07	14.30	-	14.30
Balance as at 31st March, 2017	-	7.89	6.48	122.50	40.68	535.60	74.31	44.18	17.98	71.25	68.40	63.03	1,052.29	-	1,052.29
Charge for the Year	-	7.89	5.26	132.82	56.19	789.01	176.41	62.17	23.87	89.02	69.41	100.15	1,512.19	-	1,512.19
Disposals	-	-	-	0.51	-	24.85	6.08	-	-	2.26	-	0.14	33.84	-	33.84
Balance as at 31st March, 2018	-	15.79	11.74	254.81	96.87	1,299.75	244.63	106.35	41.85	158.01	137.81	163.03	2,530.64	-	2,530.64
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	-	-	-	-	46.18	6.45	-	-	-	-	-	52.63	-	52.63
Disposals	-	-	-	-	-	45.59	-	-	-	-	-	-	45.59	-	45.59
Balance as at 31st March, 2017	-	-	-	-	-	0.59	6.45	-	-	-	-	-	7.04	-	7.04
Charge for the Year	-	-	-	-	-	56.21	-	-	-	-	-	-	56.21	-	56.21
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	-	-	-	-	-	56.80	6.45	-	-	-	-	-	63.25	-	63.25
Net carrying amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1 April, 2016	115.58	651.72	118.99	3,085.63	277.38	4,908.40	770.07	160.29	56.37	507.73	417.88	114.56	11,184.60	0.87	11,185.47
As at 31st March, 2017	365.92	643.83	341.49	3,227.95	332.34	6,155.61	1,054.67	194.91	83.27	685.18	371.44	185.96	13,642.56	195.78	13,838.34
As at 31st March, 2018	365.92	635.93	336.23	4,206.53	488.61	8,575.88	1,527.82	209.27	130.73	787.70	401.70	217.17	17,883.49	1,254.72	19,138.22

*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 year certain parties filed a legal case before DRAT, Allahabad claiming right on the land. The cost of land is Rs. 250.34 Lakhs and capital assets created thereon as on 31st March, 2018 is Rs. 1078.73 Lakhs.

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Note No. 6 Intangible Assets

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Computer Software	Intangible Assets Under Development	Total
(At Cost)			
Balance as at 1st April, 2016	69.09	-	69.09
Accumulated amortisation	57.12	-	57.12
Deemed Cost As at 1st April, 2016	11.97	-	11.97
Additions	6.24	-	6.24
Disposals	-	-	-
Balance as at 31st March, 2017	18.21	-	18.21
Additions	14.00	338.87	352.87
Disposals	-	-	-
Balance as at 31st March, 2018	32.21	338.87	371.08
Accumulated amortisation			
Balance as at 1st April, 2016	-	-	-
Charge for the Year	4.77	-	4.77
Disposals	-	-	-
Balance as at 31st March, 2017	4.77	-	4.77
Charge for the Year	6.05	-	6.05
Disposals	-	-	-
Balance as at 31st March, 2018	10.82	-	10.82
Net carrying amount			
As at 1 April, 2016	11.97	-	11.97
As at 31st March, 2017	13.44	-	13.44
As at 31st March, 2018	21.39	338.87	360.25

Note 7. Trade Receivables (Unsecured, considered good unless otherwise stated)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	845.88	301.68	225.63
	845.88	301.68	225.63
Less: Provision for doubtful receivables	(399.74)	(301.68)	(134.77)
Total	446.14	-	90.86
Break Up of Trade receivables			
Considered Good	446.14	-	90.86
Considered Doubtful	399.74	301.68	134.77
	845.88	301.68	225.63
Less: Provision for doubtful receivables	(399.74)	301.68	134.77
Total	446.14	-	90.86

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for the year ended 31st March, 2018

Note 8. Security Deposits (Unsecured, considered good)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	24.53	39.28	22.47
Total	24.53	39.28	22.47

Note 9. Other Non-Current Assets (Unsecured Considered Good unless otherwise stated)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Advances [Refer Note: 38(1)(B)]	960.98	812.66	597.75
Electricity Deposit	190.36	149.36	110.01
Amount Paid under Protest to Government department	232.10	220.11	185.85
Other Advances considered doubtful	14.72	14.72	14.72
Less : Provision for Doubtful advances	(14.72)	(14.72)	(14.72)
Total	1,383.43	1,182.13	893.61

Note 10. Inventories (As valued and certified by the Management)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials and Packing Materials etc.	20,764.04	16,402.79	8,603.68
Work-in-progress	5,033.10	5,848.96	4,064.75
Finished Goods	6,041.56	1,717.30	950.44
Scrap	-	10.12	8.30
Goods in Transit (Raw Materials and Packing Materials etc)	395.31	4,240.53	1.04
Total	32,234.01	28,219.71	13,628.22

Note 11. Investment

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Mutual fund	1,111.69	-	-
Share Application Money pending allotment (In Joint Venture - AIL Dixon Technologies Private Limited)	-	-	10.00
Total	1,111.69	-	10.00

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for the year ended 31st March, 2018

Note 12. Trade Receivables (Unsecured, Considered Good unless otherwise stated)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables	29,627.47	28,018.19	8,854.05
Receivables from Related Party (Joint Venture - Padget Electronics Private Limited)	0.32	2.90	22.97
	29,627.80	28,021.09	8,877.02
Less: Provision for doubtful receivables	-	(0.48)	(1.98)
Total	29,627.80	28,020.60	8,875.04
Break Up of Trade receivables			
Considered Good	29,627.80	28,020.60	8,875.04
Considered Doubtful	-	0.48	1.98
	29,627.80	28,021.09	8,877.02
Less: Provision for doubtful receivables	-	(0.48)	(1.98)
Total	29,627.80	28,020.60	8,875.04

Note 13. Cash and Cash Equivalents

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances With Banks			
In current/Cash Credit Accounts	1,217.95	250.62	136.90
Cash in hand	48.77	20.82	30.74
Total	1,266.72	271.45	167.64

Note 14. Bank Balances (Other Than Note: 13)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance in Unpaid Dividend Account (1 April, 2016 - Rs. 165)	-	-	-
Balances with Bank in Fixed deposit and Margin Money (Including Interest)	3,145.73	1,261.90	578.45
Total	3,145.73	1,261.90	578.45

Note 15. Other Financial Assets (Unsecured considered good)

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposits	419.46	123.57	119.33
Advance to Employees	60.74	857.78	52.72
Amount Receivables from Government Authorities	989.19	480.99	991.11
Other Receivables	191.71	57.69	2.41
Advance to Related Party (Joint Venture - AIL Dixon Technologies Private Limited)	-	4.49	-
Total	1,661.10	1,524.52	1,165.56

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 16. Other Current Assets

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Government Authorities	4,940.26	2,169.39	1,440.20
Advances for materials and services	1,086.24	718.51	605.88
Prepaid Expenses	127.83	68.41	55.32
Total	6,154.33	2,956.30	2,101.40

Note 17. Current Tax Assets

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Income Tax and TDS	2,032.88	1,514.48	833.08
Total	2,032.88	1,514.48	833.08

Note 18. Equity Share Capital

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
AUTHORISED			
26,000,000 (31st March, 2017: 26,000,000) (1st April, 2016: 50,00,000) Equity shares of Rs.10/- each	2,600.00	2,600.00	500.00
Nil (31st March, 2017: Nil) (1st April, 2016: 5000) Preference Shares of Rs.10/- each	-	-	0.50
Total	2,600.00	2,600.00	500.50
ISSUED, SUBSCRIBED AND PAID-UP			
11325091 (31st March, 2017: 10985341) (1st April, 2016: 3103157) Equity shares of Rs.10/- each fully paid up	1,132.51	1,098.53	310.32
Total	1,132.51	1,098.53	310.32

The Authorised Share Capital of the company has been re-classified/consolidated from 19,995,000 equity shares of Rs. 10/- each and 5,000 preference shares of Rs. 10/- each to 20,000,000 equity shares of Rs. 10/- each on 18th April 2017. Further on 20th April 2017, Authorised Share Capital of the Company has been increased to Rs. 260,000,000/- divided in to 26,000,000 equity shares of Rs. 10/-.

a) Reconciliation of equity shares

	No of Share	No of Share	No of Share
Balance as at the beginning of the year	10985341	3103157	3103157
Add: shares issued during the Period			
Shares issued under Initial Public Offer (refer (h) below)	339750	-	-
Issued under conversion of Debenture during the period (refer (d) below)	-	1290041	-
Issued under ESOP Scheme during the Period (refer (e) below)	-	314806	-
Bonus (refer (f) below)	-	6277337	-
Balance as at the end of the year	11325091	10985341	3103157

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

b) Terms & Right 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 the 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.

Mr. Sunil Vachani	4196208	4830343	2070147
(In %)	37.05%	43.97%	66.71%
India Business Excellence Fund 1	-	2146265	
(In %)	-	19.54%	
Mrs. Kamla Vachani	1064144	1225000	525000
(In %)	9.40%	11.15%	16.92%
IL&FS Trust Company Limited	-	1155730	
(In %)	-	10.52%	
Mr. Atul B. Lall	-	700000	
(In %)	-	6.37%	

d) Terms & conditions of convertible Debentures

- Convertible debentures amounting to Rs. 3749.67 Lakhs has been converted into 1290041 equity share on 27th August 2016 in compliance with applicable law, based on the formula stated in The Investment Agreement dated March 28, 2014 (as amended) and Share allotted on Premium Rs. 280.66 Per share

Date of Issue	(Rs. in Lakhs unless otherwise stated)	
	No of Debentures	Total Amount
24-June-08	199967	1999.67
21-Nov-08	60000	600.00
31-Jan-09	40000	400.00
28-Apr-09	50000	500.00
28-Oct-09	25000	250.00

- Stock Option Plan** - The Company has allotted 314806 fully paid up shares of face value Rs. 10 each as on 17th September 2016 under the Scheme of ESOP as referred in Note 38 (11)

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

The Company has allotted 6277337 fully paid up shares of face value Rs. 10 each during the year ended 31st March, 2017, pursuant to a bonus share 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, on number of share 4,708,004.

g) Share holding pattern with respect of Holding or ultimate Holding company

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

h) Initial Public Offer

The Company had made an Initial Public Offer (IPO) during the year ended 31st March, 2018, for 33,93,425 equity shares of Rs. 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 Selling share holders. The equity shares were issued at a price of Rs. 1766 per share (including premium of Rs. 1756 per share). Out of the total proceeds from the IPO of Rs. 59,928 Lakhs, the Company's share was Rs. 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 19. Other Equity

	Refer Note	(Rs. in Lakhs unless otherwise stated)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Component of Convertible Debenture	19(a)	-	-	1,873.90
General Reserve	19(b)	703.36	703.36	703.36
Share Premium	19(c)	9,600.02	3,922.19	152.68
Capital Redemption Reserve-	19(d)	33.24	33.24	33.24
Share Option outstanding	19(f)	-	-	191.57
Retained Earnings	19(g)	20,083.90	13,993.83	8,156.27
Other Comprehensive Income	19(e)	(55.60)	(44.32)	(33.43)
Total		30,364.92	18,608.29	11,077.60

(a) Equity Component of Convertible Debenture

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	-	1,873.90
Less: Transfer to Retained Earning on conversion of debenture	-	(1,873.90)
Closing Balance	-	-

(b) General Reserve

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
As per last Financial statement	703.36	703.36
Closing Balance	703.36	703.36

(c) Share Premium

	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Balance As per last financial statement	3,922.19	152.68
Add: During the year		
Premium on Issue of shares under IPO	5,966.01	-
Premium on Conversion on Debenture into Equity Share	-	3,620.67
Premium on Issue of share under ESOP Scheme	-	776.58
Less: Appropriation		
Issue of bonus share	-	(627.73)
Expenses of initial public offer	(288.18)	-
(Includes proportionate payment of Rs 7.62 Lakhs to Statutory Auditors)		
Closing Balance	9,600.02	3,922.19

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

(d) Capital Redemption Reserve

	(Rs. in Lakhs unless otherwise stated)	
	As at	As at
	31st March, 2018	31st March, 2017
As per last Financial statement	33.24	33.24
Closing Balance	33.24	33.24

(e) Other Comprehensive Income-

	(Rs. in Lakhs unless otherwise stated)	
	As at	As at
	31st March, 2018	31st March, 2017
Remeasurement of Defined Benefit Plans		
As per last Financial statement	(44.32)	(33.43)
During the year	(11.27)	(10.90)
Closing Balance	(55.60)	(44.32)

(f) Share Option outstanding

	(Rs. in Lakhs unless otherwise stated)	
	As at	As at
	31st March, 2018	31st March, 2017
As per last Financial statement	-	191.57
Add : During the year	-	6.87
Less : During the year	-	198.44
Closing Balance	-	-

(g) Retained Earnings

	(Rs. in Lakhs unless otherwise stated)	
	As at	As at
	31st March, 2018	31st March, 2017
As per last Financial statement	13,993.83	8,156.27
Add: During the year		
Profit during the year	6,090.08	4,756.96
Transfer from Equity Component of Convertible Debenture on Conversion	-	1,873.90
Less: Appropriation		
Interim dividend on Equity Shares for the year	-	659.12
Dividend distribution tax on Interim dividend on Equity Shares	-	134.18
Closing Balance	20,083.90	13,993.83
Total	30,364.92	18,608.29

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 20. Borrowings

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Debenture (Unsecured)			
Convertible Debentures	-	-	3,471.92
Total	-	-	3,471.92
Term Loans (Secured)			
From Banks			
Foreign currency loans			
Standard Chartered Bank	548.47	861.88	1,175.29
Rupee loan			
Vehicle Loans	31.82	48.24	73.02
From others			
Rupee loan			
Hero FinCorp Ltd	-	-	121.80
Tata Capital Housing Finance Ltd.	159.06	-	-
Vehicle Loans	52.61	70.70	94.02
Total Amount of Term Loans	791.96	980.83	1,464.13
Finance lease obligations (Unsecured)	8.18	8.18	8.18
Total	8.18	8.18	8.18
Total Borrowings	800.13	989.01	4,944.23
Total Secured Borrowings	791.96	980.83	4,936.05
Total Unsecured Borrowings	8.18	8.18	8.18
Total	800.13	989.01	4,944.23

- Debenture converted into Equity shares during the FY 2016-17
- USD 2,000,000 Foreign currency loan from Standard Chartered Bank is secured against first pari passu charge on movable Property, Plant & 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 & future), is repayable in 17 Quarterly instalments from December, 2016. Last instalment payable on December, 2020. Rate of 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 thereof varying from 2014 ending on 2022, bearing interest rate varying from 9.50% p.a. to 13.50% p.a.
- Property 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 9.00% 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 items vests with the respective lessors. There are no restrictions imposed by 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 the Consolidated Financial Statements

for the year ended 31st March, 2018

		(Rs. in Lakhs unless otherwise stated)		
Particulars		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
With In One Year	Minimum Lease Payment	0.66	0.66	0.66
	Present Value of MLP	0.61	0.61	0.61
After One Year but not more than Five Year	Minimum Lease Payment	2.63	2.63	2.63
	Present Value of MLP	3.84	3.84	3.84
More Than Five Year	Minimum Lease Payment	40.15	40.81	41.46
	Present Value of MLP	5.55	5.55	5.56
Total Minimum Lease Payments	Minimum Lease Payment	43.44	44.10	44.75
	Present Value of MLP	9.99	10.00	10.00
Amounts representing Finance Charges		33.45	34.10	34.75
Present value of minimum lease payments		9.99	10.00	10.00

Note 21. Provisions

		(Rs. in Lakhs unless otherwise stated)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits	[Refer note : 38(13)]	362.40	316.91	241.35
Total		362.40	316.91	241.35

Note 22: Deferred Tax (net)

Calculation of deferred tax (net) as on 31st March, 2018 is as given below::

		(Rs. in Lakhs unless otherwise stated)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liability				
Arising on account of timing differences in Depreciation		1,764.87	1,359.07	1,098.63
Deferred Tax Assets				
Arising on account of timing differences in accrued expenses		427.12	381.69	382.35
Tax Credit Entitlement		930.58	1,002.76	978.73
Deferred Tax Liability /(Assets) (Net)		407.17	(25.39)	(262.45)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Movement in deferred tax assets and liabilities during the year ended 31st March, 2017 and 31st March, 2018

Particulars	As at 1st April, 2016	Recognised in Statement of Profit & Loss	(Rs. in Lakhs unless otherwise stated)	
			Recognised in OCI	As at 31st March, 2017
Deferred Income Tax Liabilities				
Depreciation	1,098.63	260.44	-	1,359.07
Deferred Income Tax Assets				
Expenses allowable on payment basis	84.05	25.64	5.77	115.46
Others	298.30	(32.07)		266.23
Total	716.28	266.86	(5.77)	977.38

Particulars	As at 1st April , 2017	Recognised in Statement of Profit & Loss	(Rs. in Lakhs unless otherwise stated)	
			Recognised in OCI	As at 31st March, 2018
Deferred Income Tax Liabilities				
Depreciation	1,359.07	405.81	-	1,764.87
Deferred Income Tax Assets				
Expenses allowable on payment basis	115.46	26.65	5.97	148.08
Others	266.23	12.81		279.04
Total	977.38	366.35	(5.97)	1,337.76

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority

Note 23. Borrowings

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
From Banks (Secured)			
Foreign Currency Loan			
Buyer Credits	1,264.27	155.77	-
Rupee Loan			
Packing Credit Loan	2,000.00	1,000.00	132.74
Working Capital Loan	-	2,150.58	2,358.66
Total	3,264.27	3,306.35	2,491.40

Loans from banks (comprising of vendor financing, working capital demand loans) are secured on pari-passu basis over all the present & future book debts and stock-in-trade comprising of raw material, Components , work in process 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 & 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 (Uttarkhand) and Personal guarantee\ of Mr. Sunil Vachani

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 24. Trade Payables

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables for goods and services			
Total outstanding dues of Micro, Small and Medium enterprises [Refer note:38(3)]	1,305.58	1,769.81	890.94
Total outstanding dues of others	50,168.53	48,530.70	17,552.33
Total	51,474.12	50,300.52	18,443.26

Note 25. Other Financial Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding forward Marked to Market (MTM)	26.57	206.08	124.24
Unpaid Dividend (1 April, 2016 - Rs. 165)	-	-	-
Current maturities of Long Term Borrowings	398.42	377.62	254.22
Employee related Liabilities	686.67	506.20	402.76
Interest accrued but not due on Borrowings	26.29	10.13	2.97
Total	1,137.95	1,100.02	784.18

Note 26. Other Current Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances Received from Customers	5,627.47	619.78	176.08
Statutory Dues	1,222.27	651.84	410.44
Total	6,849.75	1,271.62	586.52

Note 27. Provisions

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee Benefits [Refer note:38(13)]	75.84	22.76	18.43
Provision for Warranty	305.84	244.76	50.00
Total	381.68	267.52	68.43

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Movement of Provision for warranty			
Balance as at beginning of the year	244.76	50.00	-
Add - Provision created during the year	261.30	194.76	50.00
Less - Utilised/Written back during the year	200.22	-	-
Balance as at Closing of the year	305.84	244.76	50.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 28. Current Tax Liabilities

	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax	2,411.93	1,608.74	834.72
Provision for Dividend Distribution Tax	-	-	44.22
Total	2,411.93	1,608.74	878.94

Note 29. Revenue From Operations

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Products (including Excise Duty), (Including Export Sales Rs 7328.86 Lakhs, Previous Year Rs. 5900.72 Lakhs)	280,667.41	246,653.19
	280,667.41	246,653.19
Other Operating Revenues		
Service Charges Received	2,301.79	564.80
Export Benefits	278.10	206.21
Job Work Charges	1,547.17	2,400.85
Scrap Sale	-	20.30
Rent Received (Production facility charges)	26.88	26.88
GST Incentive on Area base Exemption	467.80	-
Other Incentive	50.00	-
	4,671.74	3,219.04
Total	285,339.14	249,872.23

Note 30. Other Income

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
<u>Interest Received (Gross):</u>		
-On Fixed Deposits/ Margin Money	197.51	59.29
-Others	53.66	60.22
<u>Other Non Operating Income</u>		
Other receipts	2.73	2.63
Interest received on income tax refund	-	12.08
Provision for loan & advance written back	-	1.98
Exchange Fluctuations (Net)	95.49	-
Excess Liabilities, Credit Balances, Provisions etc. Written Back	56.41	4.41
Income from Investment in Mutual Fund	11.69	-
Total	417.47	140.61

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 31. Cost Of Materials Consumed

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Stock	16,402.79	8,602.71
Add: Purchase (Including Components) (Net of Foreign Exchange Gain Rs. 811.36 Lakhs (PY Foreign Exchange Gain Rs. 911.37 Lakhs)	256,562.02	228,360.94
	272,964.81	236,963.65
Less: Closing Stock	20,764.04	16,402.79
Total	252,200.77	220,560.86

Note 32. Changes In Inventories Of Finished Goods, Stock-In-Trade And Work-In-Progress

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Inventories at the beginning of the year		
Finished Goods	1,717.30	950.66
Work in Progress	5,848.96	4,064.75
Scrap	10.12	8.30
Total	7,576.39	5,023.71
Inventories at the end of the Year		
Finished Goods	6,041.56	1,717.30
Work in Progress	5,033.10	5,848.96
Scrap	-	10.12
Total	11,074.66	7,576.39
(Increase)/Decrease	(3,498.27)	(2,552.68)

Note 33. Employee Benefits Expense

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, Wages, Bonus etc.	6,118.58	5,451.25
Contribution to Provident and Other Funds	316.30	347.87
Contribution to Gratuity Fund	103.81	72.46
Employee Stock Option Plan	-	6.87
Staff Welfare Expenses	736.35	512.62
Total	7,275.05	6,391.08

Note 34. Finance Cost

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest	1,237.21	1,431.64
Other Financial charges (Including Bank Charges)	108.03	122.65
Total	1,345.23	1,554.29

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 35. Depreciation And Amortisation Expenses

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
On Tangible Assets	1,512.19	1,066.59
On Intangible Assets	6.05	4.77
Total	1,518.24	1,071.36

Note 36. Other Expenses

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of Stores and Spare parts	2,557.81	2,185.07
Manufacturing Expenses	6,373.22	4,073.81
Service Charge Paid	2,133.43	610.37
Power & Fuel	1,446.95	1,097.30
Rent	565.68	274.24
Repairs to Buildings	93.63	79.61
Repairs to Plant & Equipment	616.03	445.69
Repairs to Others Assets	237.00	233.96
Insurance	108.82	78.26
Rates & Taxes	94.59	90.50
Selling & Distribution Expenses	1,050.52	679.42
Donations	2.21	2.93
R & D Expenses	56.54	51.54
Payment to Auditors [Refer note : 38(12)]	51.36	38.89
Bad debts Write off	18.66	2.17
Provision for doubtful debts / loans & Advances	97.58	167.40
Provision for Impairment of Property, Plant & Equipment	56.21	7.04
Loss on sale of Property, Plant & Equipment	18.24	55.25
Corporate Social Responsibility Expenses [Refer note : 38(14)]	70.52	30.50
Exchange Fluctuations (Net)	-	70.25
Increase/(decrease) in Excise Duty & Cess on Finished goods	(10.73)	9.14
Brokerage & Commission	36.33	813.96
Miscellaneous Expenses	1,242.08	1,082.63
Total	16,916.71	12,179.95

Note 37. Tax Expense

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Tax	2,411.93	1,608.74
Deferred Tax	366.34	266.86
	2,778.27	1,875.60
	-	-
Income Tax for earlier years (net)	(45.19)	5.97

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Note 37. Tax Expense (contd..)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense of comprehensive Income

	(Rs. in Lakhs unless otherwise stated)	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Income before Income taxes	8,823.16	6,638.53
Indian Statutory Income tax Rate	34.61%	34.61%
Estimated Income tax expenses	3,053.70	2,297.59
Tax effect of adjustments to reconcile expected Income tax expense to reported		
Income tax expense :		
Income exempt	(205.30)	(461.14)
Tax payable at different rate	(10.95)	(1.95)
Effect on Tax Allowance	(162.58)	(6.95)
Carried forward Losses & Depreciation	-	(44.86)
Deferred Tax / Tax Credit Entitlement U/S 115 JAA	80.35	36.43
Others	23.05	56.48
Income Tax expense in the Statement of Profit and Loss	2,778.27	1,875.60

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

38.

1 A. Contingent liabilities

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Contingent liabilities not provided in respect of			
(i) Letters of Credit (outstanding)	7,341.27	2,404.72	2,518.48
(ii) Guarantees issued by bankers on behalf of Company to Bombay Stock Exchange and other Government Departments (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)	319.34	29.06	15.06
(iii) Corporate Guarantees given to Banks on behalf of subsidiary for purpose of financial assistance.	5,450.00	3,950.00	6,050.00
(iv) Bill Discounting with Banks	8,622.75	1,132.09	1,492.36
(v) Demand for Sales Tax under appeal with Department/ Tribunal/ Courts and show cause notice etc. Deposit Under Protest- Rs. 50.63 Lakhs, 31st March, 2017-Rs. 52.06 Lakhs (1st April, 2016-Rs. 45.47 Lakhs) (Excluding Interest & Penalty)	221.26	102.50	102.94
(vi) Demand for Excise, Custom Duty, Service Tax under appeal with Dept./Tribunal/ Courts and show cause notice etc. excluding Penalty & Interest (Deposit Under Protest Rs.162.06 Lakhs (31st March, 2017-Rs.159.81 Lakhs) (1st April, 2016-Rs.131.65 Lakhs))	1,516.89	1,581.65	1,722.92
(vii) Demand for Income Tax under appeal with CIT (A), Tribunal and objection filed under dispute resolution panel (Excluding Interest & Penalty)	230.02	169.62	-
(viii) Cases pending in labour court and not provided for	18.44	17.01	10.77
(ix) Stamp Duty appeal filed with Chief Controller of Revenue, Allahabad (Deposit Under Protest Rs. 4.15 Lakhs (31st March, 2017- Rs. 4.15 Lakhs) (1st April, 2016 - Rs. 4.15 Lakhs)	17.78	17.78	17.78
(x) Bond given to custom department on behalf of the Joint venture companies	9,782.50	8,940.00	5,000.00

B. Capital commitments:

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Estimated amount of contract remaining to be executed on Capital Account and not provided for (Net of Advances)	652.51	1,647.17	287.61

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

C. Contingent Assets

(i) Claim for M-SIPS Incentives

The Company will get incentive on capital expenditure incurred for manufacturing of electrical appliances. An incentive of 25% of total capital expenditure and 100% of CVD/Excise paid is available. Incentive will be disbursed after fulfilment of specified conditions and submission of application to the Government Authority. Incentive will be granted once the agency appointed by Government Authority completes its verification and issues order in this regard. The company expects that an amount of Rs 384.09 Lakhs will be sanctioned by the Government Authority in this regard on approval accorded by the agency.

One of the Jointly Controlled Entity "Padget Electronic Private Limited" will also get incentive on capital expenditure incurred for manufacturing of Mobile Phones. An incentive of 25% of total capital expenditure and 100% of CVD/Excise paid is available. Incentive will be disbursed after fulfilment of specified conditions and submission of application to the Government Authority. Incentive will be granted once the agency appointed by Government Authority completes its verification and issues order in this regard. The company expects that an amount of Rs 298 Lakhs will be sanctioned by the Government Authority in this regard on approval accorded by the agency.

(ii) Investment subsidy for setting up industry in specified area in Andhra Pradesh

The Government of Andhra Pradesh vide Order No. GO(MS) No. 170 dated December 16, 2016 and GO(MS) No. 37 dated March 03, 2017 has announced certain fiscal incentives to the company for setting up industries in the notified Electronics Manufacturing Clusters (EMCs) of the State. Incentive will be disbursed after fulfilment of specified conditions and submission of application to the Government Authority and company expects Rs. 30.20 Lakhs as investment subsidy relating to the year.

2. Assets Mortgage and/or pledged as security

The carrying amounts of assets Mortgage and/or pledged as security for current and non-current borrowings are:

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current:			
Financial assets			
Trade Receivables	12,946.34	13,373.87	8,988.38
Inventories	23,159.66	15,666.47	9,924.44
Total current assets pledged as security	36,106.00	29,040.34	18,912.82
Non-current:			
Land	817.75	817.75	817.75
Buildings	3,701.07	2,967.65	2,875.23
Plant & Machinery	9,432.98	6,738.95	5,304.95
Vehicles	401.70	371.44	417.88
Total non-currents assets Mortgage and/or pledged as security	14,353.51	10,895.79	9,415.80
Total assets Mortgage and/or pledged as security	50,459.51	39,936.12	28,328.62

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

3 . Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED):

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities:

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,305.58	1,769.81	890.94
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

4. Leases

Disclosures for operating leases

- The Company has entered into cancellable operating leases and transactions for leasing of accommodation for Factory Building, Service center, office space, Godown, transit house etc. The tenure of lease generally, vary between one to three and thirty year. Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.
- The Company has given three different portions of its properties on lease to its Subsidiary Joint venture and 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.

Lease Income & Expenditure recognised in the Consolidated Summary Statement of Profit and Loss	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
i) As a lessee (Expenses)		
Factory Building, Godown, Office Space, Service centre & Transit House	565.68	274.24
i) As a lessor (Income)		
Factory Building	26.88	26.88

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

5. Earnings per share

Particulars	As at 31st March, 2018	As at 31st March, 2017
Net Profit/(Loss) After Tax for the year (in Lakhs)	6,090.08	4,756.96
Weighted average Number of Equity Shares for computing Basic Earnings per share (in Lakhs)	111.71	103.12
Weighted average Number of Equity Shares for computing Diluted Earnings per share (in Lakhs)	111.71	109.00
Face value of per share	10.00	10.00
-Basic EPS	54.51	46.13
-Diluted EPS	54.51	43.64

6. Research & Development Costs

The Company has incurred following expenditure on research & Development -

(a) Revenue Expenditure

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Cost of Material Consumed	55.57	64.49
Power & Fuel	3.60	3.00
Salaries, Wages, Bonus etc.	186.27	223.71
Contribution to Provident and Other Funds	12.64	15.37
Contribution to Gratuity Funds	6.54	5.95
Staff Welfare Expenses	0.07	0.42
Consumption of Store and spare parts	1.13	0.00
Repairs to Plant and Equipment	4.60	0.06
Repairs to Other Assets	3.50	0.58
Rates & Taxes	0.64	0.44
Depreciation & Amortisation Expenses	7.22	2.00
Other Expenses : -		
R & D Expenses	56.54	51.54
Miscellaneous Expenses	14.85	22.78
Total	353.15	390.36

b) Capital Expenditure

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Purchase of Property, Plant and Equipment	80.46	45.85
Total	80.46	45.85

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

7. The following table shows foreign currency exposures on financial instruments at the end/beginning of respective years.

(Rs. and USD in Lakhs unless otherwise stated)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Total	Hedged	Unhedged	Total	Hedged	Unhedged	Total	Hedged	Unhedged
Term Loan in US Dollars	12.94	12.94	-	17.65	17.65	-	20.00	20.00	-
Term Loan in INR	861.88	861.88	-	1,175.29	1,175.29	-	1,332.00	1,332.00	-
Buyers' Credit in US Dollars	19.44	-	19.44	2.40	-	2.40	-	-	-
Buyers' Credit in INR	1,264.27	-	1,264.27	155.77	-	155.77	-	-	-
Creditors in US Dollars	532.96	40.93	492.04	544.94	57.28	487.66	158.70	72.42	86.28
Creditors in INR	36,558.85	2,661.93	33,896.92	36,257.88	3,721.73	32,536.15	10,526.54	4,803.73	5,722.81
Debtors in US Dollars	19.14	-	19.14	33.20	-	33.20	9.20	-	9.20
Debtors in INR	1,245.08	-	1,245.08	2,152.40	-	2,152.40	610.52	-	610.52

8. Fair value of Financial assets & Financial liabilities (current & non current)

(A) Financial Instrument by Category

Particulars	As at 31st March, 2018					As at 31st March, 2017					(Rs. in Lakhs unless otherwise stated)				
	Fair Value through Profit & Loss (FVTPL)	Fair Value through Comprehensive Income (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through Comprehensive Income (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Fair Value through Comprehensive Income (FVTOCI)	Fair Value through Profit & Loss (FVTPL)	Fair Value through Comprehensive Income (FVTOCI)	Amortised Cost	Fair Value through Profit & Loss (FVTPL)	Amortised Cost
Financial Asset															
Non Current															
Trade Receivables	-	-	446.14	-	-	-	-	-	-	-	-	-	-	-	90.86
Security Deposits	-	-	24.53	-	-	-	-	39.28	-	-	-	-	-	-	22.47
Current															
Investments	1,111.69	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00
Trade Receivables	-	-	29,627.80	-	-	-	-	28,020.60	-	-	-	-	-	-	8,875.04
Cash and Cash Equivalents	-	-	1,266.72	-	-	-	-	271.45	-	-	-	-	-	-	167.64
Bank balances other than Note 13	-	-	3,145.73	-	-	-	-	1,261.90	-	-	-	-	-	-	578.45
Other Financial Assets	-	-	1,661.10	-	-	-	-	1,524.52	-	-	-	-	-	-	1,165.56
Total of Financial Assets	1,111.69	-	36,172.02	-	-	-	-	31,117.74	-	-	-	-	-	-	10,910.02
Financial Liabilities															
Non Current															
Borrowings	-	-	800.13	-	-	-	-	989.01	-	-	-	-	-	-	4,944.23
Current															
Borrowings	-	-	3,264.27	-	-	-	-	3,306.35	-	-	-	-	-	-	2,491.40
Trade Payables	-	-	51,474.12	-	-	-	-	50,300.52	-	-	-	-	-	-	18,443.26
Outstanding forward (MTM)	26.57	-	-	206.08	-	-	-	-	124.24	-	-	-	-	-	-
Other Financial Liabilities	-	-	1,111.38	-	-	-	-	893.95	-	-	-	-	-	-	659.94
Financial Liabilities	26.57	-	56,649.89	206.08	-	-	-	55,489.83	124.24	-	124.24	-	-	-	26,538.84

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Fair Value Hierarchy

B) Financial Assets and liabilities measured at fair value – recurring fair value measurements (Sector wise Disclosure)

Particulars	31.03.18			31.03.17			01.04.16		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
FVTPL									
Outstanding Forward (MTM)	NA	26.57	NA	NA	206.08	NA	NA	124.24	NA
Investment	1,111.69	NA	NA	-	NA	NA	-	NA	NA
FVTOCI									
Designated as Hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Not Designated as Hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Financial Liabilities									
Derivatives not designated as hedges	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign Exchange Forward	NA	NA	NA	NA	NA	NA	NA	NA	NA
Contracts (MTM)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All of the resulting fair value estimates are included in level 2 .

Valuation Techniques used for fair value measurement

Particulars	Fair value as on Mar 31, 2018	Valuation Technique	(Rs. in Lakhs unless otherwise stated)	
			Unobservable input	Range
Unquoted Equity	NA	NA	NA	NA
Debt Securities	NA	NA	NA	NA
Hedge Funds	NA	NA	NA	NA
Forward Contract	26.57	Present Value	Reports from Bank	NA
Mutual Fund	1,111.69	Market Value	Mutual Fund Statement	NA

Valuation processes

- 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).
- 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.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

C) Fair Value of Financial Assets & Liabilities measured at amortised cost

Particulars	(Rs. in Lakhs unless otherwise stated)					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Asset						
Non Current						
Trade Receivables	446.14	446.14	-	-	90.86	90.86
Security Deposits	24.53	24.53	39.28	39.28	22.47	22.47
Current						
Investments	-	-	-	-	10.00	10.00
Trade Receivables	29,627.80	29,627.80	28,020.60	28,020.60	8,875.04	8,875.04
Cash and Cash Equivalents	1,266.72	1,266.72	271.45	271.45	167.64	167.64
Bank balances other than Note 13	3,145.73	3,145.73	1,261.90	1,261.90	578.45	578.45
Other Financial Assets	1,661.10	1,661.10	1,524.52	1,524.52	1,165.56	1,165.56
Total of Financial Assets	36,172.02	36,172.02	31,117.74	31,117.74	10,910.02	10,910.02
Financial Liabilities						
Non Current						
Borrowings	800.13	800.13	989.01	989.01	4,944.23	4,944.23
Current						
Borrowings	3,264.27	3,264.27	3,306.35	3,306.35	2,491.40	2,491.40
Trade Payables	51,474.12	51,474.12	50,300.52	50,300.52	18,443.26	18,443.26
Outstanding forward (MTM)	26.57	26.57	206.08	206.08	124.24	124.24
Other Financial Liabilities	1,111.38	1,111.38	893.95	893.95	659.94	659.94
Financial Liabilities	56,676.47	56,676.47	55,695.90	55,695.90	26,663.07	26,663.07

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

- The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- The company has not classified any financial assets as hedge instruments and hence hedge accounting is not applicable

9. Summary Statement of Consolidated Financial Risk Management

The Company's principal financial liabilities, other than derivatives, comprise loans and 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 loans, 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 risk, credit risk 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 banks and financial institutions, 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.

Class 1 Quality

Class 2 Standard

Class 3 Doubtful

Class 4 Loss

Expected Credit Loss for Loans & Trade Receivables -31.03.2018

				(Rs. in Lakhs unless otherwise stated)	
Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	29,627.80			29,627.80
Standard	Class 2	446.14			446.14
Doubtful	Class 3	-			-
Loss	Class 4	(399.74)	100.00	(399.74)	-
	Total	29,674.20		(399.74)	30,073.94
Loans					
	Class 4	14.72	100.00	14.72	-
	Total	14.72		14.72	-
	Grand Total	29,688.92		(385.02)	30,073.94

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Expected Credit Loss for Loans & Trade Receivables -31.03.2017

(Rs. in Lakhs unless otherwise stated)

Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	28,020.60			28,020.60
Standard	Class 2	-			-
Doubtful	Class 3	-			-
Loss	Class 4	301.20	100.00	301.20	-
	Total	28,321.80		301.20	28,020.60
Loans	Class 4	14.72	100.00	14.72	-
	Total	14.72		14.72	-
	Grand Total	28,336.53		315.92	28,020.60

Expected Credit Loss for Loans & Trade Receivables -01.04.2016

(Rs. in Lakhs unless otherwise stated)

Asset Group	Rating	Gross Carrying Amount	Expected Probability (%)	Expected Credit Loss	Net Carrying Amount
Trade Receivables					
Quality	Class 1	8,875.04			8,875.04
Standard	Class 2	90.86			90.86
Doubtful	Class 3				-
Loss	Class 4	136.75	100.00	136.75	-
	Total	9,102.65		136.75	8,965.90
Loans	Class 4	14.72	100.00	14.72	-
	Total	14.72		14.72	-
	Grand Total	9,117.37		151.47	8,965.90

Reconciliation of loss allowance provision

(Rs. in Lakhs unless otherwise stated)

Reconciliation of Loss Allowance	Loss allowance measured at 12 month Expected Losses	Loss allowance measured at Life time Expected Losses	
		Financial asset for which credit risk has increased significantly & credit impaired	Financial asset for which credit risk has increased significantly & not credit impaired
Loss allowance as on 1st April, 2016	151.47		
-Changes due to purchase of asset		-	-
Adjustment Against Provisions		-	-
-Modification of contractual cash flow that did not result in derecognition		-	-
-Change in risk parameters		-	-
-Change from 12 month to life time expected measurement and vice-versa	164.45	-	-
Loss allowance as on 31st March, 2017	315.92		
-Changes due to purchase of asset		-	-
Adjustment Against Provisions		-	-
-Modification of contractual cash flow that did not result in derecognition	-	-	-
-Change in risk parameters	-	-	-
-Change from 12 month to life time expected measurement and vice-versa	(700.94)	-	-
Loss allowance as on 31st March, 2018	(385.02)		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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 mutual funds and 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.

Maturities of financial liabilities

As on 31.03.2018

Financial Liabilities	(Rs. in Lakhs unless otherwise stated)		
	<12 months	<12 months	Total
Non Derivative			
Short term borrowings	3,264.27	-	3,264.27
Trade Payables	51,474.12	-	51,474.12
Long Term Borrowings	-	800.13	800.13
Other Financial Liabilities	1,137.95	-	1,137.95

As on 31.03.2017

Financial Liabilities	(Rs. in Lakhs unless otherwise stated)		
	<12 months	<12 months	Total
Non Derivative			
Short term borrowings	3,306.35	-	3,306.35
Trade Payables	50,300.52	-	50,300.52
Long Term Borrowings	-	989.01	989.01
Other Financial Liabilities	1,100.02	-	1,100.02

As on 01.04.2016

Financial Liabilities	(Rs. in Lakhs unless otherwise stated)		
	<12 months	<12 months	Total
Non Derivative			
Short term borrowings	2,491.40	-	2,491.40
Trade Payables	18,443.26	-	18,443.26
Long Term Borrowings	-	4,944.23	4,944.23
Other Financial Liabilities	784.18	-	784.18

C) Market Risk Management

C.1) Foreign Currency Risk

1. The company operates internationally and is exposed 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 objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.
2. 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 not classified as hedge.
3. The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

(a) Foreign currency risk exposure

Particulars	As at 31st March, 2018 USD in Lakhs	As at 31st March, 2017 USD in Lakhs	As at 1st April, 2016 USD in Lakhs
Financial Assets	19.14	33.20	9.20
Financial Liabilities	511.48	490.06	86.28
Net Exposure	492.33	456.87	77.07

(b) Sensitivity

Particulars	Sensitivity Analysis	Impact on PAT (USD in Lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
USD Sensitivity (Increase)	0.05	16.10	14.94	2.52
USD Sensitivity (Decrease)	0.05	(16.10)	(14.94)	(2.52)

(c) Sensitivity

Particulars	Sensitivity Analysis	Impact on Other Equity (USD in Lakhs)		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
USD Sensitivity (Increase)	0.05	16.10	14.94	2.52
USD Sensitivity (Decrease)	0.05	(16.10)	(14.94)	(2.52)

C.2) Cash flow and fair value interest rate risk

The Company'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 & 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.

Interest rate risk exposure

Particulars	(Rs. in Lakhs unless otherwise stated)		
	31st March, 2018	31st March, 2017	1st April, 2016
Variable Rate borrowings	3,264.27	3,306.35	2,491.40
Fixed Rate Borrowings	1,190.38	1,358.45	5,190.26

Sensitivity Analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Impact on PAT	
	31st March, 2018	31st March, 2017
Interest Rate – increase by 50 basis points	10.67	10.81
Interest Rate – decrease by 50 basis points	(10.67)	(10.81)

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Impact on Equity	
	31st March, 2017	1st April, 2016
Interest Rate – increase by 50 basis points	10.67	10.81
Interest Rate – decrease by 50 basis points	(10.67)	(10.81)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

C.3) Price Risk

The Company's exposure to equity securities price risk arises from investment held by the Company and classified in the Balance Sheet at fair value through Profit and loss. Having regard to the nature of securities, intrinsic worth, intent and short term nature of securities held by the company, fluctuation in their prices are considered acceptable and do not warrant any management.

Exposure to other market price risk

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Mutual Fund	1,111.69	-	-
	1,111.69	-	-

Sensitivity Analysis

Particulars	Sensitivity Analysis	(Rs. in Lakhs unless otherwise stated)	
		Impact on PAT	
		31st March, 2018	31st March, 2017
Market rate Increase	5%	36.35	-
Market rate Decrease	5%	(36.35)	-

Particulars	Sensitivity Analysis	(Rs. in Lakhs unless otherwise stated)	
		Impact on PAT	
		31st March, 2018	31st March, 2017
Market rate Increase	5%	36.35	-
Market rate Decrease	5%	(36.35)	-

C.4) Warranty & Guarantee Risk

The entity give three years warranty on LED bulbs and one year on Television. LED bulbs are replaced with new bulbs and in respect of Televisions defective part is changed.

The entity sets its quality parameter and test products from production line on regular intervals. Before dispatch the products is selected on sample basis and test its quality to reduce chances of defective products out for delivery.

10. 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 investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Net Debt	2,084.42	4,401.54	7,512.20
Total Equity	31,497.43	19,706.83	11,387.91
Debt Equity Ratio	0.07	0.22	0.66

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

11. Employee Stock Option Plan

Employee Stock Option Plan - 2010: The company had an Employee Stock Option Plan ('the 2010 Plan') 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 2010 plan to the shareholders on 3rd June 2008 and shareholders approved the recommendations of the board of director in Extra Ordinary General Meeting held on 3rd June 2008. The maximum aggregate number of shares that may be awarded under the 2010 plan was 4,37,000 shares. The company has approved 2 grants vide its meeting held on 2nd Nov'2010 and 1st July'2015 As per the plan, option granted under ESOP would vest in not less than one year and not more than 3 years from the date of grant of such option. The Plans are Equity Settled Plans.

Particulars	(Rs. in Lakhs unless otherwise stated)	
	Grant I	Grant II
Date of Grant	2nd Nov 2010	1st July 2015
Date of Share holders Approval	3rd June 2008	3rd June 2008
Date of Board of Directors Approval / Committee	2nd Nov 2010	1st July 2015
No. of Option	2.56	1.37
Method of settlement (Cash/Equity)	Equity	Equity
Vesting Period	Year 1- 33.33%	Year 1- 100%
	Year 2- 33.33%	
	Year 3- 33.34%	
Exercise Price (Per Share Rs.)	119.00	290.00
Exercise Period	5 years	1 year
Ext. of Exercise Period	1 year	
Board Approval for Extension	14th Oct 2015	
Fair Value of Share at the time of Grant (Per Share Rs.)	227	295

Particulars	(Rs. in Lakhs unless otherwise stated)					
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April 2016	
	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price	Share arising out of options	Weighted average exercise price
Exercisable at the beginning	-	-	3.15	193.65	-	-
Granted	-	-	-	-	1.37	290.00
Forfeited and expired	-	-	-	-	-	-
Exercised	-	-	3.15	193.65	-	-
Exercisable at the end	-	-	-	-	3.15	193.65

12. Payments to auditors:

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Audit Fees	25.75	21.40
Tax Audit Fees	3.80	2.00
Out of pocket expenses	3.01	2.56
Certification fees	15.05	4.32
Company Law matter		4.54
Payment to Cost Auditor	3.75	4.07
Total	51.36	38.89
Proportionate Payment w.r.t. IPO	7.62	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

13. Employee Benefits

Defined Contribution Plan

a) Provident Fund & 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.

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Contribution towards Provident Fund & other Funds	316.30	347.87

Defined Benefits Plan

Gratuity: The liability in respect of defined benefit plans includes Gratuity liability as per the provisions of the Payment of Gratuity Act, 1972 which is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. The company's obligation includes actuarial risk and investment risk. Actuarial gains and losses in respect of post-employment are charged to the Profit and Loss Statement.

Assumptions

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Approach Used	Projected Units Credit Method	Projected Units Credit Method
Future Salary Increase		
Dixon Technologies (India) Ltd.	6.00%	6.00%
Padget Electronics Pvt. Ltd.	5.50%	5.50%
Ail Dixon Technologies Pvt. Ltd.	6.00%	NA
Discount rate		
Dixon Technologies (India) Ltd.	7.71%	7.54%
Padget Electronics Pvt. Ltd.	7.80%	7.35%
Ail Dixon Technologies Pvt. Ltd.	7.71%	NA

Change in Net Defined Benefit Obligation

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Liability at the beginning of the year	339.67	259.79
Interest Costs	25.60	20.78
Current Service Costs	61.10	50.73
Past Service Cost including curtailment Gains/ Losses	17.11	0.96
Benefits paid	(22.47)	(9.25)
Actuarial (Gain)/Loss on obligations due to change in Obligation	17.23	16.67
Liability at the end of the year	438.24	339.67

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Net interest Cost

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Interest Cost	25.60	20.78
Total	25.60	20.78

Service Cost

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Current Service Cost	61.10	50.73
Total	61.10	50.73

Actuarial (Gain)/Loss on obligation

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(7.33)	14.47
Actuarial (Gain)/Loss on arising from Experience Adjustment	24.56	2.20

Balance sheet and related analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	As at 31st March, 2018	As at 31st March, 2017
Present Value of the obligation at end	438.24	339.67
Unfunded Liability/provision in Balance Sheet	(438.24)	(339.67)
Unfunded Liability recognised in Balance Sheet	(438.24)	(339.67)

Amount recognised in Statement of Profit and Loss

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Service Cost	78.21	51.68
Net Interest Cost	25.60	20.78
Expense recognised in statement of profit and loss	103.81	72.46

Other Comprehensive Income (OCI)

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Actuarial Gain or (Loss) for the year on PBO	(17.23)	(16.67)
Unrecognised actuarial gain/(loss) at the end of the year	(17.23)	(16.67)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Expected contribution for the next Annual reporting period

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Service Cost	80.49	66.03
Net Interest Cost	33.79	25.60
Expected Expense for the next annual reporting period	114.29	91.63

Sensitivity Analysis

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	438.24	339.67
Impact due to increase of 0.50 %	(20.65)	(16.61)
Impact due to decrease of 0.50 %	22.34	17.98
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	438.24	339.67
Impact due to increase of 0.50 %	20.45	18.16
Impact due to decrease of 0.50 %	(19.03)	(16.91)

• Sensitivities due to mortality & 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 & life expectancy are not applicable being a lump sum benefit on retirement.

Maturity Profile of Defined Benefit Obligation

31.03.2018		31.03.2017	
Year	Amount	Year	Amount
Apr 2018- Mar 2019	17.89	Apr 2017- March 2018	22.76
Apr 2019- Mar 2020	6.72	Apr 2018- March 2019	4.78
Apr 2020- Mar 2021	6.98	Apr 2019- March 2020	4.80
Apr 2021- Mar 2022	21.13	Apr 2020- March 2021	5.12
Apr 2022- Mar 2023	22.77	Apr 2021- March 2022	22.48
Apr 2023- Mar 2024	20.86	Apr 2022- March 2023	14.89
Apr 2024 onwards	341.88	Apr 2023 onwards	264.83

Description of Risk Exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- A) Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk -** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability -** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

14. The company undertook Corporate Social Responsibility ('CSR') Programme and the following expenditure are made during the year

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A. Gross amount required to be spent by the company	69.52	30.33
B. Amount spent by the company on		
Donation to Magic Bus India Foundation (Sec.8) company for project related to orphans	25.18	15.15
Donation to The Akshaya Patra Foundation	8.00	-
Donation to CII Foundation	5.00	-
Donation to Jan Maadhyam	5.00	-
Donation to Nav Abhiyan	5.00	-
Donation to Sankalp Foundation	5.00	-
Donation to Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	1.00	0.70
Donation to Saint Hardyal Education and Orphan Welfare society for the Project related to orphans.	7.56	-
Donation to Rugmark Foundation for the project related School	2.00	2.00
Donation to Bansividya Memorial Trust	-	5.00
Donatioan to Bharat Vikas Viklang Nyas	1.80	0.50
Donation to Delhi Langar Seva Society	-	1.00
Donation to Guru Vishram Vridh Ashram	4.98	4.15
Donation to Noida Deaf Society	-	2.00
Total Amount Spent	70.52	30.50
Amount of Short /(Excess) Spent	(1.00)	(0.17)

15. Transition to Ind AS

15.1 Basis for Preparation

For all period up to and including the year ended 31st March, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

15.2 Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balancesheet. In preparing these Consolidated financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

15.2.1 Optional Exemptions Availed

a. Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Standard has not been applied to acquisitions of subsidiaries, which are considered businesses for Ind AS, or of interests in associates that occurred before the transition date i.e., 1st April, 2016.

b. Property Plant and Equipment, Intangible Assets and Investment Properties

As permitted by para D5-D8B of Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets and investment property also.

c. Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 “Leases” for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

d. Investments in Subsidiaries and Associates

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in subsidiaries and associates at Deemed Cost calculated at the previous GAAP carrying amount as on the date of transition, as the company has elected to measure such investments at Cost under Ind AS 27 “Consolidated and Separate Financial Statements”.

15.2.2 Mandatory Exceptions

a. Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below :

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Separate Equity and Liability portion in convertible debentures

b. De-recognition of financial assets and liabilities

As per para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, “Financial Instruments”, prospectively for transactions occurring on or after the date of transition to Ind AS. However, para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively

15.3 Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to IndAS as required under Ind AS 101 :

1. Reconciliation of material items of Balance sheet as at 1st April, 2016 (Transition Date) and as at 31st March, 2017
2. Reconciliation of Statement of Profit & Loss for the year ended 31st March, 2017
3. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
4. Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

As on 31st March'2017

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
I ASSETS				
A Non-current Assets				
(a) Property Plant and Equipment	13,700.90		58.34	13,642.56
(b) Capital work-in-progress	195.78			195.78
(c) Other Intangible assets	13.44			13.44
(d) Financial Assets				
(i) Trade receivable	-			-
(ii) Loans	2,233.11	2,233.11		-
(iii) Security Deposits	-	(39.28)		39.28
(e) Deferred tax assets (net)	-	(25.39)		25.39
(f) Other non-current assets	2.75	(1,179.38)		1,182.13
Total	16,145.98	989.07	58.34	15,098.57
B Current Assets				
(a) Inventories	28,219.71			28,219.71
(b) Financial Assets				
(i) Investments				-
(ii) Trade receivables	28,020.60			28,020.60
(iii) Cash and cash equivalents	1,533.34	1,261.90		271.45
(iv) Bank Balances Other than Note 13		(1,261.90)		1,261.90
(v) Loans	5,860.25	5,860.25		-
(vi) Others Financial Assets		(1,524.52)		1,524.52
(c) Other Current Assets	123.34	(2,832.95)		2,956.30
(d) Current Tax Assets		(1,514.48)		1,514.48
Total	63,757.26	(11.69)	-	63,768.95
TOTAL	79,903.24	977.38	58.34	78,867.52

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	1,098.53	-	-	1,098.53
(b) Other Equity	18,674.82	-	66.52	18,608.29
Total	19,773.35	-	66.52	19,706.83
B Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	980.83	-	(8.18)	989.01
(b) Provisions	438.97	122.06		316.91
(c) Deferred tax liabilities (Net)	977.38	977.38		-
Total	2,397.17	1,099.43	(8.18)	1,305.92
C Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	3,306.35	-	-	3,306.35
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	-	(1,769.81)	-	1,769.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	50,506.59	1,975.89	-	48,530.70
(iii) Other financial liabilities	-	(1,100.02)	-	1,100.02
(b) Other current liabilities	2,165.57	893.95	-	1,271.62
(c) Provisions	1,754.20	1,486.68	-	267.52
(d) Current Tax Liabilities	-	(1,608.74)	-	1,608.74
Total	57,732.72	(122.06)	-	57,854.78
TOTAL	79,903.24	977.38	58.34	78,867.52

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

As on 1st April, 2016

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
I ASSETS				
A Non-current Assets				
(a) Property Plant and Equipment	11,235.05		50.45	11,184.60
(b) Capital work-in-progress	0.87	-		0.87
(c) Goodwill	1,111.86	-	1,111.86	-
(d) Other Intangible assets	11.97	-		11.97
(e) Financial Assets				
(i) Investments	10.00	10.00		-
(ii) Trade receivable	90.86	-		90.86
(iii) Loans	1,476.16	1,476.16		-
(iv) Security Deposits		(22.47)		22.47
(f) Deferred tax assets (net)		260.73	(523.18)	262.45
(g) Other non-current assets	0.11	(893.50)		893.61
Total	13,936.87	830.91	639.13	12,466.83
B Current Assets				
(a) Inventories	13,628.22	(0.00)		13,628.22
(b) Financial Assets				
(i) Investments		(10.00)		10.00
(ii) Trade receivables	8,875.04	-		8,875.04
(iii) Cash and cash equivalents	746.09	578.45		167.64
(iv) Bank Balances Other than Note 13		(578.45)		578.45
(v) Loans	3,940.20	3,940.20		
(vi) Other Financial assets		(1,165.56)		1,165.56
(c) Other Current Assets	55.21	(2,046.19)		2,101.40
(d) Current Tax Assets		(833.08)		833.08
Total	27,244.76	(114.63)	-	27,359.40
TOTAL	41,181.63	716.28	639.13	39,826.23
II EQUITY AND LIABILITIES				
A Equity				
(a) Equity Share Capital	310.32	-		310.32
(b) Other Equity	11,447.15	-	369.56	11,077.60
Total	11,757.47	-	369.56	11,387.91
B Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	5,213.80	-	269.57	4,944.23
(b) Provisions	266.35	25.00		241.35
(c) Deferred tax liabilities (Net)	716.28	716.28		-
Total	6,196.43	741.28	269.57	5,185.58
C Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	2,491.40	-		2,491.40
(ii) Trade payables		-		
Total outstanding dues of micro enterprises and small enterprises	890.94	-		890.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,676.57	124.24	-	17,552.33
(iii) Other financial liabilities		(784.18)	-	784.18
(b) Other current liabilities	1,246.46	659.94		586.52
(c) Provisions	922.37	853.94		68.43
(d) Current Tax Liabilities		(878.94)		878.94
Total	23,227.73	(25.00)	-	23,252.73
TOTAL	41,181.63	716.28	639.13	39,826.23

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Summary Statement of Consolidated Reconciliation of Statement of Profit and Loss

For the year ended March 31 ended March, 2017

	(Rs. in Lakhs unless otherwise stated)			
	For the year ended March 31			
	2017 I GAAP	Ind AS Adjustments	Classification Difference	2017 IND AS
1 INCOME :				
Revenue from Operations	245,675.89		4,196.34	249,872.23
Other Income	167.49		(26.88)	140.61
Total Income	245,843.39	-	4,169.46	250,012.85
2 EXPENSES :				
Cost of Materials Consumed	220,560.86		-	220,560.86
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	(2,552.68)		0.00	(2,552.68)
Employee Benefits Expense	6,599.31	(191.57)	(16.67)	6,391.08
Excise Duty			4,169.46	4,169.46
Finance Costs	1,276.54	277.75	-	1,554.29
Depreciation and Amortisation Expense	1,063.47	7.89		1,071.36
Other Expenses	12,179.95		(0.00)	12,179.95
Total Expenses	239,127.45	94.08	4,152.79	243,374.32
3 Profit Before Exceptional Items and Tax	6,715.93	(94.08)	16.67	6,638.53
4 Exceptional items	-			-
5 Profit Before Tax (3-4)	6,715.93	(94.08)	16.67	6,638.53
6 Tax Expenses				
(i) Current Tax	1,608.74		-	1,608.74
(ii) Deferred Tax	261.09		5.77	266.86
(iii) Tax Credit	(547.21)	523.18		(24.03)
(iv) Tax for Earlier year	30.00		0.00	30.00
7 Profit / (Loss) for the year (after tax) (5-6)	5,363.31	(617.25)	10.90	4,756.96
8 Other Comprehensive Income				
(i) Items that will not be reclassified to profit & loss				
Remeasurement of post-employment benefit obligations	-		(16.67)	(16.67)
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Remeasurement of post-employment benefit obligations	-		5.77	5.77
Profit / (Loss) for the year (after tax) (7+8)	5,363.31	(617.25)	0.00	4,746.06

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Summary Statement of Consolidated Reconciliation of Statement of Cash Flow

	(Rs. in Lakhs unless otherwise stated)			
	I GAAP	Reclassification	Adjustments	Ind AS
Cash generated from operating activities	5,468.22	(180.17)		5,288.05
Net cash generated from/(used in) investing activities	(4,315.04)	(26.88)		(4,341.91)
Net cash generated from/(used in) financing activities	(1,049.38)	(70.70)	277.75	(842.33)
Cash and cash equivalents at the beginning of the year	167.64	-		167.64
Cash and cash equivalents at the end of year (refer note 13)	271.45	0.00		271.45

Reconcilliation of Total Equity

	(Rs. in Lakhs unless otherwise stated)	
Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity under Previous Indian GAAP	19,773.35	11,757.47
Add: Equity in Nature transfer to other equity on conversion of debenture	1,873.90	1,873.90
Tax Credit	-	523.18
Difference in rent accrued and actual paid in lease rent	0.00	-
Land Appreciation on account of recognition of finance lease	8.21	8.21
Less: Finance Cost due to time Value of compulsory convertible debenture	(1,873.90)	(1,596.15)
Amortisation of land	(66.56)	(58.66)
Recognition of Financial lease liability	(8.18)	(8.18)
Adjustment on account of amalgamation	-	(1,111.86)
Equity as per Ind AS	19,706.83	11,387.91

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

b. Re-Classifications

The Company has done the following reclassifications as per the requirements of Ind-AS :

- Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.
- Excise duty on sales was netted off with Sales under Previous IGAAP and now it is required to be presented separately under IND AS.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

c. Forward Contract

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognised in the Trade Payable as per Agreement with Vendors. Whereas under IGAAP accounting for forward contract was optional.

d. Leases

Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19.

The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

e. Leases/Amortisation Expenses

Under India GAAP, lease agreement to use land was excluded from accounting of leases under AS 19. Under IND AS, use of land is not excluded from accounting of leases. Due to the above, measurement amount of lease, operating or finance has been changed resulting into change amortisation expenses.

f. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2018 increased by Rs. 11.27 Lakhs. There is no impact on the total equity as at 31st March, 2018.

g. Retained earnings

Retained earnings as at 1st April 2016 has been adjusted consequent to the above Ind AS transition adjustments

h. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and tax thereon. The concept of other comprehensive income did/does not exist under previous GAAP.

i. Convertible Debentures

Under Ind AS, The requirement to separate out the equity and liability component of a compound instrument is consistence with the principle that a financial instrument must be classified in accordance with its substance, rather than its legal form. A compound instrument takes the legal form of a single instrument, while the substance is that both a liability and equity instrument exists. Require use of split accounting approach

The proceeds is analysed between the debt component and the equity component. The debt is measured first and the equity component is the residual. The debt is the present value of mandatory payments discounted at market rate of interest for similar debts without conversion option. On conversion of a compound instrument at maturity, the entity should de-recognize the liability component and recognize it as equity. Equity issued on conversion is measured at the carrying amount of the liability component at the date of conversion. The equity component recognised earlier shall remain in equity.

The concept of other comprehensive income did/does not exist under previous GAAP.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

16. 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.

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Segment Revenue		
Washing Machine	25,028.00	18,803.00
Moulding	10,542.00	7,803.00
Mobiles	67,582.00	82,890.00
Other Electronics	192,116.00	148,106.40
Total Income From Operations (Gross)	295,268.00	257,602.40
Less : Inter Segment Revenue	9,929.00	7,730.00
Net Income From Operations (Gross)	285,339.00	249,872.40
Segment Results		
Washing Machine	1,989.00	1,696.00
Moulding	927.00	845.00
Mobiles	604.00	442.00
Other Electronics	8,626.00	6,873.00
Profit/(Loss) Before Finance Cost & Tax	12,145.00	9,856.00
Less: Finance Cost	1,345.00	1,554.00
Less: Un-allocable Expenses / (Income)(Net)	1,977.00	1,663.00
Profit/(Loss) Before Tax	8,823.00	6,639.00

Particulars	(Rs. in Lakhs unless otherwise stated)		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Segment Assets			
Washing Machine	10,498.00	5,019.00	3,499.76
Moulding	4,512.00	2,787.60	1,993.07
Mobiles	25,964.00	28,511.00	3,512.52
Other Electronics	46,899.00	36,710.00	26,124.86
Unallocated Assets	10,714.00	5,840.00	4,696.02
Total	98,587.00	78,867.60	39,826.23
Segment Liabilities			
Washing Machine	1,888.00	1,141.00	1,858.01
Moulding	1,370.00	1,643.00	595.29
Mobiles	24,563.00	27,506.00	2,851.52
Other Electronics	31,544.00	22,064.00	14,054.71
Unallocated Liabilities	7,724.00	6,807.00	9,078.80
Total	67,089.00	59,161.00	28,438.32

Major Customer

Revenue from three customers of the company represented approximately Rs. 204550.92 Lakhs (Previous year Rs. 184802.85 Lakhs) of the company's total revenue

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

- 17** During the financial year 2015-16, email account of the company gets hacked and a payment amounting to Rs. 191.20/- Lakhs that was intended to be made to Cixi city Chenyang get diverted to the hacker's account in Hungary. Out of which Rs 71.36 Lakhs was subsequently recovered and police investigation in the matter and recovery of balance amount is in process in Hungary.
- 18** The Company had made an Initial Public Offer (IPO) during the Quarter ended 30th September 2017, for 33,93,425 equity shares of Rs. 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 Selling share holders. The equity shares were issued at a price of Rs. 1766 per share (including premium of Rs. 1756 per share). Out of the total proceeds from the IPO of Rs. 59,928 Lakhs, the Company's share was Rs. 6,000 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.

Details of utilization of IPO Proceeds are as follows :

Particulars	(Rs. in Lakhs unless otherwise stated)		
	Object of the Issue as per Prospectus	Total Utilization Up to Mar 2018	Amount Pending for Utilization
Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company	2,200.00	2,200.00	-
Setting up a unit for manufacturing of LED TVs at the Tirupati (A.P)	758.00	-	758.00
Finance the enhancement of our backward integration capabilities in the lighting products vertical at Dehradun Facility	886.00	-	886.00
Upgradation of the information technology infrastructure of the Company	1,063.00	366.75	696.25
General corporate purposes	770.60	698.39	72.21
	5,677.60	3,265.14	2,412.46
IPO Expenses*	322.40	288.18	
Total	6,000.00		

Note: The company has deposited Rs. 2400 lacs in scheduled banks as fixed deposit and balance in IPO current account in scheduled bank.

* Estimated IPO Expenses reduced by Rs. 20 lacs and accordingly expense transferred to General Corporate Expenses.

- 19** The two Subsidiaries (Transferor Companies) of the Company namely, Dixon Appliances Private Limited ('DAPL') and Dixon Bhurji Moulding Private Limited ('DBMPL') have been amalgamated with the Company in terms of the scheme of amalgamation ('Scheme') sanctioned by the National Company Law Tribunal (NCLT), Allahabad pursuant to its Order dated 13th April, 2017. The Scheme became effective on 20th April 2017 with appointed date of 1st April, 2016. The Company has accounted for amalgamation of the Transferor Companies in its books of accounts in accordance with 'pooling of interest method' as prescribed under AS 14 as per the terms of the NCLT Order.

20 Investment in subsidiary and joint ventures

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Consolidated & Separate Financial Statements

- (b) The Company's investments in direct subsidiary are as under:

Name of Subsidiary	Country of incorporation	(Rs. in Lakhs unless otherwise stated)				Method Used to account for the investment
		Portion of ownership Interest as at 31st March, 2018	Portion of ownership Interest as at 31st March, 2017	Portion of ownership Interest as at 1st April, 2016		
Dixon Global Private Limited	India	100%	100%	100%		Cost

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

The company have made an investment in Dixon Global Private Limited Rs. 100.01 Lakhs. The said company is engaged in trading of electrical goods.

(c) The Company's investments in Joint Ventures are as under:

Name of Joint Venture	Country of incorporation	(Rs. in Lakhs unless otherwise stated)			
		Portion of ownership Intetrest as at 31st March 2018	Portion of ownership Intetrest as at 31st March 2017	Portion of ownership Intetrest as at 1st April 2016	Method Used to account for the investment
Padget Electronics Private Limited	India	50%	50%	50%	Cost
AIL Dixon Technologies Pvt. Ltd.	India	50%	50%	NA	Cost

i. Padget Electronics Private Limited

The Company's interest in this joint venture is reported as long term investments and stated at cost. However, aggregate amount of the Company share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income	67,635.36	82,900.07
Expenses	67,032.21	82,461.73
Assets	25,962.83	28,510.84
Liabilities	24,563.33	27,506.29
Contingent liabilities	2,662.50	1,050.00
Commitments (net of advance)	Nil	Nil

ii. AIL Dixon Technologies Pvt. Ltd

The Company's interest in this joint venture is reported as long term investments and stated at cost. However, aggregate amount of the Company share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below

Particulars	(Rs. in Lakhs unless otherwise stated)	
	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income	77.60	-
Expenses	168.73	1.17
Assets	1,018.61	58.66
Liabilities	602.82	4.83
Contingent liabilities	-	-
Commitments (net of advance)	-	-

21 The Company has been converted into a Public Limited Company and consequently the name of the Company changed from "Dixon Technologies (India) Private Limited" to "Dixon Technologies (India) Limited. A fresh certificate of incorporation pursuant to change of name was issued by the ROC on May 2, 2017.

22 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Joint Ventures

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Name of the Entity in the group	(Rs. in Lakhs unless otherwise stated)							
	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss		Share in OCI		Share in total OCI	
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	Amount
A. Holding Company								
Dixon Technologies (India) Ltd.	96.46	30,381.29	93.61	5,700.69	123.03	(13.87)	93.55	5,686.82
B. Subsidiary Company								
Dixon Global Pvt. Ltd.	2.04	643.74	0.88	53.56	-	-	0.88	53.56
C. Joint Ventures								
Padget Electronics Private Limited	4.44	1,399.50	6.44	392.49	(23.03)	2.60	6.50	395.09
AIL Dixon Technologies Private Limited	1.32	415.79	(0.95)	(58.04)	-	-	(0.95)	(58.04)
Consolidation Adjustments	(4.26)	(1,342.90)	0.02	1.38	(0.00)	0.00	0.02	1.38
Total	100.00	31,497.43	100.00	6,090.08	100.00	(11.27)	100.00	6,078.81

23 Previous Year figures have been Regrouped/Rearranged wherever necessary.

24. Related Party Disclosure

I. Key Managerial Personnel and their relatives

Name	Designation
Key Managerial Personnel	
Mr. Sunil Vachani	Chairman
Mr. Atul B. Lall	Managing Director
Mr. Gopal Jagwan	Chief financial officer (Till 4th May 2018)
Mr. Saurabh Gupta	Chief financial officer (From 4th May 2018)
Non Executive Independent Director	
Mr. Ramesh Chandra Chopra	Independent Director
Mr. Manuji Zarabi	Independent Director
Ms. Poornima Shenoy	Independent Director
Mr. Manoj Maheshwari	Independent Director
Relatives of Key Managerial Personnel	Relationship
Mrs. Gayatri Vachani	Wife of Chairman
Mr. Kamal Vachani	Brother of Chairman
Mr. Ravi Vachani	Brother of Chairman
Mrs. Geeta Vaswani	Sister of Chairman

II. Other related parties

Joint Venture	M/s Padget Electronic Private Limited M/s AIL Dixon Technologies Private Limited (W.e.f. 8th February 2017)
Enterprises over which KMP or relative of KMP have significant influence	M/s Dixon Applied Technology Training Institute (Partnership firm in which Managing Director & Chairman are Partners) M/s Prisma Electronics (Proprietorship firm in which Chairman is proprietor) M/s Six Sigma Electronics (Partnership concern in which Chairman is 50% partner) M/s Fincraft Learnings Private Limited (Company in which Managing Director & Chairman are Directors & Shareholders) M/s Rage (Partnership firm of Chairman's Relative)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

24. Related Party Disclosure:

III The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lakhs unless otherwise stated)						
Sl. No.	Particulars	Subsidiary Companies / Joint Venture	Key Management Person	Relative of KMP	Enterprises over which KMP or relative of KMP have significant influence	Total
A	Interest Received	Current Year -	22.26	-	-	22.26
		Previous Year -	26.26	-	-	26.26
B	Sale of Goods	Current Year 97.32	-	-	-	97.32
		Previous Year -	-	-	1.28	1.28
C	Remuneration, Consultancy and Commission	Current Year -	538.92	-	-	538.92
		Previous Year -	534.28	-	-	534.28
D	Proceed received under ESOP Scheme	Current Year -	-	-	-	-
		Previous Year -	442.21	-	-	442.21
E	Sundry Debtors & (Creditors) / Amount Recoverable & (Payable)	Current Year (36.31)	-	-	(1.85)	(38.16)
		Previous Year 14.78	567.69	-	-	582.47
F	Advance given against Property Purchase	Current Year -	-	-	-	-
		Previous Year -	16.04	16.04	-	32.09
G	Bond Given to Custom on Behalf of Joint Venture	Current Year 6,800.00	-	-	-	6,800.00
		Previous Year 6,100.00	-	-	-	6,100.00
H	Bond Given to Custom By Joint Venture on behalf of Company	Current Year 5,325.00	-	-	-	5,325.00
		Previous Year 2,100.00	-	-	-	2,100.00
I	Loan/Advance Given	Current Year -	-	-	-	-
		Previous Year 8.98	536.18	-	-	545.16
J	Rent Received	Current Year 63.03	-	-	-	63.03
		Previous Year 61.78	-	-	-	61.78
K	Sale of Property, Plant and Equipment	Current Year 60.63	-	-	-	60.63
		Previous Year -	-	-	-	-
L	Investment in share	Current Year 420.00	-	-	-	420.00
		Previous Year 85	-	-	-	85.00
M	Purchase of Property, Plant and Equipment	Current Year 3.17	-	-	1.85	5.02
		Previous Year 1.15	107.00	107.00	-	215.15
N	Perquisite to Employee Under ESOP Scheme	Current Year -	-	-	-	-
		Previous Year -	272.06	-	-	272.06
O	Nos. of Bonus share issued	Current Year -	-	-	-	-
		Previous Year -	3180196	139707	-	3,319,903
P	Nos. of Share issued under ESOP Scheme	Current Year -	-	-	-	-
		Previous Year -	215000	-	-	215,000.00
Q	Purchases of Goods	Current Year 70.38	-	-	-	70.38
		Previous Year 0.15	-	-	3.44	3.59
R	Job work Receipt	Current Year 11.22	-	-	-	11.22
		Previous Year 0.81	-	-	-	0.81
S	Sitting Fees	Current Year -	11.49	-	-	11.49
		Previous Year -	1.67	-	-	1.67

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Statement containing salient features Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiary & Joint ventures

a) Subsidiary Company

S. No	Name of Subsidiary	Date since which subsidiary was acquired	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	(Rs. in Lakhs unless otherwise stated)			% of Shareholding
													OCI	Total CI	Proposed Dividend	
1	Dixon Global Private Limited	27-Oct-10	INR	100.00	543.74	4,512.79	3,869.05	-	37,785.05	78.38	24.82	53.56	-	53.56	-	100%

b) Jointly Controlled Entities:

S. No	Name of Joint Ventures	Date since which Joint Venture was acquired	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	(Rs. in Lakhs unless otherwise stated)	
				Numbers	Amount of Investment in Joint Venture	Extent of Holding% attributable				Considered in Consolidation	Not Considered in Consolidation
1	Padget Electronics Pvt Ltd	10-Nov-15	31-Mar-18	7500000	750.00	50.00%	Note A	-	1,399.50	395.09	-
2	AIL Dixon Technologies Pvt Ltd	08-Feb-17	31-Mar-18	4750000	475.00	50.00%	Note A	-	415.79	(58.04)	-

Note A: There is significant influence due to percentage holding of share capital.

The Notes are an integral part of the Financial Statements

In terms of our report attached

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

B. L. Choraria

Partner

Membership No. 022973

Place: Noida (Delhi-NCR)

Date: 26th May, 2018

For and on behalf of the Board of Directors

Dixon Technologies (India) Limited

Chairman

Managing Director

Chief Financial officer

Company Secretary

Sunil Vachani

Atul B. Lall

Saurabh Gupta

Ashish Kumar

Notes

Disclaimer

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.



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