DIXON TECHNOLOGIES (INDIA) LIMITED

ANNUAL REPORT

Annual Report of Dixon Technologies (India) Limited for the Financial Year 2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sunil Vachani	Executive Chairman
Mr. Atul B. Lall	Managing Director (MD)
Dr. R.C Chopra	Independent Director
Ms. Poornima Shenoy	Independent Director
Dr. Manuji Zarabi	Independent Director
Mr. Manoj Maheshwari	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Sunil Vachani	Executive Chairman
Mr. Atul B. Lall	Managing Director (MD)
Mr. Gopal Jagwan	Chief Financial Officer (CFO)
Mr. Ashish Kumar	Group Company Secretary (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
146-148 Tribhuvan Complex, Ishwar Nagar,
Mathura Road, New Delhi-110065
Ph.: (011) 46708888
E-mail Id: delhi@sskmin.com

KEY BANKERS TO OUR COMPANY
IDFC Bank Limited
Yes Bank Limited
Standard Chartered Bank Limited
Central Bank of India

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 1602 | M: +91 9870495653
www.karvycomputershare.com

ANNUAL GENERAL MEETING
Date: August 8, 2017
Time: 11.00 AM
Day: Tuesday
Venue: B-14 & 15, Phase II, Noida-201305

REGISTERED OFFICE
B-14 & 15, Phase II, Noida-201305
Ph.: (0120) 4737200
Website: www.dixoninfo.com
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CONTENTS	Page No.

About the Company

Our Company was incorporated in 1993 and in 1994, we commenced manufacture of consumer electronics such as colour televisions. In 2007 we commenced manufacturing of LCD TVs and subsequently progressed into manufacturing of LED TVs. In 2010, we started manufacturing semi-automatic washing machines. We entered the lighting products segment in 2008 with the manufacturing of CFL products and gradually increased our product portfolio to LED products in 2016. We also started providing reverse logistics services in 2008. The most recent segment that we have entered into is the manufacturing of mobile phones through a JV. We believe that we have continuously diversified our product portfolio to keep pace with changing consumer trends and development in technology.

In line with our focus to provide end to end product solutions, we have backward integrated our major manufacturing processes by developing in-house capabilities in plastic moulding products, sheet metal products, wound components and LED panel assembly. We believe that this improves our cost efficiency, reduces dependency on third party suppliers and gives better control on production time and quality of critical components used in the manufacturing of products.

Our in-house R&D centre, apart from undertaking electronics hardware designing, system architecture, mechanical design, component engineering and optics design, also assists our customers in cost reduction through product engineering. This enables us to address consumer requirements across geographies, introduce new and unique products in the market and enhance existing products with emerging technologies. As on March 31, 2017, our R&D team consisted of 19 employees, including electrical engineers. We have recently applied to the Department of Scientific and Industrial Research for recognition of our R&D centre and are currently awaiting approval of the same.

We have six state-of-the-art manufacturing facilities which are strategically located in the states of Uttar Pradesh and Uttarakhand meeting the quality requirements of our customers, including global brands. Out of our six manufacturing facilities, three are located in Noida in the state of Uttar Pradesh and manufacture CFL as well as LED lamps and drivers and mobile phones, while the other three are located at Dehradun in the state of Uttarakhand and manufacture CFL as well as LED lamps and drivers, electronic ballasts, LED TVs and washing machines. Our backward integration process like plastic moulding, sheet metal, wound components and LED panel assembly are carried out at the manufacturing facilities in Dehradun. Most of our manufacturing facilities have been accredited with quality management systems and environmental management systems certificates for compliance with ISO 9001-2008, ISO 14001-2004 and 14001:2015 requirements respectively.

Our reverse logistics services are carried out from Facility set up at Noida and 17 other service centres located across India.

We currently have following manufacturing facilities:

Term	Description
Dehradun I Facility	located at Khasra No 1050, Central Hope Town, Selaqui Industrial Area, Dehradun, Uttarakhand
Dehradun II Facility	located at Plot No- C-3/1, Selaqui Industrial Area, Dehradun, Uttarakhand
Dehradun III Facility	located at Plot No. 262M, Selaqui Industrial Area, Dehradun, Uttarakhand
Noida I Facility	located at B-14 and 15, Phase II, Noida, Gautam Buddha Nagar, Uttar Pradesh 201 305
Noida II Facility	located at B-18, Phase II, Noida, Gautam Buddha Nagar, Uttar Pradesh 201 305
Noida III Facility	located at C-33, Phase II, Noida, Gautam Buddha Nagar, Uttar Pradesh 201 305
Tirupati Facility	being set up in Tirupati, Andhra Pradesh, pursuant to the Government Order. (Operations to begin shortly)

Director's Report

Dear Members,
Your Directors take pleasure in presenting the 24th Annual Report on the business and operations of your Company along with the audited standalone financial statements for the year ended March 31, 2017. 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:

Rs. in millions

Particulars	Standalone*		Consolidated	
	For the financial year ended		For the financial year ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Profit Before Interest & Depreciation& Exceptional items	835.58	414.47	905.59	596.16
Less : Financial Charges	122.35	71.88	127.65	131.07
Depreciation	99.54	64.80	106.35	84.38
Exceptional items	-	11.95	-	27.87
Profit Before Tax And Provisions	**613.69**	**265.85**	**671.59**	**352.85**
Less : Taxes and Provisions				
- Current tax	147.81	57.57	160.87	83.47
- Earlier Year tax	2.38	(0.37)	3.00	(0.11)
- Deferred tax (asset)s/liabilities	17.91	(0.07)	26.11	7.50
-Tax Credit Entitlement U/s 115JAA	-	(5.11)	(2.40)	(11.32)
- Tax Credit Entitlement U/s 115JAA earlier	(52.32)	(0.50)	(52.32)	(0.50)
-	-	-	-	-
Profit after tax	**497.92**	**214.33**	**536.33**	**273.81**
Balance in Profit & Loss A/c	964.62	796.98	1047.27	820.14
Surplus available for Appropriation	**1,462.54**	**1,011.31**	**1,583.60**	**1,093.95**
Appropriations:				
Adjustment on account of Amalgamation	57.21	-	111.19	-
Interim dividend on Equity Shares	65.91	38.79	65.91	38.79
Dividend Tax on Interim Dividend	13.42	7.90	13.42	7.90
Balance in Profit & Loss A/c at the end of the Year	**1,325.99**	**964.62**	**1,393.09**	**1,047.27**

**Standalone Financials of the Company include the Financials of Dixon Appliance Private Limited and Dixon Bhurji Moulding Private Limited, wholly owned subsidiaries of your Company since* *amalgamated with and into Your Company, Dixon Technologies (India) Limited w.e.f 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 year has been a significant year from the growth perspective of the Company. Your Company has been converted into a public limited company pursuant to a resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting held on April 18, 2017 and 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 2^{nd} May, 2017 in the name of "Dixon Technologies (India) Limited".

STATE OF COMPANY'S AFFAIR

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. Innovations, 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.

The reverse logistics business has also witnessed sharp increase. Further, your Company has also witnessed increase in the business of reverse logistics business and therefore they are an important component of total turnover of your Company. Your Company has also created several service centers for reverse logistics services catering to various clients across the country.

During the year, Your Company has made further investment in its Joint Venture Company i.e Padget Electronics Private Limited. Also, Your Company achieved a major milestone by entering into a joint venture agreement with Aditya Infotech Limited and incorporated a joint venture Company, AIL Dixon Technologies Private Limited (ADTPL) on February 8, 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 authorised to carry out 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.

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.

Your Company has performed well on all fronts. The Total turnover and EBIDTA 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".

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed in the Board Report, in the opinion of the Board, there has 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 the report.

Your Company is planning to go for the initial public offer and in this regard, Your Company has filed its Draft Red Herring Prospectus on 19th May, 2017 with Securities and Exchange Board of India, the BSE Limited and National Stock Exchange of India Limited.

CONSOLIDATION OF FINANCIALS

In compliance with provisions of Section 129 (3) of the Companies Act, 2013 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 companies is disclosed separately and forms part of this Annual Report.

DIVIDEND

During the Year, Interim Dividend was declared twice by the Board of Directors @ 35% and @25%, respectively. The Board does not recommend any further dividend.

RESERVES

The provision of the Companies Act, 2013 does not mandate any transfer of profits to General Reserve. Hence, Your Company has not transferred any amount to general reserve out of the profits of the year.

SCHEME OF AMALGAMATION

Pursuant to a scheme of amalgamation ("Scheme") under sections 391 to 394 and other relevant provisions of the Companies Act, 1956, approved by your Board of Directors on November 25, 2015, the two of wholly owned subsidiaries of the Company – Dixon Bhurji Moulding Private Limited ("DBMPL") and Dixon Appliances Private Limited ("DAPL"), were proposed to be amalgamated with and into Your Company. The Scheme has become operational with effect from the appointed date, i.e., April 1, 2016 ("Appointed Date") pursuant to approval of the Scheme by the NCLT, Allahabad bench vide its order dated April 13, 2017 and registration of the same with the ROC on April 20, 2017. 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 and with effect from the Appointed Date.

BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of executive, non-executive and Independent Directors including one woman Director. The Board provides strategic guidance and direction to Your Company in achieving its business objectives and protecting the interest of the stakeholders. Your Board is also supported by Six Committees viz. Audit Committee, Nomination & Remuneration Committee, CSR Committee, Stakeholders' Relationship Committee, Executive Committee and I.P.O Committee of Board of Directors.

One meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/ Committees are convened as may be necessary for proper management of the business operations of Your Company.

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of Your Company met Sixteen (16) times during the Financial Year 2016-17 i.e. April 22, 2016, June 07, 2016, June 07, 2016, July, 15, 2016, August 04, 2016, August 27, 2016, September 07, 2016, September 17, 2016, September 19, 2016, September 20, 2016, September 21, 2016, November 14, 2016, December 14, 2016, January 09, 2017, February 23, 2017 and March 06, 2017.

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**
Mr. Sunil Vachani	Executive Chairman	16
Mr. Atul B. Lall	Managing Director	16
Mr. R. K Dhawan	Director	0*
Dr. R. C Chopra	Independent Director	7
Mr. Vishal Gupta	Director	4
Dr. Manuji Zarabi	Independent Director	1
Ms. Poornima Shenoy	Independent Director	1

*Mr. RK Dhawan resigned from the Directorship effective 10th April, 2016.

The necessary quorum was present in all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

A detailed update on the Board & its Committees, composition thereof, number of meetings held during Financial Year 2016-17 and attendance of the Directors at such meeting is provided in the Report on Corporate Governance.

COMMITTEES OF THE BOARD

Audit Committee

Your Company has a duly constituted Audit Committee in line with the provisions of the Companies Act, 2013. As on 31st March, 2017, the Committee comprised of 1 (One) executive Director viz. Mr. Atul B Lall and 3 (Three) non-executive Directors viz. Dr. R.C. Chopra, Mr. Vishal Gupta & Mr. Manuji Zarabi.

Mr. Vishal Gupta resigned from the Directorship and consequentially 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 has re-constituted the Audit Committee on 3rd May, 2017 in accordance with the requirement of Companies Act, 2013 and other applicable provisions with Mr. Manoj Maheshwari as its Chairperson. The Committee comprises of the following three Directors as on the date of this report:

Name of Director	Position in the Committee	Designation
Mr. Manoj Maheshwari	Chairperson	Independent Director
Dr. R C Chopra	Member	Independent Director
Dr. Manuji Zarabi	Member	Independent Director

All members of Audit Committee are financially literate and 2 Directors out of 3 members have financial management expertise. The Audit Committee met Two (2) times during the financial year 2016-17 on June 7, 2016 and September 20, 2016.

The terms of reference of Audit Committee is enumerated under the “Corporate Governance Report” annexed hereto.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board at its Meeting held on 20th September, 2016. As on 31st March, 2017, the Committee comprised of (One) executive Director viz. Mr. Sunil Vachani and 3 (Three) non-executive Directors viz. Dr. R.C. Chopra, Mr. Vishal Gupta and Dr. Manuji Zarabi.

Mr. Vishal Gupta resigned from the Directorship and consequentially as a member of Nomination and Remuneration Committee effective 3rd May, 2017. The Board has re-constituted the Nomination and Remuneration Committee on 3rd May, 2017 in accordance with the requirement of Companies Act, 2013 and other applicable provisions.

As on date of this report, this Committee comprises of the following Directors:

Name of Director	Position in the Committee	Designation
Ms. Poornima Shenoy	Chairperson	Independent Director
Dr. Manuji Zarabi	Member	Independent Director
Mr. Sunil Vachani	Member	Executive Chairman
Mr. Manoj Maheshwari	Member	Independent Director

During the period under review, no meeting of the Nomination and Remuneration Committee was held.

The terms of reference of Nomination and Remuneration Committee is enumerated under the "Corporate Governance Report" annexed hereto.

Corporate Social Responsibility Committee

Your Company has constituted the Corporate Social Responsibility ("CSR") Committee as per provisions u/s 135 of the Companies Act, 2013. This Committee looks after the functions as enumerated u/s 135 of the Companies Act, 2013.

As on 31st March, 2017, the Committee comprised of the following Directors:

S.No.	Name of the Director	Category
1.	Mr. Sunil Vachani	Chairperson
2.	Mr. Atul B Lall	Member
3.	Dr. R.C. Chopra	Member
4.	Mr. Vishal Gupta	Member

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

As on date of this report, this Committee comprises of the following Directors:

Name of Director	Position in the Committee	Designation
Mr. Sunil Vachani	Chairperson	Executive Chairman
Mr. Atul B. Lall	Member	Managing Director
Dr. R.C. Chopra	Member	Independent Director

The Corporate Social Responsibility (CSR) Committee met Three (3) times during the financial year 2016-17 on June 7, 2016, September 20, 2016 and March 06, 2017.

Stakeholder Relationship Committee

The Stakeholders Relationship Committee has been constituted by the Board at its Meeting held on 6th March, 2017. As on 31st March, 2017, the Committee comprised of 2 (Two) executive Directors viz. Mr. Sunil Vachani and Mr. Atul B Lall and 2 (Two) non-executive Directors viz. Dr. Manuji Zarabi and Mr. Vishal Gupta.

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

As on date of this report, this Committee comprises of the following Directors:

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

The Stakeholder Relationship Committee looks into the redressal of the shareholders complaints in respect of any matter including transfer of shares, non -receipt of annual report, non -receipt of declared dividend etc.

During the period under review, no meeting of the Stake holder's relationship committee was held.

Executive Committee
Your board has constituted the Executive Committee which undertakes matter related to day to day affair of Your Company. The composition of the Executive Committee is as follow:

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

IPO Committee
Your board has constituted the IPO (Initial Public Offer) Committee which undertakes matter related to Initial Public Offer of Your Company. The composition of the IPO Committee is as follows:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)- APPOINTMENT AND RESIGNATION

BOARD OF DIRECTORS
Mr. R. K Dhawan has resigned from the post of directorship of Your Company w.e.f. April 10, 2016.

Dr. Manuji Zarabi and Ms. Poornima Shenoy have been appointed as Additional Director of the Company w.e.f. February 23, 2017 and they have been regularised as Independent Directors of the Company at the Extra-ordinary General Meeting held on April 01, 2017.

Also, pursuant to the provisions of the Companies Act, approval of shareholders has been obtained at the at the Extra-ordinary General Meeting held on April 01, 2017 to re-appoint Dr. R.C Chopra as an Independent Director of Your Company.

Mr. Manoj Maheshwari has been appointed as Additional Director of Your Company w.e.f. May 03, 2017 and he has been regularised as Independent Director of Your Company at the Extra-ordinary General Meeting held on May 05, 2017.

Also, Mr. Vishal Gupta has resigned from the Directorship of the Company vide his letter dated 17th April, 2017 and the same was effected from 3rd May, 2017. The Board places on record appreciation for valuable guidance received from Mr. Vishal Gupta during his tenure as a director of the Company.

Mr. Sunil Vachani, Executive Chairman of the Company has been appointed as Whole Time Director of the Company at the Extra Ordinary General Meeting held on May 05, 2017.

Mr. Atul B. Lall has been re-appointed as Managing Director of the Company at the Extra Ordinary General Meeting held on May 05, 2017.

In accordance with Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sunil Vachani, Executive Chairman of the Company (DIN-00025431) shall retire by rotation as Director at the ensuing annual general meeting and being eligible, offers himself for reappointment. A brief profile of Mr. Vachani has been provided in the Report on Corporate Governance.

KEY MANAGERIAL PERSONNEL (KMP)
Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Sunil Vachani, Executive Chairman, Mr. Atul B Lall, Managing Director, Mr. Gopal Jagwan, Chief Financial Officer and Mr. Ashish Kumar, Group Company Secretary are the KMPs of Your Company.

The Board of Directors of Your Company at their meeting held on March 06, 2017 has appointed Mr. Ashish Kumar (Membership No.: FCS 8355) as Group Company Secretary w.e.f. March 06, 2017.

Mr. Sunil Vachani, Executive Chairman (DIN: 00025431) of the Company has been appointed as Whole Time Director of Your Company at the Extra Ordinary General Meeting held on May 05, 2017.

Mr. Atul B. Lall (DIN:00781436) has been re-appointed as Managing Director of Your Company at the Extra Ordinary General Meeting held on May 05, 2017.

APPOINTMENT AND DECLARATION OF INDEPENDENT DIRECTOR OF THE COMPANY
The Board of Your Company, as on 31st March, 2017, comprises of Six Directors, out of which four Directors are non-executive directors and three out of four non-executive directors are Independent Directors. All the Independent Directors are appointed on the Board of Your Company in compliance with the applicable provisions of the Companies Act, 2013. Your Company has received declarations from all the Independent Directors of Your Company confirming that they meet the criteria of Independence under sub-section (6) of section 149 of the Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year under review, two Independent Directors viz. Ms. Poornima Shenoy and Dr. Manuji Zarabi have been appointed.

Further as on date of this report, the Board of Your Company, comprises of Six Directors, out of which four Directors are non-executive directors and all four non-executive directors are Independent Directors.

After close of the financial year under review, Mr. Manoj Maheshwari was appointed as Independent Director on 03rd May, 2017

DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY

Your Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Companies Act, 2013, as is adopted by the Board.

Your Company has adopted a comprehensive policy on Nomination and Remuneration of Directors on the Board. As per such policy, candidates proposed to be appointed as Directors 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/ .

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.

CSR POLICY

The Board of Directors has adopted a CSR policy 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 CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR Committee, implementation plan and reporting framework. The thrust areas of the 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 Swach 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 -I** and forms a part of this report.

CAPITAL STRUCTURE

a. Authorised Capital

The Company at Extra-Ordinary General Meeting dated September 09th, 2016 increased the Authorised Capital of the Company from Rs. 5,00,50,000/- (Rupees Five Crores and Fifty thousand only) divided into 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each and 5,000/- (five thousand) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 1,99,95,000 (One Crores Ninety nine Lacs ninety five thousand only) equity shares of Rs. 10/- (Rupees Ten only) each and 5,000/- (five thousand) Preference Shares of Rs. 10/- (Rupees Ten only) each

Further, after the close of financial year, at the adjourned Extra Ordinary General Meeting held on 18th April, 2017, the authorized share capital of the Company was reclassified/ consolidated from Rs. 20,00,00,000/-(Rupees Twenty Crores only) divided into 1,99,95,000 (One Crore Ninety Nine Lacs Ninety Five Thousand Only) equity shares of Rs. 10/- (Rupees Ten only) each and 5,000/- (Five Thousand) Preference Shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of Rs. 10/- (Rupees Ten only) each.

Further pursuant to the amalgamation of DBMPL and DAPL, Wholly owned subsidiaries with and into the Company vide order of the National Company Law Tribunal dated April 13th, 2017, the Authorised Capital of both the subsidiaries amounting to Rs. 4,00,00,000 and Rs. 2,00,00,000, respectively were merged into the Authorised Capital of the Company.

After the above mentioned modifications the Authorised Capital of the Company is Rs. 260,000,000 divided into 26,000,000 Equity Shares of Rs. 10/- each.

b. Employee Stock Option Plan

Your Company instituted the ‘2010 Dixon Employees Stock Option Plan’ (“ESOP Plan”), pursuant to a Board resolution dated September 9, 2010 and Shareholders’ resolution dated September 28, 2010. Pursuant to a resolution passed at the EGM held on June 3, 2008, shareholders of the Company had authorised issue of a maximum of such number of Equity Shares not exceeding 15% of the paid-up capital of Your Company post issue and allotment of such equity shares and compulsorily convertible debentures to India Business Excellence Fund I and Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited), under one or more employee stock option schemes.

Pursuant to the ESOP Plan, Your Company has allotted 314,806 Equity Shares to the eligible employees in Fiscal 2017. The following table sets forth the particulars of the options granted, vested and exercised under the ESOP Plan as on the date of this Report:

Particulars	Details		
Options granted	Date of grant	No. of options granted	
	November 2, 2010	255,880	
	July, 1, 2015	137,426	
	TOTAL	393,306	
Pricing formula	Date of grant	No. of options granted	Exercise price (in Rs.)

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td><table><tr><td>November 2, 2010</td><td>255,880</td><td>119.00</td></tr><tr><td>July, 1, 2015</td><td>137,426</td><td>290.00</td></tr></table></td></tr>
<tr><td>Options vested</td><td>379,596</td></tr>
<tr><td>Options exercised</td><td>314,806</td></tr>
<tr><td>Total number of Equity Shares arising as a result of exercise of options</td><td>314,806</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td>78,500</td></tr>
<tr><td>Variation of terms of options</td><td>The exercise period for the options granted on November 2, 2010 was extended by one year pursuant to approval of the Board through a circular resolution dated October 14, 2015.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Rs. 60.96 Million</td></tr>
<tr><td>Total number of options in force</td><td>NIL</td></tr>
<tr><td>Employee wise details of options granted to:</td><td></td></tr>
<tr><td>Directors, Key Managerial Personnel</td><td><table><tr><th>Name of Director/KMP</th><th>No. of Options granted</th></tr><tr><td>Atul B. Lall</td><td>200,000</td></tr><tr><td>Gopal Jagwan</td><td>15,000</td></tr><tr><td></td><td></td></tr><tr><td>Total</td><td>2,15000</td></tr></table></td></tr>
<tr><td>Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year</td><td><table><tr><th>Name of employees</th><th>No. of Options granted</th><th>% of Options granted (>5%)</th></tr><tr><td colspan="3">Fiscal 2011</td></tr><tr><td>Atul B. Lall</td><td>100,000</td><td>39.08</td></tr><tr><td>Vineet Kumar Mishra</td><td>13,540</td><td>5.29</td></tr><tr><td>Kamal Krishan Raina</td><td>13,345</td><td>5.22</td></tr><tr><td>Kailash Chander Sharma</td><td>13,345</td><td>5.22</td></tr><tr><td colspan="3">Fiscal 2016</td></tr><tr><td>Atul B. Lall</td><td>100,000</td><td>72.77</td></tr><tr><td>Rajeev Lonial</td><td>10,000</td><td>7.28</td></tr><tr><td>Gopal Jagwan</td><td>8,983</td><td>6.54</td></tr></table></td></tr>
<tr><td>Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued Equity Shares (excluding outstanding warrants and conversions) of our</td><td><table><tr><th>Name of employees</th><th>Date of grant</th><th>No. of options granted</th><th>% of Options granted >1% of the Equity shares capital</th></tr><tr><td>Atul B. Lall</td><td>November 2, 2010</td><td>100,000</td><td>3.22</td></tr></table></td></tr>
</table>

Particulars	Details			
Company at the time of grant	Atul B. Lall	July, 1, 2015	100,000	3.22

c. Conversion of Compulsorily Convertible Debentures

During the year under review, Your Company has converted 243,729 compulsorily convertible debentures (CCD) of Rs. 1,000/- each, held by India Business Excellence Fund I into 838,528 Equity Shares of Rs. 10 each at a premium of Rs. 280.66 each aggregating to Rs. 290.66/- per share and 131,238 CCD of Rs. 1,000/- each held by Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited) into 451,513 Equity Shares of Rs. 10/- each at a premium of Rs. 280.66/- each aggregating to Rs. 290.66 per share.

d. Bonus Share Issue

During the year under review, Your Company has allotted 6,277,337 fully paid up shares of face value of Rs. 10 each in September 2016 to the shareholders of Your Company in proportion of 4:3**.**

Hence, as on 31st March, 2017, total paid up Share Capital of Your Company was Rs. 109,853,410/- divided into 10,985,341 numbers of Equity Shares of Rs. 10/- each of Your Company.

Also, 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, except as stated above/ has not provided any Stock Option Scheme to its employees, except as provided elsewhere in this report / has not issued any equity shares with differential rights during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Companies Act, 2013 is annexed to this report as **ANNEXURE-II.**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management discussion and analysis report on the operations of the Company has been given separately and forms part of this report.

RISK MANAGEMENT

While the business risk 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 the 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 a risk management framework to identify, monitor and minimize risk as also identify business opportunities.

Your Company has a well-defined Risk Management Policy. The Policy has been developed after taking cognizance of the relevant statutory guidelines. The Policy, inter alia, provides for the following:

1. Risk Management framework;
2. Identifying and assessing risks associated with various business decisions before they materialize. Take informed decisions at all levels of the organization in line with the Company's risk appetite;
3. Ensuring protection of shareholder's stake by establishing an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting all risks;
4. Strengthening Risk Management through constant learning and improvement;
5. Adoption and implementation of risk mitigation measures at every level in order to achieve long-term goals effectively and sustainably;
6. Ensuring sustainable business growth with stability.

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

WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The Whistle Blower Policy has also been uploaded on the website of the Company at www.dixoninfo.com.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

In order to realign the group structure and consolidate multi layered structure, in terms of scheme of amalgamation ("Scheme") under sections 391 to 394 and other relevant provisions of the Companies Act, 1956, approved by your Board on November 25, 2015, the two of Wholly owned Subsidiaries of the Company –DBMPL and DAPL, were proposed to be amalgamated with and into Your Company. The Scheme has become operational with effect from the appointed date pursuant to approval of the Scheme by the NCLT, Allahabad vide its order dated April 13, 2017 and registration of the same with the RoC on April 20, 2017.

Also, the Company has entered into a joint venture agreement with Aditya Infotech Limited and incorporated a joint venture Company, AIL Dixon Technologies Private Limited (ADTPL) on February 8, 2017 as a private limited company.

The Company now has One Subsidiary and Two Joint Venture Companies and same are incorporated in India. The Subsidiary is 100% beneficially owned by Dixon Technologies (India) Limited. The Company regularly monitors the performance of its Subsidiaries and Joint Ventures.

Report on Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement in Form AOC 1 forms part of the Financial Statements of the Company.

CORPORATE GOVERNANCE REPORT

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. A detailed report on corporate governance forms an integral part of Annual Report and is set out as separate section therein.

RELATED PARTY TRANSACTION

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related party transactions as required under Section 13(3)(h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached in Form AOC 2, attached as **ANNEXURE-III.**

AUDITORS & AUDITORS' REPORT

Statutory Auditors
M/s Singhi & Co., Chartered Accountants (FRN No- 302049E) were appointed as Statutory Auditors of Your Company to hold office from the conclusion of 21st Annual General Meeting until the conclusion of the 25th Annual General Meeting which was subject to the ratification at every Annual General Meeting.

As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is required to be ratified by members at every Annual General Meeting. Accordingly, the appointment of M/s. Singhi & Co., Chartered Accountants, as Statutory Auditor of Your Company is recommended by your Board for ratification by the shareholders.

Statutory Auditors' Report
Auditors' observations are self-explanatory, which do not call for any further clarifications. There has been no qualification, reservation or adverse remarks made by the Auditor in their report for the financial year ended 31st March, 2017. The Auditor's Report is unmodified i.e. it does not contain any qualification.

Internal Auditors
Pursuant to the provision of Section 138 of the Companies Act, 2013 has mandated the appointment of Internal Auditor in the Company. Accordingly, M/s S S Kothari Mehta & Co, Chartered Accountants, were appointed as Internal Auditors of the Company for the financial year 2016-17.

Cost Audit & Cost Auditors
In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, Your Company is required to maintain cost accounting records and get them audited every year.

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. In terms of the provisions of Section 148 of the Companies Act, 2013. As per the requirements of the said section, remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the General Meeting. Accordingly, resolution ratifying the remuneration payable to A.N. Satija & Co., Cost Accountants forms a part of the Notice convening the 24th Annual General Meeting.

DEPOSITS

During the year under review, Your Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and rules made thereunder. There is no unclaimed or unpaid deposit lying with Your Company.

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 Resources is commensurate with the size, nature and operations of Your Company. As on March 31, 2017, Your Company has 629 permanent employees and 4030 contract labour.

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

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees forms part of this report. Details of employee as required pursuant to Rule 5(2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as annexed as **ANNEXURE-IV.**

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There has been no significant and material order passed by any regulator, courts or tribunals impacting the going concern status and operations of Your Company in future.

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

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 134(3)(m) is given in **ANNEXURE-V** to this report.

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 in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of women employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. 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 during the year under review.

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-VI.**

REPORTING OF FRAUD

There have been no instances of fraud reported by the Statutory Auditors or Internal Auditor 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.

CHANGES IN MEMORANDUM OF ASSOCIATION

Following key changes have been made in the Memorandum and Articles of Association of Your Company as on the date of writing this report:

Date of Shareholders' resolution, unless otherwise specified	**Nature of Amendment**
September 9, 2016	Amendment to Clause V of the Memorandum of Association to reflect the increase in the authorised share capital of our Company from Rs. 50.05 million divided into 5,000,000 Equity Shares and 5,000 Preference Shares to Rs. 200.00 million divided into 19,995,000 Equity Shares and 5,000 Preference Shares
September 9, 2016	Adoption of a restated Memorandum of Association in accordance with Companies Act, 2013
April 18, 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 Rs. 200.00 million divided into 19,995,000 Equity Shares and 5,000 Preference Shares to Rs. 200.00 million divided into 20,000,000 Equity Shares
April 20, 2017	Amendment to Clause V of the Memorandum of Association to reflect the increase in the authorised share capital of Your Company from Rs. 200.00 million divided into 20,000,000 Equity Shares to Rs. 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

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 March 31, 2017, 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 March 31, 2017, on a going concern basis;
(e) 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

Your Directors wish to express their sincere appreciation for the support and cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates and are grateful to the shareholders for their continued support to the Company. Your Directors place on record their appreciation for the contributions made and the efforts put in by the management team and employees of the Company at all levels.

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

Place: NOIDA
Date: 13TH July, 2017

Sunil Vachani
(Executive Chairman)
DIN:00025431

Atul B Lall
(Managing Director)
DIN: 00781436

ANNEXURE-I

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. As required under the provisions of Companies Act, 2013 ("Act"), the Company is pleased to announce its Corporate Social Responsibility Policy ("CSR Policy" or "Policy"). Our goal shall be to focus on CSR activities strictly in compliance with applicable laws from time to time in force, including the Act and the rules thereunder. Towards this purpose, the Policy has been designed to achieve the Company's social goals, while satisfying the required statutory obligations.

CSR Focus Areas

In accordance with the primary CSR philosophy of the Company and the specified activities under the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendment(s) thereof, the CSR activities to be undertaken by the Company under this Policy shall be the following:

Key activities relating to:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- A promoting education, including special education, STEAM education (i.e., Science, Technology, Engineering, Art and Math), and employment-enhancing vocational skills, especially among children, women, elderly and the differently abled, and livelihood enhancement projects;
- promoting gender equality, empowering women, making contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government/State Governments for socio-economic development and relief and welfare of backward /disadvantaged classes, minorities and women;
- Disaster relief;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens;

Implementation of CSR Activities

The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Act, whether established by the Company, a subsidiary of the Company, an Associate Company of the Company or by a third party.

2. The Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be 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	Member

Any change in the composition of the CSR committee will be based on approval of the Board of Directors of the Company.

Quorum: Any two members of the CSR Committee personally present or via video conferencing, shall form a quorum for the meeting of the CSR Committee.

Meetings: The meetings of the CSR Committee shall be held once in every year. Meetings can be convened at such time, at such place and on such day, as the members of the CSR Committee may deem fit. The minutes recording the proceedings of the CSR Committee meetings shall be placed before the next board meeting of the Company for approval. Provisions relating to conducting board meetings via video conferencing shall apply mutatis mutandis to the CSR Committee meetings.

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

Amount in Rs.

S.No.	Financial Year	Net Profit/(Loss)
1.	2015-16	15,99,60,486
2.	2014-15	14,01,70,516
3.	2013-14	7,29,73,785
	Average Net Profit	12,43,68,262

4. Prescribed CSR Expenditure:

2 % of Average Profit (as in item 3 above) is **Rs. 24.87 Lakhs**

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

(a) Total amount to be spent for the financial year; **Rs. 30.50 Lakhs. (Which include 5.5 Lakh belong to DAPL)**

(b) Amount unspent, if any: **Rs. NIL**

(c) 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 and therefore, new initiatives were undertaken towards welfare of senior citizens and child empowerment.

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.

(d) Manner in which the amount spent during the financial year 2016-17 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)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Welfare of Senior Citizens	Old Age Home	Delhi & NCR	Rs. 4.15 Lacs	Rs. 4.15 Lacs	Rs. 4.15 Lacs	Through Guru Vishram Vridh Ashram
2	Socio-Economic Development	measures for reducing inequalities faced by socially and economically backward groups	Delhi & NCR and Mumbai, Maharashtra	Rs. 15.15 Lacs	Rs. 15.15 Lacs	Rs. 15.15 Lacs	Through Magic Bus India Foundation
3	Promoting employment enhancing vocation skills	Promoting employment enhancing vocation skills	Varanasi, Bhadohi, Allahabad (Uttar Pradesh), Delhi & NCR	Rs. 2 Lacs	Rs. 2 Lacs	Rs. 2 Lacs	Through Rugmark Foundation India
4	Promoting Education	Education	Delhi & NCR	Rs. 70,000	Rs. 70,000	Rs. 70,000	Through Chhatarpati Shivaji Samaj Kalyan and Shiksha Prachar Samiti
5	Promoting Health Care	Health	Delhi & NCR	Rs. 2 Lacs	Rs. 2 Lacs	Rs. 2 Lacs	Through Noida Deaf Society
6	Treatment of Disabled	Health	Patna, Bihar	Rs. 50,000	Rs. 50,000	Rs. 50,000	Through Bharat Vikas Viklang Nyas
7	Feeding	Food	Delhi & NCR	Rs. 1 Lac	Rs. 1 Lac	Rs. 1 Lac	Through

	Hunger	charity					Delhi Langar Seva Society
8	Promoting Health Care	Health	Patna, Bihar, Kolkatta, West Bengal, Shimla, Himachal Pradesh and Delhi	Rs. 5 Lacs	Rs. 5 Lacs	Rs. 5 Lacs	Through BansiVidya Memorial Trust
	TOTAL			**Rs. 30.50 Lacs**	**Rs. 30.50 Lacs**	**Rs. 30.50 Lacs**	

6. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

Place: NOIDA

Date: 13TH July, 2017

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

ANNEXURE-II

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN ACCORDANCE WITH SECTION 186 OF THE COMPANIES ACT, 2013

The Year end Balances of Loans, Investments and Guarantees given by the Company are disclosed in the Financial Statements in following mentioned Notes to the Accounts:

(i) Investments: Note. 11

(ii) Loans: Note. 12

(iii) Guarantees: Note 27 B (i)

Loans, Guarantees given or Investments made during the Financial Year 2016-17:

Name of the entity	Relation	Amount (Rs. In Lacs)	Particulars of loans, guarantees given or investments made	Purpose for which the loans, guarantees and investments are proposed to be utilise
Dixon Global Private Limited	Wholly Owned Subsidiary	500.00	Guarantee	To guarantee the facilities granted by Yes Bank Limited
Dixon Global Private Limited	Wholly Owned Subsidiary	1,450.00	Guarantee	To guarantee the facilities granted by RBL Limited
Dixon Global Private Limited	Wholly Owned Subsidiary	2000.00	Guarantee	To guarantee the facilities granted by Standard Chartered bank

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

Place: NOIDA
Date: 13TH July, 2017

Sunil Vachani
(Executive Chairman)
DIN:00025431

Atul B Lall
(Managing Director)
DIN: 00781436

ANNEXURE-III

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.	**M/s Rage** (Partnership Firm of Chairman's relative)	Sale, Purchase or Supply of Goods and Material	Continuing	Purchase of Chocolates for Rs. 5 Lakhs P.A.	20-09-2016	NIL
2.	**Dixon Global Private Limited** (Wholly Owned Subsidiary of the Company)	Sale, purchases or supply of any goods or materials -	Continuing	1. Sale & Purchase transactions of CFL, Ballast, electric, electronic appliances and Related Spare Parts & Components. Total arrangement amounts to Rs. 1000 Crores per annum	23-02-2017	NIL
		Availing or rendering of any services	Continuing	2. Service transactions for Job Work of electronic appliances and their parts Total arrangement amounts to Rs. 1.25 Crores Per Annum for Service Transactions	23-02-2017	NIL
		Leasing of property of any kind	Continuing	3. Lease/Sharing of Office upto Rs. 2 Lacs per annum	23-02-2017	NIL
		Selling or Otherwise Disposing of or buying property of Any Kind	Continuing	4. Sale & Purchase of Fixed Assets amounting to Rs. 50 Crores	23-02-2017	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.	**Dixon Bhurji Moulding Private Limited[1]** (Subsidiary of the Company and Mr. Sunil Vachani and Mr. Atul B. Lall are the Common Director)	Sale, purchases or supply of any goods or materials	Continuing	1. Sale and Purchase of CR Sheets, Metal Sheets, Panel, Television Cabinets and Back Cover, electronic appliances, components and their related parts . Total arrangement amounts to Rs. 500 Crores per annum.	23-02-2017	NIL
		Availing or rendering of any services	Continuing	2. Service transactions for Job Work of electronic appliances and their parts amounting to Rs. 1 Crore	23-02-2017	NIL
		Selling or otherwise disposing of , or buying, property of any kind -	Continuing	3. Sale & Purchase of Fixed Assets (Plant & Machinery etc.) amounting to Rs. 1 Crore	23-02-2017	NIL
4.	**Dixon Appliances Private Limited[1]** (Subsidiary of the Company and Mr. Sunil Vachani as Common Director and Mr. Gopal Jagwan, CFO of the Company is also a Director)	Sale, purchases or supply of any goods or materials	Continuing	1. Sale & Purchase transactions of washing machines, appliances, its components & related parts. Total arrangement amounts to Rs. 25 Crores per annum	23-02-2017	NIL
		Availing or rendering of any services	Continuing	2. Consultancy transactions. Total arrangement amounts to Rs. 4 Lacs Per Annum	23-02-2017	NIL
5.	**Padget Electronics Private Limited** (Joint Venture	Leasing of property of any kind	Continuing	1. Lease/Sharing of Office Total arrangement amounts to Rs. 53,76,000 per annum for lease	23-02-2017	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:
	of the Company, Mr. Sunil Vachani and Mr. Atul B. Lall as Common Director. Mr. Gopal Jagwan, CFO of the Company is also a Director.	Selling or otherwise disposing of , or buying, property of any kind	Continuing	2. Sale & Purchase of Fixed Assets. Total arrangement amounts to Rs. 100 Cr. for Fixed Assets	23-02-2017	NIL
		Sale, purchases or supply of any goods or materials	Continuing	3. Mobile Phones, Electronics Appliances & related Spares Parts and Components Amount of Rs. 100 Cr.	23-02-2017	NIL
		Availing or rendering of any services	Continuing	4. Service Transaction for Job Work of Electronics Appliances and their Parts. Total arrangement amounts to Rs. 100 Crores for service transaction P.A.	23-02-2017	NIL

[1] *Dixon Bhurji Moulding Private Limited and Dixon Appliances Private Limited were merged into the Company vide order of NCLT dated April 13th, 2017*

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

Place: NOIDA
Date: 13TH July, 2017

Sunil Vachani
(Executive Chairman)
DIN:00025431

Atul B Lall
(Managing Director)
DIN: 00781436

ANNEXURE-IV
PARTICULARS OF EMPLOYEES

(A) Details of the every employee of the Company as required pursuant to 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Mr. Sunil Vachani	Mr. Atul B. Lall
Designation of the employee;	Executive Chairman & Whole Time Director	Managing Director
Remuneration received;[1]	Rs. 24,329,226	Rs. 46,128,180
Nature of employment, whether contractual or otherwise;	Not Contractual	Not Contractual
Qualifications and experience of the employee;	Bachelor of Business Administration	Master of Management Studies
Date of commencement of employment;	15-01-1993	22-07-1993
The age of such employee;	48	54
The last employment held by such employee before joining the company;	-	-

[1] *Includes payment received from DBML and DAPL*

There was no other employee of the company, who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1.02 Crores;

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8.5 Lakhs per month;

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

(B) Information pursuant to Section 197 (14)

Managing Director/WTD of the Company who is in receipt of commission from the company also receives any remuneration or commission from any Holding Company or Subsidiary Company of such Company:

a. Remunerations from Dixon Appliances Private Limited (erstwhile Wholly Owned Subsidiary of the Company now Amalgamated into the Company) to Sunil Vachani- Rs. 24,00,000 during the year.

b. Remuneration from Dixon Bhurji Moulding Private Limited (erstwhile Wholly Owned Subsidiary of the Company now Amalgamated into the Company) to Atul B Lall – Rs. 18,00,000 during the year.

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

Place: NOIDA
Date: 13TH July, 2017

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

ANNEXURE-V

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.
- 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 aforestated, 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 60 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 vaious 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.	*PARTICULARS*	
(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 **Rs. 4,585,667/-**
(b) Recurring **Rs. 3,90,35,965/-**
(c) Total **Rs. 4,36,21,632/-**
(d) Total R & D expenditures as a percentage of total turnover 0.27%.

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 : **Amount in Rs.**

	2016-17	**2015-16**
CIF VALUE OF IMPORTS GOODS	**6,199,852,801**	**1,624,737,917**
EXPENDINTURE IN FOREIGN CURRENCY	**18,684,128**	**158,151,205**
Total	**6,218,536,929**	**1,782,889,122**

Foreign Exchange Earnings:	**2016-17**	**2015-16**
Export (FOB Basis) -	Rs. **59, 00,71,534/-**	Rs. 143,760,526/-

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

Place: NOIDA
Date: 13TH July, 2017

Sunil Vachani
(Executive Chairman)
DIN:00025431

Atul B Lall
(Managing Director)
DIN: 00781436

ANNEXURE-VI

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2016
[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	U32101UP1993PLC066581
II	Registration Date	15/01/1993
III	Name of the Company	Dixon Technologies (India) Limited
IV	Category/Sub-category of the Company	Company Limited by shares
V	Address of the Registered office and contact details	B-14 & 15 Phase-II Noida Gautam Buddha Nagar Noida -201305
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 | M: +91 9870495653 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	TELEVISONS	85281001	46.14%
2	LED BULB	85179000	16.51%
3	WASHING MACHINE	84490090	11.49%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

- DAPL and DBMPL these wholly owned subsidiary of the Company merged into Dixon Technologies (India) Limited pursuant to the approval of amalgamation scheme approved by the Hon'ble bench of NCLT on 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 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares#	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2,070,147	2,070,147	66.71%	45,30,333	300,010	4,830,343	43.97%	22.74%
b) Central Govt	-	-	-	-	-	-	-		-
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-		-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**-**	**2,070,147**	**2,070,147**	**66.71%**	**45,30,333**	**300,010**	**4,830,343**	**43.97%**	**-22.74%**
(2) **Foreign**									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	**-**	**2,070,147**	**2,070,147**	**66.71%**	**45,30,333**	**300,010**	**4,830,343**	**43.97%**	**22.74%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	43,800	-	43,800	1.41%	1,155,730	-	1,155,730	10.52%	9.11%
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**43,800**	**-**	**43,800**	**1.41%**	**1,155,730**	**-**	**1,155,730**	**10.52%**	**9.11%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	100	100	0.00%	-	233	233	0.00%	0.00%
ii) Overseas	81,300	-	81,300	2.62%	2,146,265	-	21,46,265	19.54%	16.92%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	10,060	10,060	0.33%	0	50,081	50,081	0.46%	0.14%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	8,97,750	8,97,750	28.93%	4900	2,797,789	2,802,689	25.51%	-3.42%
c) Others (HUF)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**81,300**	**9,07,910**	**9,89,210**	**31.88%**	**2,151,165**	**2,848,103**	**4,999,268**	**45.81%**	**13.63%**
Total Public (B)	**1,25,100**	**9,07,910**	**10,33,010**	**33.29%**	**3,306,895**	**2,848,103**	**6,154,998**	**56.03%**	**22.73%**
C. Shares held by Custodian for GDRs & ADRs	**-**	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**1,25,100**	**29,78,057**	**31,03,157**	**100.00%**	**7,837,228**	**3,148,113**	**10,985,341**	**100.00%**	**0.00%**

(ii) SHARE HOLDING OF PROMOTERS

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year#
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company#	% of Shares Pledged / encumbered to total shares	
1	Sunil Vachani	2,070,147	66.71%	0	4,830,343	43.97%	0	-22.74%
	Total	**2,070,147**	**66.71%**	**0**	**4,830,343**	**43.97%**	**0**	**-22.74%**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify if there is no change)

There is change in the shareholdings of Promoters except the following:

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	2,070,147	66.71%	2,070,147	66.71%
	Shares acquired on 20.09.2016(Bonus Share)	2,760,196	25.13%	4,830,343	43.97%
	At the end of the year	4,830,343	43.97%	4,830,343	43.97%

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mrs. Kamla Vachani				
	At the beginning of the year	5,25,000	16.92	5,25,000	16.92
	Shares acquired/(sold) on 20.09.2016	7,00,000	6.37	12,25,000	11.15
	At the end of the year	12,25,000	11.15	12,25,000	11.15
2	Mrs. Geeta Vaswani				
	At the beginning of the year	1,04,750	3.38	1,04,750	3.38
	Shares acquired/(sold) on 20.09.2016	1,39,667	1.71	2,44,417	2.22
	At the end of the year	2,44,417	2.22	2,44,417	2.22
3	Mrs. Sunita Mankani				
	At the beginning of the year	84,000	2.71	84,000	2.71
	Shares acquired/(sold) on 20.09.2016	1,12,000	1.01	1,96,000	1.78
	At the end of the year	1,96,000	1.78	1,96,000	1.78
4	Mrs. Shobha Sippy				
	At the beginning of the year	84,000	2.71	84,000	2.71
	Shares acquired/(sold) on 20.09.2016	1,12,000	1.01	1,96,000	1.78
	At the end of the year	1,96,000	1.78	1,96,000	1.78
5	India Business Excellence Fund 1				
	At the beginning of the year	81,300	2.62	81,300	2.62
	Shares acquired/(sold) on 27.08.2016	8,38,528	19.08	9,19,828	20.09
	Shares acquired/(sold) on 20.09.2016	12,26,437	11.64	21,46,265	19.54
	At the end of the year	21,46,265	19.54	21,46,265	19.54
6	VISTRA ITCL (INDIA) LIMITED (Formerly known as IL&FS Trust Company Limited)				
	At the beginning of the year	43,800	1.41	43,800	1.41
	Shares acquired/(sold) on 27.08.2016	4,51,513	10.27	4,95,313	11.27
	Shares acquired/(sold) on 20.09.2016	6,60,417	6.01	11,55,730	10.52
	At the end of the year	11,55,730	10.52	11,55,730	10.52
7	Mr. Sanjay Jaswani				
	At the beginning of the year	10,000	0.32	10,000	0.32
	Shares acquired/(sold) on 20.09.2016	13,333	0.12	23,333	0.21
	At the end of the year	23,333	0.21	23,333	0.21
8	M/s Bennett, Coleman & Co. Limited				
	At the beginning of the year	100	0.00	100	0.00
	Shares acquired/(sold) on 20.09.2016	133	0.00	233	0.00
	At the end of the year	233	0.00	233	0.00
9	Mr. Ravi Vachani				
	At the beginning of the year	20	0.00	20	0.00

	Shares acquired/(sold) on 20.09.2016	27	0.00	47	0.00
	At the end of the year	47	0.00	47	0.00
10	Mr. Arvind Kharbanda				
	At the beginning of the year	10	0.00	10	0.00
	Shares acquired/(sold) on 20.09.2016	13	0.00	23	0.00
	At the end of the year	23	0.00	23	0.00
11	Mr. D K Nagpaul				
	At the beginning of the year	10	0.00	10	0.00
	Shares acquired/(sold) on 20.09.2016	13	0.00	23	0.00
	At the end of the year	23	0.00	23	0.00
12	Mr. Pawan Kumar				
	At the beginning of the year	10	0.00	10	0.00
	Shares acquired/(sold) on 20.09.2016	13	0.00	23	0.00
	At the end of the year	23	0.00	23	0.00
13	Mr. Kamal Vachani				
	At the beginning of the year	10	0.00	10	0.00
	Shares acquired/(sold) on 20.09.2016	13	0.00	23	0.00
	At the end of the year	23	0.00	23	0.00
14	Mr. Pankaj Sharma				
	At the beginning of the year	0	0.00	0	0.00
	Shares acquired/(sold) on 17.09.2016	15,000	0.31	15,000	0.31
	Shares acquired/(sold) on 20.09.2016	20,000	0.18	35,000	0.32
	At the end of the year	35,000	0.32	35,000	0.32
15	Mr. Vineet Kumar Mishra				
	At the beginning of the year	0	0.00	0	0.00
	Shares acquired/(sold) on 17.09.2016	15,000	0.31	15,000	0.31
	Shares acquired/(sold) on 20.09.2016	20,000	0.18	35,000	0.32
	At the end of the year	35,000	0.32	35,000	0.32
16	Mr. Gopal Jagwan				
	At the beginning of the year	0	0.00	0	0.00
	Shares acquired/(sold) on 17.09.2016	15,000	0.31	15,000	0.31
	Shares acquired/(sold) on 20.09.2016	20,000	0.18	35,000	0.32
	At the end of the year	35,000	0.32	35,000	0.32

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**SUNIL VACHANI**				
	At the beginning of the year	20,70,147	66.71%	20,70,147	66.71%
	Shares acquired/sold on 20.09.2016	27,60,196	25.12%	48,30,343	43.97%
	At the end of the year	48,30,343	43.97%	48,30,343	43.97%
2	**ATUL B. LALL**				
	At the beginning of the year	1,00,000	3.22%	1,00,000	3.22%
	Shares acquired/(sold) on 17.09.2016	2,00,000	4.24%	3,00,000	6.37%
	Shares acquired/(sold) on 20.09.2016	4,00,000	3.64%	7,00,000	6.37%
	At the end of the year	7,00,000	6.37%	7,00,000	6.37%
3	**GOPAL JAGWAN**				
	At the beginning of the year	-	-	-	-
	Shares acquired/(sold) on 17.09.2016	15,000	0.31	15,000	0.31
	Shares acquired/(sold) on 20.09.2016	20,000	0.18	35,000	0.32
	At the end of the year	35,000	0.32	35,000	0.32

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

(vi) INDEBTEDNESS

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

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	32,41,44,306	37,49,67,000	-	**69,91,11,306**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	2,96,784	-	-	**2,96,784**
Total (i+ii+iii)	**32,44,41,090**	**37,49,67,000**	**-**	**69,94,08,090**
Change in Indebtedness during the financial year				
* Addition	161955432	-	-	**17,83,43,961**
* Reduction	19,619,221	(37,49,67,000)	-	**(33,96,75,417)**
Net Change	**21,36,35,544**	**(37,49,67,000)**	**-**	**(16,13,31,456)**
Indebtedness at the end of the financial year				
i) Principal Amount	46,64,80,517	-	-	**46,64,80,517**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	10,12,952	-	-	**10,12,952**
Total (i+ii+iii)	**46,74,93,469**	**-**	**-**	**46,74,93,469**

(vii) Remuneration of Directors and Key Managerial Personnel

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

Amount in Rs.

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sunil Vachani	**Mr. Atul B. Lall**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961 (Rs.)	1,87,19,218	1,66,74,610	3,53,93,828
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (Rs.)	93,540	1,00,740	1,93,980
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961(Rs.)	-	-	-
2	Stock option(Rs.)	-	2,55,44,000	2,55,44,300
	Sweat Equity	-		-
	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
	Others, please specify	-	-	-
	Total (A)	1,88,12,758	4,23,19,350	6,11,32,108
	Ceiling as per the Act			

b. Remuneration to Other Directors

Amount in Rs.

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. R.C. Chopra	**Mr. R. K. Dhawan**	**Ms. Poornima Shenoy**	**Dr. Manuji Zarabi**	
1	Independent Directors					
	Fee for attending board committee meetings	1,00,000		20,000	20,000	1,40,000
	Commission	-			-	-
	Others, please specify	-			-	-
	Total (1)	-			-	-
2	Other Non-Executive Directors	-			-	-
	Fee for attending board &committee meetings	-	-			-
	Commission	-	-	-	-	

	Others, please specify	-	-	-	-	
-	Total (2)	-	-			
-	Total (B)=(1+2)	1,00,000	-	20,000	20,000	1,40,000
-	Total Managerial Remuneration					
-	Overall Ceiling as per the Act					

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

Amount in Rs.

SI. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		C.E.O	Company Secretary		Mr. Gopal Jagwan (CFO)	
			Ms. Esha Gupta	Mr. Ashish Kumar		
	Gross Salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	5,50,909	2,28,850	46,29,747	54,09,506
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	1,61,865	3,300	63,250	2,28,405
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	16,62,207	16,62,207
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	**-**	**7,12,774**	**2,32,150**	**63,55,204**	**73,00,118**
5	Others, please specify	**-**	**-**	**-**	**-**	**-**
	Total		**7,12,774**	**2,32,150**	**63,55,204**	**73,00,118**

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	79A[1]	Refer Note-2	Rs. 5000	RD, New Delhi	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	79A[1]	Refer Note-2	Rs. 5000 Rs. 5000[3]	RD, New Delhi	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

1 Section 79A of Companies Act, 1956
2 Our Company had been non-compliant with certain procedural requirements under the Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003 and therefore the Compounding Application was made.
3 Penalty of Rs. 5000/- each was levied on the Mr. Atul B Lall, Managing Director and Mr. Sunil Vachani, Executive Chairman.

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

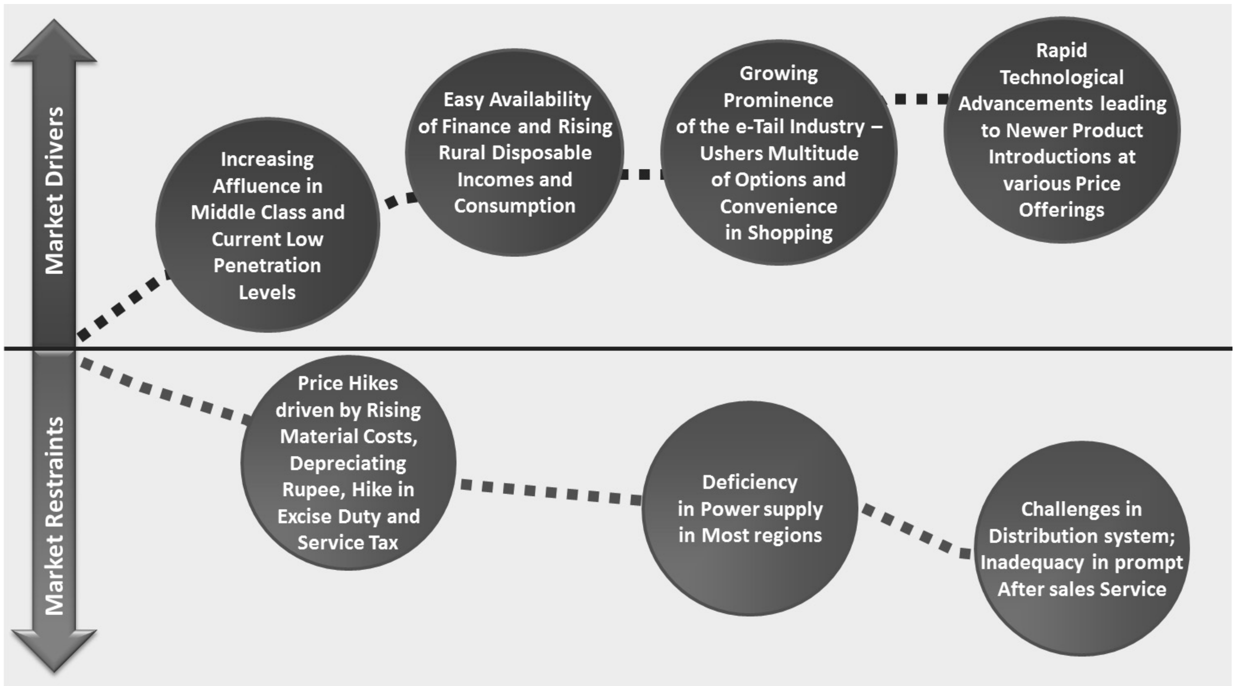
Place: NOIDA
Date: 13TH July, 2017

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

Management Discussion & Analysis

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Consumer Electronics and Appliances (CEA) industry has been witnessing sustained double digit growth rate in the past few years. Increasing product awareness, affordable pricing, innovative products and the high disposable incomes have aided in the strong growth in the CEA market in India. Rapidly shrinking replacement cycle for consumer durables is observed as sustaining demand in urban India. The existing low penetration rates and the increasing usage of consumer durables have catapulted rural India to the high demand (30% annual growth) generating segment.
Drivers and Restraints for CEA market



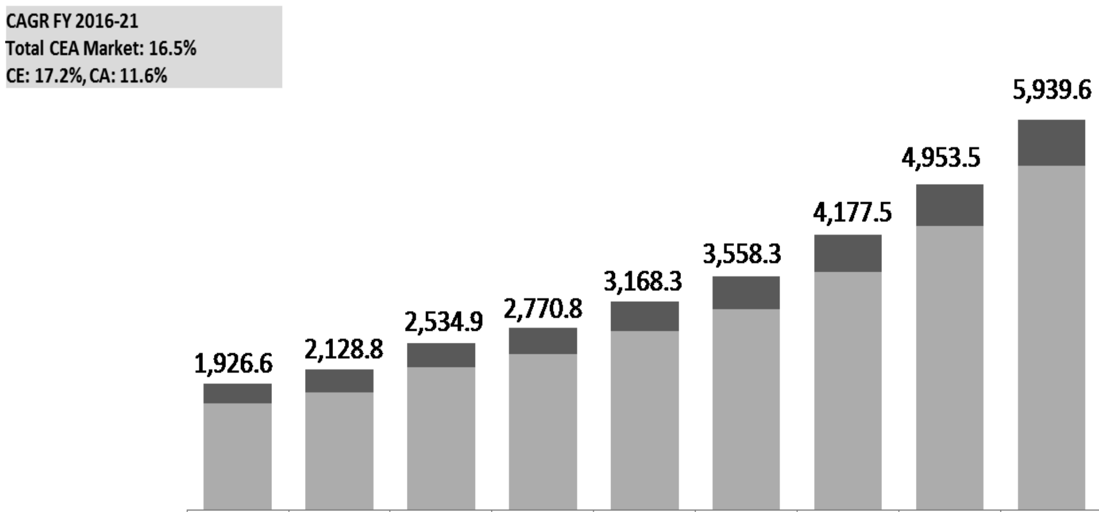
Source: Frost & Sullivan analysis

Innovative retail marketing initiatives such as the exchange programs, bundled offers, attractive discounts, freebies and extended warranty services are fuelling consumer spending. Availability of easy financing schemes is also placing more buying power in the hand of consumers. The rapid proliferation of e-commerce/m-commerce and e-tail has contributed to a higher penetration of the CEA market in urban and semi urban centres.

Depreciating Rupee and the increasing raw material costs are observed to be the critical restraints faced by the product manufacturers as it negatively impacts their margins. The high reliance of the manufacturing ecosystem on raw material imports has resulted in surge in product prices owing to the restrictive duty structure. This has resulted in some amount of price fluctuation over the past 2-3 years. Inadequacy in the ecosystem is seen as a persisting challenge to the local production of certain consumer electronics products, especially the more sophisticated products such as digital cameras, camcorders, high end FPD TVs which are completely imported.

The CEA market has been witnessing robust growth trends in the past 5 years. ***The CE market revenues is expected to grow at a cumulative average growth rate (CAGR) of 17.2% from FY16 to FY21 while the Appliances segment is expected to grow at a CAGR of 11.6% over the same period, resulting in a CAGR of* 16.5% for the overall CEA market.** In comparison to global growth averages, this is almost double that of other economies.

India CEA Market Forecast, FY13 to FY21 (INR Billion)



	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Appliances	306.2	337.7	369.7	406.9	450.4	503.8	562.9	627.6	703.4
Consumer Electronics	1620.5	1791.1	2165.1	2363.9	2717.9	3054.5	3614.6	4325.8	5236.2

(Source: Frost & Sullivan analysis, CEAMA)
Note: CE product market includes Mobiles, AV Players, Camcorders and Digital camera, FPD TV, STB and WM.
CA product market includes AC, Refrigerator, Microwave oven, Water Purifier, Air coolers, Mixer grinders, Blenders, OTG, Electric kettle and rice cookers, Induction cooktop, Food processors, Juicer/ Extractor, Electric shavers, etc.

B. OPPORTUNITIES AND THREATS

STRATEGIES

We intend to build on our existing strengths of product design, manufacturing and service to enhance our position as the ODM provider of choice for top-tier brands. Most of the below strategies have helped us in the past 2-3 years to improve our return ratios. Key elements of our business strategy are described below:

1) Continue to focus on ODM model

While OEM sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies who in turn distribute these products under their own brand to end users, however, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model.

We have in the past three years expanded our presence as an ODM in home appliances, lighting products and consumer electronics verticals.

Our strategy to move towards the ODM model is to service all major customer requirements across the industry and product verticals. This also helps us in improving our overall profitability as we are able to control all aspects of the manufacturing cycle. Gradually, we believe there is a trend in certain product verticals wherein regional and private labels have been gaining market share and the ODM model allows us to service this market as well.

2) *Continue to strengthen our existing product portfolio and diversify into products with attractive growth and profitability prospects*

Currently, our product offerings include consumer electronics, home appliances, lighting products and mobile phones, which accounted for 34.38%, 7.65%, 22.42% and 33.00%, respectively, of our revenue from operations (net) in the Fiscal 2017, and 55.43%, 9.40%, 30.91% and 1.44%, respectively, of our revenue from operations (net) in Fiscal 2016. We plan to continue to increase offerings in our current product verticals as well as diversify into new verticals by tapping into segments which in the view of our management have attractive growth prospects and higher return ratios where we have distinctive competence and compelling value propositions.

In the last six years, we have entered into the LED lighting products, washing machines, mobile phones and the reverse logistics verticals. We expect to gain additional opportunities in the home appliances and lighting product segments. For eg., we currently manufacture semi-automatic washing machines and intend to leverage our existing capabilities to enter the fully automatic washing machine segment. As per the Frost & Sullivan report, the narrowing price difference between semi-automatic and low end models of top load washing machines is driving the adoption of top load fully automatic washing machines. Similarly, we had in the recent past expanded our product portfolio in the lighting segment by adding LED bulbs, T-LEDs, downlig hters and battens. We may also explore export opportunities with our existing customers or establish relationships with new customers as and when the opportunity arises. We have in the past exported CFL bulbs and LED bulbs to Thailand, Egypt, France, UK, Poland, Tanzania and Kenya and continue to export CFL and LED bulbs.

We also plan to continue to enter into joint ventures to initiate diversification into new product segments. For example, in 2015, we had entered into a joint venture for manufacture of mobile phones in India. In 2017 we entered into a joint venture agreement with a company for manufacture of security systems including CCTVs and digital video recorders (DVRs).

3) *Development of our service offerings*

We commenced the reverse logistics vertical in the year 2008 with a view to complement our portfolio offering and provide end-to-end solutions in the industry we operate. The reverse logistics vertical is an extension of our existing skill set of manufacturing electronics and we have been able to acquire new customers in this vertical as well as expand the scope of our offerings to the existing customers.

We currently offer repair and refurbishment services for STBs and repair of mobile phones, LCD and LED TVs, LED panels, home theatres, printers etc. With a focus on increasing our expertise as an end-to-end solutions provider, we plan to further expand our reverse logistics portfolio with support of our R&D team. For example, we have acquired technology for repair of LED panels of TVs and mobile phones. As an extension of our value added services in the reverse logistics vertical, we have also recently started spare parts management for a mobile phone brand.

We believe that the reverse logistics vertical provides high return on capital employed and has a high potential for growth. As per the Frost & Sullivan Report, average return rates in reverse logistics of electronics items are: mobile phones (9%), set top box (16%), FPD TV (8%), washing machines (8%), and computer peripherals (10%).

Currently we focus only on B2B reverse logistics and do not have consumer facing service centres which is in line with our strategy of building relationships with brand owners and OEMs.

4) Expand existing relationships with customers into other product verticals

We plan to continue to focus on customers with whom we have long-standing relationships in order to develop and supply more sophisticated, higher margin products. For example, we started manufacturing TVs for Panasonic India Private Limited and are now also manufacturing washing machines and mobile phones (through their supplier) for them. Similarly, we started manufacturing colour televisions for Philips India Limited in 2007 and over the years have expanded our offerings with DVD players, home theatres and currently manufacturing lighting products both as an OEM and ODM. Our experienced R&D team enables us to bring innovations to our existing customers that translate into new opportunities. Our R&D team has the ability to add new features to existing products and develop new product lines and customized software. For example, we have added a waterfall mechanism and magic filter in the washing machines manufactured by us.

5) Expansion of industrial footprint into new geographies

We seek to expand our geographical footprint by enhancing current manufacturing capacities and setting up of new manufacturing facilities, especially in South India. We are in the process of setting up a new manufacturing facility in Tirupati, Andhra Pradesh. The Tirupati Facility is being set up pursuant to an order passed by the Government of Andhra Pradesh whereby our Company has been granted certain subsidies in relation to, *inter alia*, the land rentals, capital subsidies like water and electricity as well as certain tax exemptions for a defined period. We also seek to further enhance our manufacturing capacity across our product verticals as well as set up infrastructure for manufacturing of CCTVs and DVRs, 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 Tirupati Facility being closer to the Krishnapatnam and Chennai ports would provide us easier access to the exports market and we will be well placed to offer export quality products for the South East Asia market to our customers.

6) Continue to strive for cost leadership

We intend to continue to be the most cost-efficient player in each of the product verticals we will enter. This cost leadership will be achieved through initiatives like having large manufacturing capacities, backward integration and being a sizeable player in the industry in that particular vertical. Economies of scale will also enable us to continuously improve our operational efficiencies.

One of the strategies we have adopted in the past is flexibility in manufacturing lines for different product verticals thereby giving us higher utilisation levels despite lower capital investments. We will continue with this strategy of flexible manufacturing and deploying minimum working capital which will also help us in attaining cost leadership.

THREATS

1) ***Recent global economic conditions have been unprecedented and challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and pros***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum which has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union laws to replace or replicate in the event of a withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, financial condition and results of operations as well as the price of our Equity Shares.

2) ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities.

The General Anti Avoidance Rules ("**GAAR**") are effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

3) ***Shortages in, or rises in the prices of, raw materials or components for products we manufacture, which account for majority of our costs, may adversely affect our business.***

Our production depends on obtaining adequate supplies of input components on a timely basis. We procure the raw materials for our business from local suppliers as well from overseas supplies. For example, we procure plastic parts, packaging, PCB from local suppliers and electronic components and open cells from suppliers who are located in China. We do not typically maintain large inventories of input components, rather we purchase input components on a just-in-time basis or within shorter periods from various approved/empanelled third-party component manufacturers that satisfy our quality standards and meet our volume requirements. Given the variety of products and services that we manufacture and with the number of our suppliers dispersed across the country and outside; coupled with the long lead times involved in a typical the manufacturing process; delays in the delivery of certain of these components could result in delays and planning production and our failure to efficiently manage inventory levels could have an adverse effect on us, including the possibility of not being able to detect defective parts, or resulting in an increase in input component costs, reduced control over delivery schedules, and shortages of input components. We also do not have control of the schedules of the suppliers and hence there can be delays in us receiving the raw materials. Similarly, in cases where we import the raw materials we are also exposed to exchange fluctuations and we may not be able to control any sudden escalation in prices during the production cycle.

The purchase orders we issue to our suppliers do not contain detailed terms and conditions for eventualities where the supply is not done in accordance with the supply terms agreed with our suppliers. For instance, where we have specified the delivery schedule to be four weeks from the date of the purchase order, our purchase order does not specify the damages that we may levy on our suppliers in case the material is not delivered to us with 4 weeks. The purchase orders do not provide for clauses relating to indemnification, liquidated damages, dispute resolution and termination. Such purchase orders may have commercial implications on our Company in case of a dispute with our suppliers. In the absence of a contractual basis for a liability, we may have to approach the courts with relevant jurisdiction for enforcing our rights against our suppliers, which may lead to delays in supply, strained relationship with our suppliers, protracted litigation and delays in our obligations with our customers resulting in an adverse effect on our business, results of operations, financial condition and cash flows. The costs incurred towards the manufacturing including procuring raw materials is borne by us while the cost of shipping of the manufactured products are borne by customers.

Further, under our OEM business model, the raw material specifications are given by the customers and, in some cases, the suppliers from whom the raw materials are to be purchased are also identified by the customers. Any volatility in prices of such raw materials does not affect our profitability as the contract with the customer states these parameters, on the basis of which the raw material cost is a pass-through item for us. The conversion cost is agreed upon prior to placing of orders as the cost sheet is shared with the customers. Conversion cost is the entire value-add provided by us for converting the raw material into finished goods till the final dispatch to the customer. Similarly, under our ODM business model, raw material procurement is directly carried out by us. We manage the supply chain of raw materials and components by implementation of strategic drivers, business tools and processes which aim to improve the overall effectiveness and efficiency of designing, manufacturing and delivering of products. We monitor raw material price trend in international markets, freight rate and transit time, Oracle based software at centralized warehouses across product verticals, budget costing for each product vertical and monitoring the same against actual cost of manufacturing.

Therefore, irrespective of the mode of our manufacturing activity we are exposed to the risk that we may be unable to acquire necessary raw materials and components for our business on time. At various times, supplies of some of the raw materials and electronic components that we use, have been scarce as a result of strong demand for those input components or problems experienced by suppliers. We may face similar situations or shortages in the future. In addition, in certain circumstances, we are required to source certain key components from suppliers on approved vendor lists, who have been qualified by our customers and we may not be able to obtain alternative sources of supply should such qualified suppliers be unable to supply our requirements in the future.

Since we do not maintain long term inventories of raw materials and components, we may also be exposed to price risks should the cost of the components we require increase due to market conditions or any other factors. Shortages of raw materials and components at prices favourable to us could result in reduced production or delays in production, which may restrict our capacity to fulfil large orders at short notice or prevent us from making scheduled shipments to customers. Any future inability to accept high volume orders at short notice or make scheduled shipments could cause us to experience a reduction in our sales and could adversely affect our relationship with existing customers as well as prospective customers. Component shortages may also increase our costs of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results for a particular period due to the resulting revenue shortfall and increased manufacturing or component costs.

4) ***Success of the products manufactured by us is driven by user preferences. Obsolescence arising form the changes in technology may affect on the demand of our products which may result in price declines.***

Our industry is characterized by the changing technology (including advances in both software and hardware functionality and performance) and user preferences, evolving industry standards and the frequent introduction of new products and enhancements. As a result, the price of our technology driven products tends to decline over the product life cycles, reflecting product obsolescence, decreased costs of input components, decreased demand and increased competition as more manufacturers are able to produce similar products in large numbers as such products become standardized. The trend towards declining average selling prices over the life cycles of our products has resulted in constant downward pressure on our margins.

Owing to advancement in technology and/or changes in consumer preferences, we may be forced to reduce the price of our products which we sell to our customers as they may face reduced demand for such products and therefore may have to resort to discounts and price reductions to continue to sell these products. Any such an impact on our customers also has an effect on us, therefore to mitigate the effects of price declines in our existing products and to sustain margins, we are constantly trying to improve our production efficiency by reducing our input costs, reducing our inventory levels and lowering among other things, our operating costs to be able to continue to make margins at all times. Our ability to do so depends on factors both within and outside our control and may be constrained by the distinct characteristics and production requirements of individual products. Therefore, changes in the technology could not only renders the products sold by our customers obsolete it also reduces our ability to be able to manufacture more such products and accordingly we are also required to be able to move with the trends that our customers see from their customers.

We cannot be certain that we will be able to continue to improve production efficiency and maintain reasonable margins for all our existing products. To maintain profitability, our strategy, in addition to improving our production efficiency for our existing products, has been to design new and improvised original products designs, prior to our competitors doing the same and thereby being able to retain and acquire new customers. This strategy requires us to obtain and incorporate new hardware, software, communications and peripheral technologies into our product range, some of which are primarily developed by others. These newer products generally carry higher profit margins but require large expenditures for research and development or the acquisition of new technologies. Our product strategy focuses on designing and producing products that comply with evolving industry performance standards, meet customer quality expectations and are available at prices appealing to our customers.

There can be no assurance that our strategy will be successfully implemented or that it will be effective in maintaining our profitability. Because of the pace of technological advances, we may in addition to our existing products also be required to also introduce new products that offer our customers the latest competitive technologies while managing the production of our existing products on a timely basis. The success of any new product is dependent on factors including timely completion of new product design, acceptable production yields and market acceptance. Since the product design process is sometimes carried out well in advance of production and sales, we must seek to anticipate factors including the expected demand for the product as well as advances in technology. In light of the foregoing, we cannot be sure that new products designed by us will gain market acceptance or will not be adversely affected by new technological changes or new product designs by our competitors. Any delay in developing new products, or commencing commercial production of such new products or in replacing existing products with new products or our continued inability to not be able to predict trends and be able to service our customers may have an adverse effect on our business, financial condition and results of operations.

C. PRODUCT WISE PERFORMANCE

OUR PRODUCTS AND SERVICES
Our business can be divided into five verticals: (i) consumer electronics; (ii) home appliances; (iii) lighting; (iv) mobile phones; and (v) reverse logistics.

1) CONSUMER ELECTRONICS

We commenced our operations in 1993 with the assembly and export of colour televisions. With changes in technology over the years and introduction of new products in the industry, we also manufactured video cassette recorders, DVD players, set top boxes, LCD televisions, home theatres and LED televisions for various customers including some leading brands in the consumer electronics industry.

The range of consumer electronic products currently manufactured by us include:

LED TVs	Home Theatres
19” to 65”	2.1 channel
4K2K	4.1 channel

We manufacture LED TVs at Dehradun I Facility which has an installed capacity of 1,200,000 units of LED TVs.

We have recently acquired in-house capabilities for designing LED TVs from 24” to 39” which has led to our emergence as an ODM in this product segment. Our capabilities in LED TV designing include panel designing, main electronic board designing, mechanical and acoustics.

As per the Frost & Sullivan report, the television industry witnessed massive technological changes in the last ten years with the introduction of panel TVs that resulted in the phasing out of CRT TVs. The year 2012 signified the surpassing of FPD TV sales over CRT TV and by 2013, certain players reduced the number of LCD models to increase focus in LED TVs. By 2014, these players exited the production of LCD TVs. The industry witnessed a shift from adoption of LCD TVs to LED TVs which is currently the dominant one. The miniscule market for LCD TVs is largely catered by the older models of the major players and other small players. Although the initial transition from CRT TV to LCD TV was rapid, LED TV adoption overtook LCD TV market owing to narrow price differences, better viewing experience and lower power consumption features.

Our strategy in the consumer electronics vertical is to further strengthen relationships with our existing customers, migrate towards ODM model, focus on enhancement of design capabilities and develop a large range of product portfolio, like smart TVs, ultra-high definition, commercial display and signage display, invest in new tools such as backlight unit, expand our geographical footprint and manufacturing capacity by way of the proposed facility in Tirupati for servicing market in South India.

2) HOME APPLIANCES

We started manufacturing of washing machines in February 2010 through our subsidiary at the time, DAPL. The home appliances currently manufactured by us include semi-automatic washing machine ranging from 6.2 kg to 8.0 kg.

We manufacture washing machines at Dehradun II Facility which has an installed capacity of 550,000 semi-automatic washing machines p.a.
Over the years, we have acquired in-house capabilities for designing the complete range of washing machines manufactured by us. Our capabilities in washing machines designing include development of new design concepts with additional features like magic filter, water fall, side scrubber and air dry. We also undertake in-house early life test of parts as well as complete washing machines, water leakage testing and noise testing.

As per the Frost & Sullivan Report, semi-automatic washing machine is the most dominant category in India with a market share of 39% followed by top-load fully automatic washing machines with 34%, in terms of value as of FY 2016. Fully automatic washing machines, especially top-load fully automatic washing machines, are expected to exhibit rapid adoption in the near future due to the increasing affordability of these machines, increasing consumption expenditure, easy financing options, and aspirational buying behavior by families with relatively greater income.

Our strategy in the home appliances vertical is to further expand our product basket in semi-automatic category by introducing models in various capacities and with different features, introduction of top loading fully-automatic models, expansion of customer base by acquiring new customers, deepening of relationships with existing customers, expand our geographical footprint and manufacturing capacity by way of the proposed facility in Tirupati for servicing market in South India and commence export of washing machines.

3) LIGHTING PRODUCTS

Leveraging on our core strength of electronics and with a view to diversify into verticals other than consumer electronics, we started our lighting business in 2008 with manufacturing of CFL-lamps and CFL drivers. We received our first order for CFL lamps from Philips India Limited.

The lighting products currently manufactured by us include:

LED Products	CFL Lamps	Lamp Drivers
LED bulbs 0.5W to 20 W	CFL Lamps 5W to 27W	Indoor LED drivers 5W to 20W
Downlighters 5W to 15W		Outdoor LED drivers 20W to 150W
Battens		Electronics lamp driver 10W to 40W
T- LEDs 20W to 24W		

We manufacture CFL lamps, LED bulbs, battens and T-LEDs at the Dehradun I Facility and LED drivers, LED bulbs, PCB assembly of CFL lamps at our Noida I Facility and CFL lamps at our Noida III Facility, which have an aggregate installed capacity of 260,400,000 units p.a..

We have acquired in-house capabilities for designing CFL and LED lighting solutions from 0.5W to 20W which has led to our emergence as an ODM in this product segment. Our capabilities in designing of lighting products include main electronic board designing, mechanical and light source and packaging designing.

As per the Frost & Sullivan Report, the key trends in LED lighting market aiding future penetration and growth include emergence of smart cities, demand for green buildings, growth in professional lighting segment, growing adoption of intelligent or smart lighting and declining imports and increasing exports due to MSIPS and Make in India programs.

Our strategy in the lighting products vertical is to further expand our product basket including higher wattage of the existing products manufactured by us, street lights and industrial lighting, acquisition of new customers, expand our geographical footprint and manufacturing capacity at Tirupati Facility for servicing market in South India and expansion of our existing and new product basket for exports to existing and new geographies. We are currently exporting CFL and LED lamps to Kenya, France, Poland, Netherlands, Dubai, Malaysia, Thailand and Sri Lanka.

4) MOBILE PHONES

We have recently started manufacturing of mobile phones through our joint venture, PEPL, commercial production of which started in January 2016.

We manufacture feature phones and smart phones (2G, 3G, 4G/LTE, VoLTE and CDMA). Mobile phone manufacturing requires controlled environment and testing mobile devices requires special equipment and methodology.

As per the Frost & Sullivan Report, demand for smart phones is rising at the rate of 27.1% and 28.2% respectively between FY16 to FY21. Government is taking keen interest to push for increasing domestic value addition by making imports costlier. This has pushed OEMs to make investments in local manufacturing capabilities, thus accelerating domestic production seen in recent years.

Our strategy in the mobile phones vertical is deepening of relationships with existing key customers, migration towards PCB level assembly as a first step and backward integration for mobile phone chargers.

5) REVERSE LOGISTICS

We commenced our reverse logistics operations in 2008 with repair services for set top boxes. The range of services offered by us in the reverse logistics vertical include-

Repair and refurbishment	Repair				
Set top boxes	Mobile phones	LCD and LED TVs	LED panel	Home theatres (2.1 channel and 4.1 channel)	Computer peripherals and other devices such as printers, CCTVs and speakers

We also undertake spare part management services for a mobile phone brand in India. We carry out our reverse logistics services at Noida III Facility and as on 31st March, 2017 we have 17 service centres in major cities in India. Our capacity of repair and refurbishment is around 3,660,000 units p.a.

The principal raw materials used in repair and refurbishment include open cell, backlight units, electronic components including microprocessors, ICs, COFs, touch panels, OCA glue, mechanical, plastic parts and other consumables like paint and thinner.

We have a dedicated technology department to analyse the circuits in different product categories and prepare the technical guidelines of fault finding and solutions. This department is also responsible for training the professionals engaged by us for carrying out repair and refurbishment.
As per the Frost & Sullivan Report, reverse logistics is gaining prominence as OEMs are starting to look at it as an alternate revenue stream. Average return rates of electronics items are: mobile phones (9%), set top box (16%), FPD TV (8%), washing machines (8%), and computer peripherals (10%) (Source: Frost & Sullivan Analysis).

Our strategy in the reverse logistics vertical is to diversify into new product categories within IT peripherals. We have recently started repair of CCTVs. We also plan to expand our geographical footprint by setting up new centres across cities in India and acquire new customer

D. OUTLOOK

The management continues to be cautiously optimistic on the Indian economy. We are in the process of setting up a new manufacturing facility in Tirupati, Andhra Pradesh. The Government of Andhra Pradesh is facilitating the Company in setting us the said facility. The Tirupati Facility is being set up pursuant to an order passed by the Government of Andhra Pradesh whereby our Company has been granted certain subsidies in relation to, *inter alia*, the land rentals, capital subsidies like water and electricity as well as certain tax exemptions for a defined period. We also seek to further enhance our manufacturing capacity across our product verticals as well as set up infrastructure for manufacturing of CCTVs and DVRs, through our joint venture, AIL Dixon Technologies Private Limited, 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.

E. RISKS AND CONCERNS

Our results of operations and financial condition have been affected and will continue to be affected by a number of significant factors, including the following:

a. Global economic conditions affecting demand

A decline in the level of consumer discretionary spends and the worsening of general economic conditions could adversely affect our results of operations. Our operations are substantially affected and will continue to be affected, by global macroeconomic conditions as well as emerging industry trends. Demand for our products are directly related to the strength of the global economy and consumer confidence, including overall growth levels. Today's global technology market is driven by demand for products with shorter life cycles, which requires continuous innovation, cost reduction and better customer service. These challenges are shared across the consumer electronics, lighting products, home appliances and mobile phones industry.

The demand for our products is affected by the level of business activity of our major customers, which is jointly influenced by the level of economic activity in the consumer electronics, lighting products, home appliances and mobile phones industry in India and other countries where they operate. A decline in the industries we operate in or an economic downturn in the country that our customers operate in could adversely affect the performance of our customers and the demand of our products in turn.

b. Changes in technology

We operate in an industry which are characterized by rapid technological changes and any delay by us in adapting to and developing manufacturing capabilities for new and competitive consumer electronics, lighting products, home appliances or mobile phones may affect our business operations. Our success depends substantially on our ability to quickly adapt to new technologies and develop and introduce new products which anticipates changing market needs. We believe that our success will depend in part upon our as well as our OEM customers' ability to develop new products which meet evolving customers' needs and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis. Our Company in the past and continues to be actively involved as an OEM and ODM player and intends to continue to engage in research and development activities to keep pace with market developments and remain competitive.

c. Product Mix

In response to a very dynamic operating environment, our Company focuses on high-growth, high return on capital employed and specialized products and seeks to provide higher value added services to its customers. Our revenues are also affected by the selling prices of the products and the mix of product types. The profit margin for each type of products manufactured by us varies. Although we believe that the production lines will continue to be readjusted according to customers' orders, we are committed to maximise our revenues and profits by optimising our product lines. A change in product mix may decrease the operating margins of our Company, which could have a material adverse effect on our business, financial condition and results of operations.

d. Competition

We operate in a competitive industry. Our Company faces potential competition from various EMS providers with production base among others in China and India. Should we fail to either compete with other EMS providers or maintain our competitive advantages, our operations could be adversely affected. Any increase in competition can adversely affect our market share, which may lead to price reductions. Any of these events could have a material adverse effect on our financial condition, results of operations and prospects.

e. Management of inventories and prices of raw materials

In order to manage the inventories efficiently, we generally plan the purchase of raw materials and components in advance. In some cases, after the receipt of the customers confirmed orders, (except for materials which we purchase in bulk or purchases based on prevailing and forecast material price and as per customer specifications); we then proceed to purchase the raw materials. Since we do not maintain long term inventories of raw materials and components, we may also be exposed to price risks should the cost of the components we require increase due to market conditions or any other factors which we may not be able to control. Shortages of raw materials could result in reduced production or delays in production, which may restrict our capacity to fulfil large orders at short notice or prevent us from making scheduled shipments to customers. Any future inability to accept high volume orders at short notice or make scheduled shipments could cause us to experience a reduction in our sales and could adversely affect our relationship with existing customers as well as prospective customer Component shortages may also increase our costs of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result component shortages could adversely affect our operating results for a particular period due to the resulting revenue shortfall and increased component costs. The raw materials that we import are subject to currency rate fluctuations which may have an impact on our profitability.

f. *Financial and Reputational risks due to product quality and liability issues.*

In the event that we and our component suppliers are not able to meet the regulatory quality standards, or strict quality standards imposed by our customers, which are applicable to us in our manufacturing processes, it could have an adverse effect on our business, financial condition, and results of operations. The contracts we enter into with our customers typically include warranties that the products we deliver will be free from defects and perform in accordance with specifications agreed with the customers. To the extent that products shipped by us to our customers do not, or are not deemed to, satisfy such warranties, we could be responsible for repairing or replacing any defective products, or, in certain circumstances, for the cost of effecting a recall of all products which might contain a similar defect, as well as for consequential damages. However, we are still subject to claims from our customers if end products sold by our customers fail to perform or cause injury, death or damage due to problems in our products due to defects attributable to us. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

While we undertake sample based testing of our products in accordance with the agreements entered into with customers, the possibility of future product failures could cause our Company to incur substantial expense to replace defective products, provide refunds or resolve disputes with our customers through litigation, arbitration or other means. While we maintain provision for warranties for the products we manufacture, this may not be sufficient. There can be no assurance that we will be able to recover any losses incurred as a result of product liability in the future from any third party, or that defects in the products sold by us, regardless of whether we are responsible for such defects, would not adversely affect our standing and reputation in the marketplace and customer relationships, result in monetary losses and have a material adverse effect on our business, financial condition and results of operations.

g. Our operating results may fluctuate from period to period or be subject to seasonality which may affect our business and financial condition.

There is a risk that our operating results may fluctuate. Some of the principal factors affecting our operating results include:

- our customers' sales and future business prospect, purchasing patterns and inventory adjustments;
- terms and conditions of the contractual arrangements entered into with customers;
- the mix of the types of products we supply to our customers;
- our effectiveness in managing manufacturing processes and inventory management;

- breakdown, failure, or substandard performance of equipment and our ability to repair them thereby reducing the impact on manufacturing process;
- changes in demand for our products;
- our ability to make optimal use of available manufacturing capacity;
- technological changes and changes in manufacturing processes;
- changes in the cost and availability of labour, raw materials and components and which affect our margins and our ability to meet delivery schedules;
- our ability to manage the timing of our component purchases so that components are available when needed for production, while avoiding the risks of purchasing inventory in excess of immediate production needs;
- timing of new technology development and the qualification of this technology by our customers;
- new product introductions and delays in developing the capability to produce new products;
- our ability to obtain financing in a timely manner; and
- local conditions and events that may affect our production volumes, such as labour conditions and political instability.

The occurrence of any such or other problems could materially and adversely affect our business, financial condition, and results of operation. Thus, it is possible that in some future period our operating results or growth rate may be below the expectations of investors. In addition, sales of consumer-related products may be subject to seasonality. We generally experience seasonal peaks during the third quarter of the year, primarily as a result of increased demand for home appliances, mobile phones and consumer electronics from the holiday season sales. We expect that our ongoing operations will continue to be materially affected by seasonality in our results of operations.

F. 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.

G. 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. As of March 31, 2017, we engaged 4,030 contract labour. As on March 31, 2017 we had 629 permanent employees on the payroll of our Company, Subsidiary and Joint Ventures.

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

Place: NOIDA
Date: 13TH July, 2017

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

CORPORATE GOVERNANCE REPORT

The Company believes that sound corporate governance is a key element for enhancing and retaining the trust of investors and various other stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity across the Dixon group as a whole.

BOARD OF DIRECTORS

Composition of Board

Your Company endeavors to have judicious mix of executive, non-executive and independent director, so as to have independence on the Board. Your Company also has a Women Director on the Board, which brings diversity on the Board.

As on 31st March, 2017, the Board comprised six directors including four non-executive directors and all three non-executive directors are independent directors. The Chairman of the Board is the executive promoter director of the Company.

The details of composition of the Board along with the number of Directorship(s) / Committee Membership(s)/Chairmanship(s) including of Dixon Technologies (India) Limited as on 31st March, 2017 is given in Table 1 below.

S. No.	Name of the Director	Category	No. of Directorships	Memberships / Chairmanships of Board level Committees [1]	
			Indian	Member	Chairman
1	Mr. Sunil Vachani	Executive Chairman	5	-	-
2	Mr. Atul B. Lall	Managing Director	3	1	-
3	Dr. R. C Chopra	Non-Executive Independent Director	3	-	-
4	Mr. Vishal Gupta[2]	Director	6	-	-
5	Dr. Manuji Zarabi	Non-Executive Independent Director	3	-	-
6	Ms. Poornima Shenoy	Non-Executive Independent Director	4	2	-

[1] Only Audit Committee and the Stakeholders' Relationship Committee of Indian public limited companies have been considered
[2] Resigned w.e.f May 03rd, 2017

None of the Directors are members of more than ten Board-level committees of Indian public limited companies, nor are they chairperson of more than five committees in which they are members. Further, none of the independent Directors serves as an independent Director in more than seven listed companies.

None of the Directors are related to the other Directors, or to any other employee of the Company.

None of the non-executive Directors hold any shares and convertible instruments in the Company.

Mr. Atul B Lall, Managing Director, Mr. Sunil Vachani, Executive Chairman, Mr. Gopal Jagwan, Chief Financial Officer and Mr. Ashish Kumar, Group Company Secretary are Key Managerial Persons ("KMP") of the Company.

Mr. R. K Dhawan has resigned from the post of directorship of Your Company w.e.f. April 10, 2016. Dr. Manuji Zarabi and Ms. Poornima Shenoy have been appointed as Additional Director of the Company w.e.f. February 23, 2017 and they have been regularised as Independent Directors of the Company at the Extra-ordinary General Meeting held on April 01, 2017.

Also, pursuant to the provisions of the Companies Act, approval of shareholders has been obtained at the Extra-ordinary General Meeting held on April 01, 2017 to re-appoint Dr. R.C Chopra as an Independent Director of Your Company.

Mr. Manoj Maheshwari has been appointed as Additional Director of Your Company w.e.f. May 03, 2017 and he has been regularised as Independent Director of Your Company at the Extra-ordinary General Meeting held on May 05, 2017.

Also, Mr. Vishal Gupta has resigned from the Directorship of the Company vide his letter dated 17th April, 2017 and the same was effected from 3rd May, 2017.

Mr. Sunil Vachani, Executive Chairman of the Company has been appointed as Whole Time Director of the Company and Mr. Atul B. Lall has been re-appointed as Managing Director of the Company at the Extra Ordinary General Meeting held on May 05, 2017.

Further, the Board of Directors of Your Company at their meeting held on March 06, 2017 has appointed Mr. Ashish Kumar (Membership No.: FCS 8355) as Group Company Secretary w.e.f. March 06, 2017.

During the year under review, except as stated above, there is no change in the position of Director/ KMPs of the Company.

The Company follows a structured process of decision-making by the Board and its Committees. There is a well-organized system for seeking Board approval which facilitates and provides room for sound decision making by the Board and its Committees. The detailed agenda along with all explanatory statements and reports are circulated to the Board well in advance. Provisions of Secretarial Standards on Board and General Meetings have been complied by the Company. If required, the Board also approves resolutions by way of circulation between two successive Board Meetings.

Disclosures Regarding Appointment or Re-Appointment of Directors
Brief profile of Mr. Sunil Vachani seeking re-appointment as Director at the ensuing annual general meeting of the Company is given below:

Mr. Sunil Vachani holds an American degree of Associate of Applied Arts in business administration's from the American College in London. He has over two decades of experience in the EMS industry. He has been awarded the "Man of Electronics Award" by CEAMA in 2015, the "Outstanding Citizen Award 2012" by the Sindhi Chamber of Commerce and one of the "Top 100 people influencing EMS" in 2012 by the ventureoutsource.com. 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. Vachani is the Promoter of the Company and has been associated with the Company since inception. He is responsible for the Company's growth and business development.

Remuneration of Directors
The sitting fees/other remuneration paid to our Directors in Fiscal 2017 are as follows:

1. **Remuneration to Executive Directors:**

The details of total remuneration paid by our Company to our executive Directors for Fiscal 2017 and the current Fiscal are as follows:

(*in Rs. million*)

Name of Director	Designation	Fiscal 2017
Sunil Vachani	Executive Chairman	24.33
Atul B. Lall	Managing Director	46.13
TOTAL		**70.46**

No remuneration is paid or payable by our Subsidiary and one of our Joint Ventures, ADTPL to our Directors. The details of remuneration (including commission) paid/payable by PEPL to our executive Directors for Fiscal 2017 and the current Fiscal are as follows:

(*in Rs. million*)

Name of Director	Fiscal 2017
Sunil Vachani	1.98
Atul B. Lall	0.99
TOTAL	**2.97**

2. **Non-executive Directors:**

Except for sitting fees paid detailed below, no other payments have been made to our non-executive Directors in Fiscal 2017 are as follows:

Name of Director	Rs. million
Ramesh Chandra Chopra	0.10
R.K. Dhawan	Nil

Name of Director	Rs. million
Poornima Shenoy	0.02
Manuji Zarabi	0.02
TOTAL	**0.14**

Attendance at Board Meetings and Annual General Meetings
The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of Your Company met Sixteen (16) times during the financial year 2016-17 i.e. April 22, 2016, June 07, 2016, June 07, 2016, July, 15, 2016, August 04, 2016, August 27, 2016, September 07, 2016, September 17, 2016, September 19, 2016, September 20, 2016, September 21, 2016, November 14, 2016, December 14, 2016, January 09, 2017, February 23, 2017 and March 06, 2017.

Details of attendance of Directors at board meetings and Annual General Meeting of the Company are as follows:

Name of the Director	Category	Nos. of meetings attended	Presence at last AGM
Mr. Sunil Vachani	Executive Chairman	16	No
Mr. Atul B. Lall	Managing Director	16	Yes
Mr. R. K Dhawan	Director	Nil*	N.A.
Dr. R. C Chopra	Independent Director	7	No
Mr. Vishal Gupta	Director	4	No
Dr. Manuji Zarabi	Independent Director	1	No
Ms. Poornima Shenoy	Independent Director	1	No

**Mr. R. K Dhawan resigned from the post of directorship of Your Company w.e.f. April 10, 2016.*

The necessary quorum was present in all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

COMMITTEES OF THE BOARD

Audit Committee
Your Company has duly constituted the Audit Committee and its composition meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2017, the Committee comprised of 1 (One) executive Director viz. Mr. Atul B Lall and 3 (Three) non-executive Directors viz. Dr. R.C. Chopra , Mr. Vishal Gupta and Dr. Manuji Zarabi.

Mr. Vishal Gupta resigned from the Directorship and consequentially as a member of Audit Committee effective 3rd May, 2017. The Board has re-constituted the Audit Committee on 3rd May, 2017 in accordance with the requirement of Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee comprises of the following three non-executive independent Directors as on the date of this report:

Name of Director	Position in the Committee	Designation
Mr. Manoj Maheshwari	Chairperson	Independent Director
Dr. R C Chopra	Member	Independent Director
Dr. Manuji Zarabi	Member	Independent Director

All members of Audit Committee are financially literate and 2 Directors out of 3 members have financial management expertise as mandated by Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee met Two (2) times during the financial year 2016-17 on June 7, 2016 and September 20, 2016. The attendance record of the Audit Committee Meetings is given in table below.

S.No.	Name of the Director	Category	No. of meetings held during the financial year	No. of meetings attended
1.	Mr. Vishal Gupta	Chairperson	2	2
2.	Dr. R.C. Chopra	Member	2	1
3.	Mr. Atul B Lall	Member	2	2
4.	Dr. Manuji Zarabi	Member	NIL	NIL

During the year under review, the Board accepted all the recommendations made by the Audit Committee of the Board.

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;

The Audit Committee is required to meet at least four times in a year under Regulation 18 (2)(a) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board at its Meeting held on September 20th, 2016, which amongst others is responsible for identifying and recommending persons who are qualified to become directors or appointed as part of senior management of the Company and laying down remuneration policy.

As on March 31st, 2017, the Committee comprised of 1 (One) executive Director viz. Mr. Sunil Vachani and 3 (Three) non-executive Directors viz. Dr. R.C. Chopra, Mr. Vishal Gupta and Dr. Manuji Zarabi.

Mr. Vishal Gupta resigned from the Directorship and consequentially as a member of Nomination and Remuneration Committee effective May 3rd, 2017. The Board has re-constituted the Nomination and Remuneration Committee on May 3rd, 2017 in accordance with the requirement of Companies Act, 2013 and other applicable provisions.

During the period under review, no meeting of the Nomination and Remuneration Committee was held.

This committee will look after the functions as enumerated u/s 178 of the Companies Act, 2013. As on date of this report, this Committee comprises of the following Directors:

Name of Director	Position in the Committee	Designation
Ms. Poornima Shenoy	Chairperson	Independent Director
Dr. Manuji Zarabi	Member	Independent Director
Mr. Sunil Vachani	Member	Executive Chairman
Mr. Manoj Maheshwari	Member	Independent Director

Terms of reference of the Nomination and Remuneration Committee 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;

Stakeholder Relationship Committee

The Stakeholders Relationship Committee has been constituted by the Board at its Meeting held on March 6th, 2017. As on March 31st, 2017 the committee comprised of 2 (Two) Executive Directors viz. Mr. Sunil Vachani and Mr. Atul B Lall and 2 (Two) non-executive Directors viz. Dr. Manuji Zarabi and Mr. Vishal Gupta.

Mr. Vishal Gupta resigned from the Directorship and consequentially as a member of Stakeholder relationship Committee effective 3rd May, 2017. The Board has re-constituted the Nomination and Remuneration Committee on 3rd May, 2017 in accordance with the requirement of Companies Act, 2013 and other applicable provisions.

The Stakeholder Relationship Committee looks into the redressal of the shareholders complaints in respect of any matter including transfer of shares, non -receipt of annual report, non -receipt of declared dividend etc. As on date of this report, this Committee comprises of the following Directors:

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

During the period under review, no any meeting of the Stakeholders relationship committee was held.

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

1. Collecting and analyzing reports received periodically from the Registrar and the Share Transfer Agent ("RTA") on the following:

a. Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;

b. Requests regarding non-receipt of the notice of the AGM, balance sheet and profit and loss account statement;

c. Complaints of investors routed by the SEBI or Stock Exchanges and others;

d. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;

e. Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;

f. Requests relating to de-materialization and re-materialization of shares;

g. 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

h. Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders.

2. To redress other grievances of shareholders, debenture holders and other security holders;
3. Scrutinizing other matters related to or arising out of shareholders/ investors services including preparation and approval of periodical reports.

Corporate Social Responsibility Committee

The Company has a duly constituted Corporate Social Responsibility Committee (CSR) Committee, which is responsible for fulfilling the CSR objectives of the Company. As on March 31st, 2017, the

CSR Committee comprised of four Directors viz. Mr. Sunil Vachani, Chairperson of the Committee, Dr. R C Chopra, Mr. Vishal Gupta and Mr. Atul B. Lall. Dr. R C Chopra is an Independent Director.

The Company has re-constituted the CSR Committee on 3rd May, 2017 as per provisions u/s 135 of the Companies Act, 2013. This Committee will look after the functions as enumerated u/s 135 of the Companies Act, 2013. As on date, this Committee comprises of the following Directors:

Name of Director	Position in the Committee	Designation
Mr. Sunil Vachani	Chairperson	Executive Chairman
Mr. Atul B. Lall	Member	Managing Director
Dr. R.C. Chopra	Member	Independent Director

The Corporate Social Responsibility (CSR) Committee met Three (3) times during the financial year 2016-17 on June 7, 2016, September 20, 2016 and March 06, 2017. The attendance details of the CSR Committee Meetings held during financial year 2016-17 is given in table below.

S.No.	Name of the Director	Category	No. of meetings held	No. of meetings attended
1.	Mr. Sunil Vachani	Chairperson	3	3
2.	Mr. Atul B Lall	Member	1	NIL
3.	Dr. R.C. Chopra	Member	3	2
4.	Mr. Vishal Gupta	Member	3	3

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

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

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

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

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

Executive Committee

The board has constituted the Executive Committee which undertakes matter related to day to day affair to Your Company. The composition of the Executive Committee is as follow:

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

IPO Committee

The board has constituted the IPO (Initial Public Offer) Committee which undertakes matter related to Initial Public Offer of Your Company. The composition of the IPO Committee is as follows:

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

GENERAL BODY MEETINGS

The forthcoming Annual General Meeting is scheduled to be held on Tuesday, August 08, 2017 at 11.00 A.M at B-14 & 15, Phase-II, Noida-201305. The details in respect of last three Annual General Meetings are given in table below.

Financial Year	**Venue**	**Date**	**Time**
2013-14	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	25th July, , 2014	11.00 a.m.
2014-15	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	30th September, 2015	11.00 a.m.
2015-16	B-14 & 15 Phase-II Noida Gautam Buddha Nagar UP 201305	30th September, 2016	11.00 a.m.

Details of special resolutions passed at the **last three Annual General Meetings** are as follows:

Date	**Special Resolutions**
July, 25th, 2014	1. Approval of transaction with Dixon Appliances Private Limited 2. Approval of transaction with Dixon Global Private Limited 3. Approval of transaction with My Box Technologies Private Ltd 4. Approval of transaction with Dixon Bhurji Moulding Private Limited 5. Approval for Purchase of Shares in Dixon Global Private Limited 6. Approval for Purchase of Shares in Padget Electronics Private Limited 7. Authorisation to create charge/ mortgage on the Assets of the Company pursuant to Section 180(1)(A)
September 30th, 2015	Approval of RPT at AGM held on 30th September, 2015
September 30th, 2016	NIL

RESOLUTIONS PASSED THROUGH POSTAL BALLOT

No resolutions have been passed by the Company through Postal Ballot during the last three financial years.

VIGIL MECHANISM
The Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The Whistle Blower Policy has also been uploaded on the website of the Company at www.dixoninfo.com.

RELATED PARTY TRANSACTIONS
The Company has a duly adopted policy for related party transactions which prescribes for prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company at http://www.dixoninfo.com/related-party-transaction-rpt-policy/

POLICY ON MATERIAL SUBSIDIARY
The Company has duly adopted policy on material subsidiary for determination of Material Subsidiaries. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company. The said policy is available on the website of the Company at http://www.dixoninfo.com/policy-on-material-subsidiary/

DESIGNATED & EXCLUSIVE EMAIL-IDS
The Company has designated the following email ids exclusively for investor servicing. All investors or other stakeholders may lodge their queries with the Company at investorrelations@dixoninfo.com

ADDITIONAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING
Date: Tuesday, August 08, 2017
Time: 11.00 A.M
Venue: B-14 & 15, Phase-II, Noida-201305

FINANCIAL YEAR: 1st April to 31st March

FINAL DIVIDEND: The Board of Directors of the Company have not recommended any final dividend for the financial year 2016-17.

UNCLAIMED DIVIDEND: No amount of unclaimed dividend is lying in the accounts of the Company as on date of this report

OPERATIONAL LOCATIONS:
The Company's manufacturing locations are situated at:
1. Three number of factories at Noida (Uttar Pradesh)
2. Three number of factories at Dehradun (Uttarakhand)

ADDRESS FOR INVESTOR CORRESPONDENCE

REGISTRAR AND SHARE TRANSFER AGENT
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
Email: einward.ris@karvy.com
Or
Company Secretary and Compliance Officer
Dixon Technologies (India) Limited
B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh 201 305
Tel: +91 120 473 7200; Fax: +91 120 473 7263
investorrelations@dixoninfo.com

REGISTERED OFFICE:
Dixon Technologies (India) Limited
B-14 & 15, Phase-II, Noida, Gautam Buddha Nagar, Uttar Pradesh 201 305
Tel: +91 120 473 7200; Fax: +91 120 473 7263

INDEPENDENT AUDITOR'S REPORT

To the Members of Dixon Technologies (India) Private Limited ,
(Now Dixon Technologies (India) Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Dixon Technologies (India) Private Limited, (Now Dixon Technologies (India) Limited) ("the company") which comprise the Balance Sheet as on 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, 31st March, 2017, and a Summary of Significant Accounting Policies and Other Explanatory Information

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 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 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 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 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 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

1. Note No. 27[B][xii] regarding non Reconciliations/Confirmations in respect of certain accounts of Sundry Debtors having debit balance of Rs. 129,671,905/-, and credit balance of Rs. 31,923,460/-, Creditors having credit balance of Rs. 74,810,643/- and debit balance of Rs. 1,740,880/- other loan and advance to Supplier, Contractors etc. have not been received and they are subject to confirmations and reconciliation. The management is of the opinion that adjustments, if any arising out of such reconciliation would not be material effecting financial statements of the current year.

Our Opinion is not qualified in respect of this matter.

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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended).

e. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 financial statements – Refer Note No. 27B i (d),(e),(f),(g) & (h) to the Financial Statements,

   ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;

   iii. There were no amount which were required to be transferred to the investor education & protection fund.

   iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the company. Refer Note 27B (xxi) to the financial statements.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

SD/-
B.L.Choraria
Partner
Membership No.: 022973

Place: New Delhi
Date: 13TH July, 2017

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

Re: Dixon Technologies (India) Private Limited
(Now 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 fixed assets.

b. As informed to us, the company has a phased programme of physical verification of its fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. Management has physically verified certain fixed assets 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 guarantee given & Investment made in its subsidiary and Joint venture 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, there has been some delays of depositing undisputed provident fund and employee state insurance with the appropriate authority, however, there are no outstanding at the end of the year. Other statutory dues including investor education and protection fund, sales-tax, service tax, custom duty, excise duty, income tax, cess etc. have been deposited in time 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 (In Rs)**	**Amount Paid under Protest (In Rs)**	**Forum Where the dispute is pending**	**Year**
Sales Tax excl. penalty & Interest	4 021 628	3,242,567	Joint Commissioner	2010-13, 2015-17
	488,215	488,215	High Court	2009-10
	1,244,654	1,012,348	Deputy Commissioner	2009-10, 2011-12, 2014-15, 2016-17
	1,476,000	1,476,000	Asst. Commissioner	2014-15, 2016-17
	2,189,523	0	Joint Commissioner (Appeal)	2008-09, 2011-13
	9,420,020	**6,219,130**		
Services Tax excl. Penalty & Interest	**3,042,239**	-	Commissioner Appeal	2006-09
Custom Duty	4,267,533	12,000,000	Add. Commissioner of Custom	2011-12
	45,580,523	989,169	Commissioner of Custom	2009-12,
	14,949,954	0	CESTAT	2009-12, 2013-15
	64,798,010	**12,989,169**		
Central Excise excl. penalty & interest	2,851,897	-	Add. Commissioner of Central Excise	2009-10
	917,723	813,474	Ass. commissioner of Central Excise	2009-10, 2015-16
	37,549,227	-	CESTAT	2012-15
	3,624,184	-	Commissioner of Central Excise	2008-09
	45,381,869	-	Supreme Court	2007-08
	90,324,900	**813,474**		
Income Tax	**16,962,223**		Dispute Resolution Panel	2013-14

(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 financial institutions, banks and debentures 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 not raised any moneys by way of Public issue/ Follow-on offer.

(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) This being private limited company (Till 31st March 2017) provisions of section 197 of read with schedule V to the Companies Act, 2013 not applicable to the company.

(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 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 review, 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

SD/-
B.L. Choraria
Partner
Membership No.: 022973

Place: Noida
Dated: 13TH July, 2017

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) Private Limited, (Now Dixon Technologies (India) Limited) ("the Company") as of 31stMarch, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 !udit 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 Guidancenote 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 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 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 2017, 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

SD/-
B.L. Choraria
Partner
Membership No. 022973

Place: Noida
Date: 13TH July, 2017

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
BALANCE SHEET AS ON 31ST MARCH ,2017

Particulars		Note No.	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
I.EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital		1	**10,98,53,410**	3,10,31,570
(b) Reserves & Surplus		2	**1,79,50,66,054**	1,05,67,42,962
			1,90,49,19,464	1,08,77,74,532
(2) Non Current Liabilities				
(a) Long Term Borrowings		3	**9,80,82,827**	50,83,41,410
(b) Deferred Tax Liabilities (Net)	(Refer Note No 27 B (v))		**9,11,38,000**	6,21,23,000
(c) Other Long term Liabilities		4	**-**	-
(d) Long Term Provisions		5	**4,32,92,874**	2,49,82,554
			23,25,13,701	59,54,46,964
(3) Current Liabilities				
(a) Short Term Borrowings		6	**33,06,35,404**	16,86,79,972
(b) Trade Payables		7		
Total outstanding dues of micro enterprises and small Enterprises			**17,63,48,729**	6,67,39,502
Total outstanding dues of creditors Other than micro enterprises and small Enterprises			**2,11,07,47,864**	1,15,91,78,207
(c) Other Current Liabilities		8	**16,14,15,995**	8,76,55,122
(d) Short Term Provisions		9	**16,23,50,655**	6,62,94,816
			2,94,14,98,647	1,54,85,47,619
TOTAL			**5,07,89,31,812**	3,23,17,69,115
II.ASSETS				
(1) Non current Assets				
(a) Property, Plant & Equipment		10		
(i) Tangible assets			**1,29,11,42,879**	85,28,51,213
(ii) Intangible Assets			**8,62,971**	11,97,153
(iii) Capital work-in-progress			**1,95,78,163**	87,000
			1,31,15,84,012	85,41,35,366
(b) Non Current Investments		11	**9,05,01,220**	25,39,97,312
(c) Long Term Loans and Advances		12	**21,87,75,814**	13,08,71,505
(d) Trade Receivables		13	**-**	90,86,032
(e) Other Non Current Assets		14	**-**	-
			1,62,08,61,046	1,24,80,90,215
(2) Current Assets				
(a) Inventories		15	**1,56,66,46,998**	88,71,41,445
(b) Trade Receivables		16	**1,33,73,86,713**	69,35,90,804
(c) Cash and Bank Balances		17	**5,55,69,208**	2,76,88,170
(d) Short-Term Loans and Advances		18	**48,71,86,055**	37,10,66,123
(e) Other Current Assets		19	**1,12,81,792**	41,92,355
			3,45,80,70,765	1,98,36,78,898
TOTAL			**5,07,89,31,812**	3,23,17,69,115
SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION AND OTHER NOTES TO THE FINANCIAL STATEMENTS		27		

Notes 1 to 27 forms integral part of the financial statements

As per our report of even date attached		**SD/-**
For SINGHI & CO.	**CHAIRMAN**	**SUNIL VACHANI**
Chartered Accountants		**(DIN-00025431)**
Firm Reg. No. 302049E		
		SD/-
	MANAGING DIRECTOR	**ATUL B. LALL**
SD/-		**(DIN-00781436)**
B.L.CHORARIA		
PARTNER		
(Membership No.022973)		**SD/-**
	CHIEF FINANCIAL OFFICER	**GOPAL JAGWAN**
		SD/-
PLACE : NOIDA	**COMPANY SECRETARY**	**ASHISH KUMAR**
DATE : 13TH July, 2017		**(M.No. F8355)**

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

Particulars		Note No.	For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
(I) Revenue From operations (Net)		20	**16,44,31,05,118**	12,52,07,49,848
(II) Other income		21	**1,50,05,850**	2,36,82,117
(III) Total Revenue (I+II)			**16,45,81,10,967**	12,54,44,31,964
(IV) Expenses:				
Cost of materials Consumed		22	**14,12,64,46,617**	11,09,86,46,594
Change in inventories of finished goods, work-in-progress, stock in trade etc.		23	**(19,16,58,454)**	2,27,04,792
Employee's benefits expense		24	**60,94,50,975**	48,83,77,003
Finance costs		25	**12,23,45,763**	7,18,78,055
Depreciation and amortisation expense		10	**9,95,38,457**	6,47,95,479
Other expenses		26	**1,07,82,92,921**	52,02,29,741
Total Expenses			**15,84,44,16,279**	12,26,66,31,664
(V) Profit (Loss) before tax and exceptional items (III-IV)			**61,36,94,689**	27,78,00,300
(VI) Exceptional items	(Refer Note 27B(xvi)		**-**	1,19,53,766
(VII) Profit (Loss) Before Tax (V-VI)			**61,36,94,689**	**26,58,46,533**
(VIII) Tax Expenses:				
- Current tax			**14,78,06,342**	5,75,68,214
- Earlier Year tax			**23,77,381**	(3,71,322)
- Deferred tax (Assets)/Liabilities			**1,79,13,527**	(70,000)
- Tax Credit Entitlement U/s 115JAA			**-**	(51,13,000)
- Tax Credit Entitlement U/s 115JAA Earlier			**(5,23,17,858)**	(4,99,122)
(IX) Profit (Loss) for the Year After Tax (VII-VIII)			**49,79,15,295**	21,43,31,764
Earning per equity share - Basic	(Refer Note 27B(vii))		**48.28**	22.85
- Diluted			**45.68**	20.91
SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION AND OTHER NOTES TO THE FINANCIAL STATEMENTS		27		

Notes 1 to 27 forms integral part of the financial statements

As per our report of even date attached

For SINGHI & CO. Chartered Accountants Firm Reg. No. 302049E	**CHAIRMAN**	**SD/-** **SUNIL VACHANI** **(DIN-00025431)**
SD/- **B.L.CHORARIA** **PARTNER** **(Membership No.022973)**	**MANAGING DIRECTOR**	**SD/-** **ATUL B. LALL** **(DIN-00781436)**
	CHIEF FINANCIAL OFFICER	**SD/-** **GOPAL JAGWAN**
PLACE : NOIDA **DATE :13TH July, 2017**	**COMPANY SECRETARY**	**SD/-** **ASHISH KUMAR** **(M.No. F8355)**

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

Cash flow statement for the Year Ended of 31st March 2017

	For the Year Ended 31st March 2017		For the Year Ended 31st March 2016	
	Amount (Rs)		Amount (Rs)	
Cash flow from operating activities				
Profit before tax & provisions		**61,36,94,689**		26,58,46,536
Adjusted for:				
Depreciation	**9,95,38,457**		6,47,95,479	
Sundry Credit balances written back	**(9,07,931)**		(78,74,206)	
Excess Liability/Provision Written Back	**(4,41,229)**		(770)	
Rent Received	**(55,44,000)**		(33,04,000)	
Loss on sale of Property, Plant & Equipment	**55,25,622**		2,31,53,592	
Provision for doubtful debt, loans & Advances	**1,64,93,466**		32,99,938	
Provision for Impairment of Property, Plant & Equipment	**7,04,062**		6,00,000	
Interest Received	**(78,50,076)**		(60,85,069)	
Profit on Sale of Shares			(13,29,39,580)	
Employee Stock Compensation Expense	**1,98,44,170**			
Finance Costs	**12,23,45,763**	**24,97,08,305**	7,18,78,055	**1,35,23,439**
Operating profit before working capital changes		**86,34,02,993**		27,93,69,974
Adjusted for:				
Trade and other receivables	**(45,50,42,337)**		(23,28,58,323)	
Inventories	**(57,42,02,854)**		10,20,39,692	
Loans & Advances and other Assets	**(21,64,25,859)**		(1,30,82,066)	
Trade payables and Other Provisions	**99,21,43,141**	**(25,35,27,910)**	19,31,17,551	4,92,16,855
Cash generated from operations		**60,98,75,083**		32,85,86,829
Tax Paid		**(13,42,72,137)**		(6,88,18,919)
Cash (net) from operating activities		**47,56,02,946**		25,97,67,910
Cash flow from investing activities				
Purchase of Property, Plant & Equipment (including CWIP)		**(37,57,76,310)**		(18,17,57,403)
Sale/ (Investment) in Shares (Net)		**(85,00,000)**		(3,51,78,561)
Investment in margin money/security		**(2,43,33,409)**		1,36,19,088
Interest Received		**78,50,076**		60,85,069
Rent Received		**55,44,000**		33,04,000
Sale of Property, Plant & Equipment		**1,77,21,709**		30,34,374
Cash (used) in investing activities		**(37,74,93,934)**		(19,08,93,433)
Cash flow from financing activities				
Proceed from share capital & Premium		**6,09,61,760**		-
(Repayment) /proceeds Borrowings (net)		**4,55,06,066**		35,99,842
Finance Costs		**(12,23,45,763)**		(7,18,78,055)
(Repayment) /Proceeds Term Loan (ECB)				11,75,52,300
Dividend and tax thereon Paid		**(8,37,52,306)**		(4,22,63,977)
(Repayment) /proceeds Working capital borrowings				(7,53,86,738)
Cash (net) from financing activities		**(9,96,30,242)**		(6,83,76,628)
Net increase in cash and cash equivalents		**(15,21,230)**		**4,97,849**
Opening balance of cash and cash equivalents		**83,49,385**		78,51,536
Amount transfred consequent to amalgamtion of subsidiries		**48,96,320**		
		1,17,24,473		83,49,385
Closing balance of cash and cash equivalents		**1,17,24,473**		83,49,385

Notes :

1. The cash flow statement has been prepared under indirect method as per accounting standard (AS-3)
2. Previous year figures have been regrouped /rearranged wherever considered necessary, to make them comparable.
3. Cash flow statement figures for the Year ended 31st March 2017 are not comparable with figures for the year ended 31st March 2016

For SINGHI & CO. Chartered Accountants Firm Reg. No. 302049E	**CHAIRMAN**	**SD/-** **SUNIL VACHANI** **(DIN-00025431)**
SD/- **B.L.CHORARIA** **PARTNER** **(Membership No.022973)**	**MANAGING DIRECTOR**	**SD/-** **ATUL B. LALL** **(DIN-00781436)**
	CHIEF FINANCIAL OFFICER	**SD/-** **GOPAL JAGWAN**
PLACE : NOIDA **DATE : 13TH July, 2017**	**COMPANY SECRETARY**	**SD/-** **ASHISH KUMAR** **(M.No. F8355)**

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE STANDALONE BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 1 - SHARE CAPITAL		
AUTHORISED*		
26,000,000 (Previous Year 5,000,000) Equity shares of Rs.10/- each	**26,00,00,000**	5,00,00,000
Nil (Previous Year 5,000 Preference Shares of Rs.10/- each)	**-**	50,000
	26,00,00,000	5,00,50,000
ISSUED, SUBSCRIBED AND PAID-UP		
109,853,41 Equity Shares of Rs.10/- each fully paid up	**10,98,53,410**	3,10,31,570
	10,98,53,410	3,10,31,570

*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/- Each, pursuant to the approval of scheme of amalgamation for merger of Dixon Bhurji Moulding Private Limited and Dixon Appliances Private Limited with the company effective from 1st April 2016.

a) Reconciliation of Equity Share		
Balance as at the beginning of the year	**31,03,157**	31,03,157
Add: Shares issued during the year		-
Issued under conversion of Debenture during the Year (refer (d) below)	**12,90,041**	
Issued under ESOP Scheme during the Year (refer (e) below)	**3,14,806**	
Bonus (refer (f) below)	**62,77,337**	
Balance as at the end of the year	**1,09,85,341**	31,03,157

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 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.

c) Details of shares held by share holders holding more than 5% of the aggregate shares in the Company.

Mr. Sunil Vachani	**48,30,343**	20,70,147
(In %)	**43.97%**	66.71%
India Business Excellence Fund 1	**21,46,265**	
(In %)	**19.54%**	
Mrs. Kamla Vachani	**12,25,000**	5,25,000
(In %)	**11.15%**	16.92%
IL&FS Trust Company Limited	**11,55,730**	
(In %)	**10.52%**	
Mr.Atul B. Lall	**7,00,000**	
(In %)	**6.37%**	

d) Terms & conditions of convertible Debentures

1. Debentures are compulsorily convertible into Equity shares in compliance with the applicable law.
2. 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 alloted on Premium Rs 280.66 Per share

(Amount in Rupees)

Date of Issue	No of Debentures	Face Value	Total Amount
24-Jun-08	199,967	1,000	199,967,000
21-Nov-08	60,000	1,000	60,000,000
31-Jan-09	40,000	1,000	40,000,000
28-Apr-09	50,000	1,000	50,000,000
28-Oct-09	25,000	1,000	25,000,000
TOTAL	**374,967**		**374,967,000**

e) **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 27B (xx)

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 period ended December 2016, 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

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

NOTES TO THE STANDALONE BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 2 - RESERVES AND SURPLUS		
(a) CAPITAL RESERVE		
Balance as per last balance sheet (Capital investment subsidies)	**30,35,276**	30,35,276
Balance as at the end of the Year	**30,35,276**	30,35,276
(b) CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	**33,24,420**	33,24,420
Balance as at the end of the Year	**33,24,420**	33,24,420
(c) SHARE PREMIUM RESERVE		
Balance as per last balance sheet	**1,52,68,014**	1,52,68,014
Add: During the Year		
Premium on Conversion on Debenture into Equity Share	**36,20,66,590**	
Premium on Issue of shares under ESOP Scheme	**7,76,57,870**	
Less : Issue of bonus shares	**(6,27,73,370)**	
Balance as at the end of the Year	**39,22,19,104**	1,52,68,014
(d) GENERAL RESERVE		
Balance as at the beginning of the year	**7,04,93,639**	7,04,93,639
Balance as at the end of the Year	**7,04,93,639**	7,04,93,639
(e) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as at the beginning of the year	**96,46,21,612**	79,69,75,933
Profit/(Loss) for the year	**49,79,15,295**	21,43,31,764
Less: Appropriations		
Adjustment on account of Amalgamation	**5,72,13,094**	
Interim Dividend on Equity Shares (Refer Note No. 27 B (xvii))	**6,59,12,055**	3,87,89,463
Dividend distribution tax on Interim dividend on Equity Shares	**1,34,18,143**	78,96,622
Balance as at the end of the Year	**1,32,59,93,615**	96,46,21,612
Reserves and Surplus (a+b+c+d+e)	**1,79,50,66,054**	1,05,67,42,962
NOTE 3- LONG TERM BORROWINGS		
a) Debenture (Unsecured)	**-**	37,49,67,000
b) Term loan(Secured)		
- Standard Chartered Bank (External Commercial Borrowing)	**8,61,88,236**	11,75,29,020
c)Deferred payment liabilities(secured)		
- Vehicle Loan	**1,18,94,591**	1,58,45,390
	9,80,82,827	50,83,41,410
Sub classification of long Term Borrowing		
Secured	**9,80,82,827**	13,33,74,410
Unsecured	**-**	37,49,67,000
	9,80,82,827	50,83,41,410

a) Debenture converted into Equity shares during the year refer NOTE-1(d)

b) USD 2000000 Foreign currency loan from Standard Chartered Bank is secured against first pari passu charge on movable Plant & Equipment (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 installments from December, 2016. Last installment payable on December, 2020. rate of interest Libor+275 BPS and loan is fully hedged.

c) 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 2011 ending on 2022, bearing interest rate varying from 9.5% p.a to 13.25% p.a.

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

NOTES TO THE STANDALONE BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 4 -OTHER LONG TERM LIABILITIES		
Trade Deposits	-	-
	-	-
NOTE 5-LONG TERM PROVISIONS		
Provision for employee's benefit: (Refer Note No. 27B(ix))	3,10,86,961	2,24,82,554
Other Provision:		
- for Warranty	1,22,05,913	25,00,000
	4,32,92,874	2,49,82,554
NOTE 6-SHORT TERM BORROWINGS		
Working capital borrowing		
From Bank (Secured)		
Working capital demand loan in Indian rupees	21,50,58,476	15,54,05,972
Packing Credit Loan	10,00,00,000	1,32,74,000
Buyers credit in foreign currency	1,55,76,928	-
	33,06,35,404	16,86,79,972

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 of Company Mr. Sunil Vachani.

NOTE 7-TRADE PAYABLE		
For Goods & Services (Refer Note No. 27B (ii) & (xii))		
Total outstanding dues of micro enterprises and small Enterprises	17,63,48,729	6,67,39,502
Total outstanding dues of creditors Other than micro enterprises and small Enterprises	2,11,07,47,864	1,15,91,78,207
	2,28,70,96,593	1,22,59,17,709
NOTE 8-OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debts		
-Foreign Currency Loan from Bank	3,13,41,176	1,56,70,980
Current maturities of Deferred Payment liabilities		
-Vehicle Loan	64,21,110	64,18,944
Interest accrued but not due on borrowing	10,12,952	2,96,784
Unpaid Dividends	-	165
Advances from Customers (Refer Note No. 27B (xii))	3,20,57,117	84,14,456
Statutory Dues	4,40,22,474	2,27,92,878
Employee's Related Liabilities	4,65,61,166	3,40,60,915
(Including director commision Amounting to Rs. 13,171,136 and Previous Year 6,398,420)		
	16,14,15,995	8,76,55,122
NOTE 9- SHORT-TERM PROVISIONS		
Provision for employee's benefit: (Refer Note No. 27B (ix))	22,74,265	18,04,494
Other Provision		
- for Dividend Distribution Tax on proposed dividend on Equity Share	-	44,22,108
- for Income Tax	14,78,06,342	5,75,68,214
- for Warranty	1,22,70,047	25,00,000
	16,23,50,655	6,62,94,816

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

NOTES TO THE STANDALONE BALANCE SHEET

Particulars		As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE -11 NON-CURRENT INVESTMENTS			
Trade Investment			
Unquoted Equity Instruments			
Investment in subsidiaries			
Nil Equity shares (Previous Year 1200200) of Rs. 10/- each of M/s Dixon Appliances Pvt. Ltd., fully paid		**-**	10,60,02,142
1,000,000 Equity shares (Previous year 1000000) of Rs. 10/- each of M/s Dixon Global Pvt. Ltd., fully paid		**1,00,01,220**	1,00,01,220
Nil Equity shares (Previous Year 3850100) of Rs. 10/- each of M/s Dixon Bhurji Moulding Pvt. Ltd., fully paid		**-**	6,59,93,950
Investment in Joint Venture			
7500000 Equity shares (Previous Year 7000000) of Rs. 10/- each of M/s Padget Electronic Pvt. Ltd., fully paid		**7,50,00,000**	7,00,00,000
Share Application Money Nil Equity shares (Previous Year 200000) of Rs. 10/- each of M/s Padget Electronic Pvt. Ltd.		**-**	20,00,000
50000 Equity shares (Previous Year Nil) of Rs. 10/- each of M/s AIL Dixon Technologies Private Limited		**5,00,000**	
Share Application Money 500000 Equity shares (Previous Year Nil) of Rs. 10/- each of M/s AIL Dixon Technologies Private Limited		**50,00,000**	
		9,05,01,220	**25,39,97,312**
NOTE-12 LONG TERM LOANS & ADVANCES			
Capital Advances			
Unsecured, considered good	(Refer Note No. 27B (i)(2)(a)	**8,11,65,149**	5,74,32,727
		8,11,65,149	5,74,32,727
Security Deposit			
Unsecured, considered good	(Refer Note No. 27B (i)(1)(d,e,h))	**3,97,37,669**	3,40,93,297
		3,97,37,669	3,40,93,297
Other Loans and Advances (Unsecured, Considered good unless stated otherwise)			
Tax Credit Entitlement U/s 115JAA		**9,78,72,996**	3,93,45,481
Other Advances (Unsecured, Considered Doubtful)		**13,87,504**	13,87,504
		9,92,60,500	4,07,32,985
Less :Provision for Doubtful Advances		**13,87,504**	13,87,504
		21,87,75,814	13,08,71,505

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

NOTES TO THE STANDALONE BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 13- NON-CURRENT TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	**-**	90,86,032
Unsecured, Considered Doubtful (Refer Note No. 27B (xii))	3,01,68,033	1,34,76,626
	3,01,68,033	2,25,62,658
Less : Provision for Doubtful debt	**3,01,68,033**	1,34,76,626
	-	90,86,032
	-	90,86,032
NOTE : 14 OTHER NON-CURRENT ASSETS		
Unsecured, considered good unless stated otherwise		
Unamortized Preliminary Expenses	**-**	-
	-	-
NOTE 15- INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Material, Packing Material and Stores & Spares etc.	**1,03,70,73,690**	60,06,35,909
Work-in-progress	**36,03,57,180**	23,42,06,701
Finished Goods	**13,78,62,849**	5,22,03,643
Scrap	**10,12,441**	-
Goods in Transit (Raw Material, Packing Material and Stores & Spares)	**3,03,40,838**	95,192
	1,56,66,46,998	88,71,41,445
NOTE 16- CURRENT TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good (Refer Note No. 27B (xii))	**6,98,45,599**	2,26,91,948
Unsecured, Considered Doubtful	**-**	-
	6,98,45,599	2,26,91,948
Less: Provision for doubtful debt	**-**	-
Total	**6,98,45,599**	2,26,91,948
Other Receivables		
Unsecured, Considered Good (Refer Note No. 27B (xii))	**1,26,69,61,649**	66,63,04,354
Padget Electronics Private Limited (Joint Venture)	**5,79,465**	45,94,502
Total	**1,26,75,41,114**	67,08,98,856
Grand Total	**1,33,73,86,713**	69,35,90,804
NOTE-17 CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENT		
Cash on Hand	**17,17,146**	58,85,271
Banks Balance		
- in Current Accounts	**1,00,07,327**	24,64,114
Earmarked balances with Banks		
Unpaid Dividend Account	**-**	165
Balances with Bank held as margin money/ security (including interest)	**4,38,44,735**	1,93,38,620
	5,55,69,208	2,76,88,170

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED

(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

NOTES TO THE STANDALONE BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE-18 SHORT TERM LOAN AND ADVANCES		
Security Deposit		
Unsecured, considered good	**1,18,94,688**	14,80,000
	1,18,94,688	14,80,000
Loans & Advances to Related Parties;		
Dixon Bhurji Moulding (P) Ltd	**-**	15,42,97,962
AIL Dixon Technolgies Private Limited	**8,98,280**	-
	8,98,280	15,42,97,962
Other Loans and Advances (Unsecured, Considered good unless otherwise stated)		
Advances to Employees *	**8,57,53,293**	42,58,715
Less provision for doubtful advances	**84,930**	-
	8,56,68,363	42,58,715
Balances with Government & Statutory Authorities	**20,87,27,211**	12,23,00,906
Advance Tax and TDS	**13,63,81,962**	6,66,17,154
Other Advances (to Suppliers, contractors etc)		
Unsecured, considered good	**4,36,15,551**	2,21,11,386
Unsecured, considered doubtful	**-**	-
	47,43,93,087	21,52,88,161
Less: Provision for doubtful advances		-
	47,43,93,087	21,52,88,161
	48,71,86,055	37,10,66,123

*Includes advance of Rs. 78,607,963/- to employees for subscribing shares under employee stock option plan which is repayable in 36 months, interest will be @10% pa

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE : 19 OTHER CURRENT ASSETS		
Unsecured, considered good unless stated otherwise		
Intial Public Issue expenses recoverable (Refer Note No. 27B (xxiii))	**57,68,558**	-
Prepaid expenses	**55,13,234**	41,92,355
	1,12,81,792	41,92,355

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO STANDALONE STATEMENT OF PROFIT & LOSS

Particulars	For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
NOTE 20- REVENUE FROM OPERATION		
Sales of Products & Others	**16,35,92,31,312**	12,53,78,84,314
(Includes Rs 590,071,534 Export Sales, Previous year Rs.143,760,525)		
Less:-Excise Duty & Cess	**23,50,10,966**	20,86,96,626
	16,12,42,20,346	12,32,91,87,688
Sale of Services		
Job Work Charges	**23,97,53,567**	18,59,88,773
Service Charge receipts	**5,64,80,337**	
Other Operating Revenue		
Sale of scrap	**20,30,018**	-
Export Incentive	**1,05,76,375**	28,58,145
Duty Draw Back	**1,00,44,475**	27,15,242
	16,44,31,05,118	12,52,07,49,848
NOTE 21- OTHER INCOME		
Interest Income (Gross)		
On Fixed Deposits and Margin Money	**18,42,445**	19,60,069
Others	**60,07,631**	41,25,000
Exchange Fluctuation(Net)	**-**	51,38,046
Other Non Operating Income		
Other receipts	**2,62,614**	11,36,026
Sundry Credit balances written back	**9,07,931**	78,74,206
Rent Received (Gross)	**55,44,000**	33,04,000
Excess Liability/Provision Written Back	**4,41,229**	770
Service charge Received	**-**	1,44,000
	1,50,05,850	2,36,82,117
NOTE 22-COST OF MATERIALS CONSUMED		
Opening Stock	**60,06,35,909**	67,55,51,043
Addition On Account Of Amalgamation	**8,40,63,754**	
Add : Purchases (Net) (Refer Note No. 27B (iii))	**14,47,88,20,643**	11,02,37,31,461
	15,16,35,20,306	11,69,92,82,504
Less : Closing Stock	**1,03,70,73,690**	60,06,35,909
	14,12,64,46,617	11,09,86,46,594
NOTE- 23 CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS, STOCK IN TRADE etc		
Finished goods		
Opening stock	**5,22,03,643**	17,70,18,349
Addition On Account of Amalgamation	**1,25,40,806**	
Closing stock	**13,78,62,849**	5,22,03,643
(Increase)/decrease in stock	**(7,31,18,400)**	12,48,14,706
Work in process		
Opening stock	**23,42,06,701**	13,20,96,788
Addition On Account of Amalgamation	**77,92,755**	
Closing stock	**36,03,57,180**	23,42,06,701
(Increase)/decrease in stock	**(11,83,57,724)**	(10,21,09,914)
Scrap		
Opening stock	**-**	-
Addition On Account of Amalgamation	**8,30,111**	
Closing stock	**10,12,441**	-
(Increase)/decrease in stock	**(1,82,330)**	-
	(19,16,58,454)	2,27,04,792

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO STANDALONE STATEMENT OF PROFIT & LOSS

Particulars		For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
NOTE 24 - EMPLOYEE'S BENEFITS EXPENSE			
Salary, Wages, Bonus etc		**50,44,64,376**	42,43,77,562
Contribution to Provident and other funds		**3,16,02,716**	3,13,30,986
Gratuity		**83,07,330**	79,34,385
Staff welfare expenses		**4,52,32,383**	2,47,34,070
Expense on Employee Stock Option Scheme (ESOP)		**1,98,44,170**	
		60,94,50,975	48,83,77,003
NOTE 25- FINANCIAL COSTS			
Interest Expenses		**11,48,66,491**	8,97,55,084
Less : Interest Received from Associates/Subsidiaries		**-**	2,52,96,717
		11,48,66,491	6,44,58,367
Bank Charges		**74,79,272**	74,19,688
		12,23,45,763	7,18,78,055
NOTE 26 - OTHER EXPENSES			
Consumption of Stores and Spares parts(Including Packing materials)		**21,40,02,654**	16,33,54,625
Manufacturing Expenses		**38,04,81,013**	11,14,41,872
Power & Fuel		**10,57,64,795**	5,60,17,083
Rent		**2,41,80,949**	67,98,367
Repairs to Building		**77,47,381**	27,31,640
Repairs to Plant & Machinery		**4,44,05,260**	2,51,36,348
Repairs to Others		**2,26,94,405**	1,06,67,978
Insurance		**62,79,669**	29,52,370
Rates & Taxes		**86,84,922**	1,10,07,569
Selling & Distribution Expenses		**6,78,11,203**	2,83,34,906
Donation		**2,92,850**	2,57,570
R & D Expenses		**51,54,395**	32,75,502
Bad debts Write off		**2,17,091**	-
Payment to Auditors	(Refer Note No. 27B (xiii))	**31,10,331**	19,79,176
Prior Period Items (Net)	(Refer Note No. 27B(xiv))	**1,40,569**	-
Provision for doubtful debt, loans & Advances		**1,64,93,466**	32,99,938
Provision for Impairment of Property, Plant & Equipment		**7,04,062**	6,00,000
Loss on sale of Property, Plant & Equipment		**55,25,622**	2,31,53,592
Corporate Social Responsibility Expenses	(Refer Note No. 27B(xv))	**30,50,000**	14,65,000
Exchange Fluctuations (Net)		**70,25,170**	
Increase/(decrease) in Excise Duty & Cess on Finished goods		**1,19,550**	(14,14,171)
Miscellaneous Expenses		**15,44,07,563**	6,91,70,376
		1,07,82,92,921	52,02,29,741

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE BALANCE SHEET

NOTES-10 PROPERTY , PLANT AND EQUIPMENT.

(In Rs.)

SL No	DESCRIPTIONS	GROSS BLOCK					DEPRECIATION					IMPAIRMENT				NET BLOCK	
		AS ON 31-Mar-16	ADDITION ON ACCOUNT OF AMALGAMATION	ADDITIONS	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	ADDITION ON ACCOUNT OF AMALGAMATION	FOR THE PERIOD	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	FOR THE PERIOD	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	AS ON 31-Mar-17
	TANGIBLE ASSETS (A)																
1	LAND - FREE HOLD	1,15,57,726		2,50,34,179		3,65,91,905	-		-	-	-					1,15,57,726	3,65,91,905
2	LAND - LEASE HOLD (99 Years)	7,02,16,991		-		7,02,16,991	-		-	-	-					7,02,16,991	7,02,16,991
3	OFFICE BUILDINGS	1,03,37,178	7,56,430	2,28,98,300	-	3,39,91,908	2,62,428	7,56,430	1,64,665	-	11,83,523					1,00,74,750	3,28,08,385
4	FACTORY BUILDINGS	36,00,40,179	1,07,13,490	2,42,28,479	-	39,49,82,148	7,25,17,598	16,44,226	1,22,49,515	-	8,64,11,339					28,75,22,581	30,85,70,809
5	ELECTRIC INSTALLATIONS	2,96,54,863	1,04,06,166	95,50,886	18,83,317	4,77,28,598	1,32,74,952	42,49,120	35,60,484	18,83,317	1,92,01,239					1,63,79,910	2,85,27,359
6	PLANT & MACHINERY (IND)	18,36,53,198	18,21,50,384	7,29,60,122	55,76,325	43,31,87,380	5,76,00,069	4,22,48,247	2,86,70,843	1,14,225	12,84,04,933	89,61,855	34,93,107		1,24,54,962	11,70,91,274	29,23,27,485
7	PLANT & MACHINERY (IMP)	33,66,71,947		11,12,62,141	3,17,78,357	41,61,55,730	12,94,45,802		2,25,13,698	1,93,32,926	13,26,26,574	1,04,73,874	11,25,185	45,58,957	70,40,102	19,67,52,271	27,64,89,054
8	TOOLS & DIES	4,21,93,325	5,71,44,719	4,09,82,093	49,93,830	13,53,26,308	1,00,93,548	1,24,02,188	73,98,608	3,84,735	2,95,09,609	93,446	6,44,727		7,38,173	3,20,06,331	10,50,78,526
9	FAN , COOLERS, & AC's, etc.	2,22,84,373	15,37,747	78,79,991	-	3,17,02,110	73,14,420	4,98,540	44,16,450	-	1,22,29,410				-	1,49,69,953	1,94,72,701
10	FURNITURE & FIXTURES	5,50,15,537	17,33,816	2,38,39,367	3,75,600	8,02,13,120	1,09,86,483	4,37,215	63,43,571	3,75,600	1,73,91,670				-	4,40,29,054	6,28,21,450
11	VEHICLES	6,06,86,312	17,31,278	30,97,029	30,52,566	6,24,62,053	2,11,52,141	2,10,290	70,60,611	23,38,130	2,60,84,913				-	3,95,34,171	3,63,77,140
12	OFFICE EQUIPMENTS	87,40,221	17,86,995	39,93,456	48,556	1,44,72,116	42,21,913	10,26,739	16,90,616	48,556	68,90,712				-	45,18,307	75,81,403
13	COMPUTERS	2,49,99,993	18,58,665	1,05,59,099	32,130	3,73,85,628	1,68,02,099	11,84,509	51,35,213	15,861	2,31,05,960				-	81,97,894	1,42,79,667
	Total of A	**1,21,60,51,842**	**26,98,19,691**	**35,62,85,142**	**4,77,40,681**	**1,79,44,15,995**	**34,36,71,453**	**6,46,57,504**	**9,92,04,274**	**2,44,93,349**	**48,30,39,882**	**1,95,29,175**	**52,63,018**	**45,58,957**	**2,02,33,237**	**85,28,51,214**	**1,29,11,42,879**
	INTANGIBLE ASSETS (B)																
	Computer Software	69,08,840		-	-	69,08,840	57,11,687		3,34,182	-	60,45,869					11,97,153	8,62,971
	TOTAL(A+B)	**1,22,29,60,682**	**26,98,19,691**	**35,62,85,142**	**4,77,40,681**	**1,80,13,24,835**	**34,93,83,140**	**6,46,57,504**	**9,95,38,457**	**2,44,93,349**	**48,90,85,752**	**1,95,29,175**	**52,63,018**	**45,58,957**	**2,02,33,237**	**85,40,48,367**	**1,29,20,05,849**
	Add: Work In progress					-										87,000	1,95,78,163
																85,41,35,367	1,31,15,84,012
	PREVIOUS YEAR	1,08,35,76,803	-	18,16,70,403	4,22,86,524	1,22,29,60,682	30,06,86,239	-	6,47,95,479	1,60,98,579	34,93,83,140	1,89,29,175	1,06,00,000	1,00,00,000	1,95,29,175	76,39,61,388	85,40,48,366

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

NOTE 27 A- SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of preparation of Accounts**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with rule 7 of the companies (Accounts) rules, 2014 (as amended) (here in after referred as "The Rules") and the relevant provisions of The Act, to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

ii. **Use of Estimates**

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from those estimated. Any revision to accounting estimates is recognized prospectively in current and future periods.

iii. **Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III (as amended) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

iv. **Property, Plant and Equipment**

a) Property Plant and Equipment are carried at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost is inclusive of freight, applicable duties less input credit, taxes and other directly attributable costs to bring the assets to their working condition or for intended use as prescribed Cost Model in Accounting Standard (AS) 10 of The Rules.

b) Cost of Spares parts above Rs 100,000 having useful life more than one year is added to the assets. Others are charged to the statement of Profit and Loss under appropriate accounting head.

c) Let out Property to Joint venture & Subsidiaries is merely for the purpose of business of the company and therefore treated as Property, Plant and Equipment.

v. **Depreciation & Amortization**

a. Tangible Assets
Depreciation on tangible asset is provided over useful life of an asset on straight line method prescribed in Schedule II to the Companies Act, 2013. Assets costing Rs. 5,000/- or below are fully depreciated in the year of purchase.

b. Intangible Assets
Computer software are amortized over period of three years from date of purchase as per Accounting standard 26 of the Rules.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

c. Lease hold Land
Premium paid on lease hold land is for 99 years and not amortized over the period of lease.

d. Upfront fee on ECB loans is being amortized over the period of loan.

e. (1) In case the cost of components of a 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 the external valuers which the management believes that the useful lives of the component best represent the period over which the management expects to use those components.

(2) Cost of Spares parts above Rs 100,000 having useful life more than one year is depreciated with the remaining useful life of the asset.

f. Deprecation on let out property to Joint Venture and Subsidiaries are provided over useful life of an asset on straight line method prescribed in Schedule II to the Companies Act, 2013.

vi. **Foreign exchange transactions**

a. Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are restated at the rates prevailing on the balance sheet date or the forward cover rates as applicable, and exchange gains / losses are dealt with in the Statement of Profit & Loss.
b. In case of monetary items which are covered by forward exchange contract, the difference between the booking rates and the rate on the date of contract is also recognized and dealt with in the Statement of Profit & Loss.
c. The company has exercised option under notification no. GSR 914 (E) dated 29th December'2011 issued by Ministry of Corporate Affairs and accordingly net exchange difference on long term foreign currency borrowings has been added / reduced to the depreciable fixed assets acquired & Work In Progress.

vii. **Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

viii. **Inventories**

Inventories are valued as under:
a. Raw Materials & components, Packing Materials and Stores & Spares - at lower of cost or net realizable value.
b. Work - in - Progress - at lower of cost or net realizable value.
c. Finished Goods - at lower of cost or net realizable value.

Cost referred to above represent cost (based on moving first in first out method) incurred in bringing the inventories to their present location and condition inclusive of custom duty, freight, normal demurrage, insurance net of discounts/ incentive recoverable from suppliers.

In case of Work in Progress and Finished goods, cost includes appropriate portion of overheads and where applicable, excise duty.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

The net realizable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of finished goods are not written down below costs, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. In such cases, the materials are valued at the lower of replacement cost or the ultimate net realizable value of finished goods.

ix. **Revenue recognition**

a. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
b. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are passed on to the buyers. Sales are net of taxes, sale return and discount etc.
c. Interest revenue is recognized on a time proportion basis taking into account the rate applicable and amount outstanding.
d. Insurance claims are accounted for on acceptance / or to the extent amounts have been received.

x. **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as expenses in Statement of Profit and Loss in the period in which they are incurred.

xi. **Export benefits**

Export incentives are accounted for on accrual basis.

xii. **Earnings per share**

Basic earnings per share is calculated by dividing the profit/ (loss) after tax 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 and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted earnings per share is calculated by dividing the profit/(loss) after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xiii. **Taxation**

Provision is made for both current and deferred tax. Provision for current tax is made on the basis of assessable profits computed in accordance with Income Computation and Disclosure Standards notified under Section 145 (2) and other provisions of Income tax Act, 1961.

Deferred tax is recognized for the future tax rate on components attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax status. The effect on deferred taxes of a change in tax rate is recognized using the tax rate and tax laws that have been enacted by the balance sheet date. Deferred Tax assets are recognized to the extent that they will originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Such assets are reviewed as at each balance sheet date to reassess realization.

xiv. **Accounting for Tax credit under section 115JAA of Income Tax Act,1961**

As per the Guidance note, issued by the Institute of Chartered Accountants of India, on accounting for Tax credit in respect of Section 115JAA under the Income Tax Act 1961, Tax credit is a resource controlled by the Company as a result of past event,(viz., payment under Section 115JB). Tax credit has expected future economic benefits in the form of its adjustments against the discharge of the normal tax liability if the same arises during the specified period and accordingly Tax credit is an asset. And it should be recognized as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

xv. **Retirement benefits**

a. Provident fund contributions are accounted for on accrual basis with corresponding contribution to the authorities.
b. Provision for gratuity liability is determined on the basis of actuarial valuation at the balance sheet date carried out by an independent actuary and charged to revenue each year.
c. In respect of leave, as the leave accrued, if any, laps at the end of the year and hence, no liability in respect of accrued leave arises.

xvi. **Impairment of Assets**

An impairment loss, if any, is recognized whenever the carrying amount of the property, Plant & Equipment (tangible or intangible) exceeds the recoverable amount i.e. the higher of the assets net selling price and value in use.

xvii. **Provisions and Contingencies**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

xviii. **Research & Development Expenses**

The revenue expenditure on research and development 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.

xix. **Proposed Dividend**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

xx. **Warranty**

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.

xxi. **Employee Stock Option Plan (ESOP)**

As required Difference between nominal value of share and the fair market value as certified by valuer is recognized as share premium reserve and difference between the fair market price and exercise price is charged to the statement of profit & loss. As per the Guidance note on Accounting for Employee Share-based payment issued by the Institute of Chartered Accountant of India.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

NOTE 27 B OTHERS EXPLANANTORY INFORMATION AND OTHER NOTES

i. **Contingent Liabilities and commitments (to the extent not provided for):-**

(Amount in Rupees)

SN	Particulars	Current Year	Previous Year
	1. Contingent liabilities not provided in respect of :		
a.	Letters of Credit (outstanding)	**105,466,294**	83,209,840
b.	-Guarantees issued by bankers on behalf of Company and amount outstanding	**1,842,661**	442,661
	-Corporate Guarantees given to Bank on behalf of subsidiaries/ Associate for purpose of financial assistance.	**395,000,000**	605,000,000
c.	Bill Discounting with Banks	**113,208,574**	130,795,328
d.	Demand for Sales Tax under appeal with Department/Tribunal/ Courts and show cause notice etc. (Deposit under protest Rs. 4,376,469 and Previous Year Rs. 2,353,155)	**9,420,020**	8,100,238
e.	Demand for Excise, Custom Duty, Service Tax under appeal with Department/Tribunal/ Courts and show cause notice etc. (Deposit under Protest Rs. 15,981,481 and Previous Year Rs.12,989,159) excluding Penalty & Interest	**158,165,149**	161,626,216
f.	Demand for Income Tax under objection filed under Dispute Resolution Panel	**16,962,223**	-
g.	Cases pending in labor court and not provided for	**1,700,516**	1,077,381
h.	Stamp Duty appeal filed with Chief Controller of Revenue, Allahabad (Deposit under protest Rs 415,500 and Previous Year Rs. 415,500)	**1,778,300**	1,778,300
i	Surety Bond given to Custom Department	**757,000,000**	500,000,000
	2. Capital Commitment : -		
a.	Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	**164,717,275**	26,910,050

ii. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at end of year	**176,348,729**	66,739,502
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at end of year	-	-
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	-	-

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

iii. Materials purchases is net of foreign exchange gain Rs. 74,891,377/- (Previous year Loss Rs. 1,571,529/-)

iv. Company has incurred expenditure for in house Research & Development and such expense is charged off in the Statement of Profit & Loss under respective heads of accounts. Details are furnished as under:

(Amount in Rupees)

Nature of Expenses	Current Year	Previous Year
Purchases	**6,449,499**	1,415,159
Power & Fuel	**300,000**	240,000
Salaries, Wages, Bonus etc	**22,370,936**	11,721,036
Contribution to Provident and Other Funds	**1,537,483**	862,050
Gratuity	**595,000**	266,115
Staff Welfare Expenses	**42,379**	9,520
Consumption of Store and spare parts	**265**	13,260
Repairs to Plant & Machinery	**5,600**	-
Repairs to Other Assets	**57,782**	58,750
Rates & Taxes	**43910**	84,474
Deprecation	**200,319**	23,189
Other Expenses : -		
R & D Expenses	**5,154,395**	3,275,502
Miscellaneous Expenses	**2,278,397**	1,112,057
TOTAL	**39,035,965**	19,081,112

v. **Deferred Tax Liability (Net)**

Calculation of deferred tax liability (net) as on 31st March, 2017 is as given below:

(Amount in Rupees)

	Current Year	Previous Year
1.**Deferred Tax Liability** -Arising on account of timing differences in Depreciation	**129,107,000**	82,431,000
2. **Deferred Tax Assets** -Arising on account of timing differences in accrued expenses allowable on actual payments & provisions	**37,969,000**	20,308,000
Deferred Tax Liability (net) as at 31.03.2017	**91,138,000**	62,123,000

vi. Company's operations predominantly related to manufacturing and sale of Electronic goods and accordingly this is the only segment. Consequently no separate disclosures are necessary under Accounting Standard 17 "Segment Reporting" as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with Rule.

vii. Earnings per share is calculated in accordance with Accounting Standard-20 as follows:-

(Amount in Rupees)

Particulars	**Year ended 31st March, 2017**	Previous Year
Net Profit/(Loss) After Tax for the year	**497,915,295**	214,331,764
Add:- Interest on Convertible Debentures during the year (Net of Tax)	**-**	11,571,610
Adjusted Net Profit/(Loss) After Tax for the year	**497,915,295**	225,903,374
Weighted average Number of Equity Shares for computing **Basic**	**10,312,100**	9,380,494

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

Earnings per share.		
Weighted average Number of Equity Shares for computing **Diluted** Earnings per share.	**10,899,876**	10,804,699
Face value of per share	**10**	10.00
-**Basic EPS**	**48.28**	22.85
-**Diluted EPS**	**45.68**	20.91

viii. **Operating Lease**

a. As a lessee :

The Company has entered into cancellable operating leases and transactions for leasing of accommodation for Office space, Godown, Transit house etc. The tenure of lease generally, varies between one and three years. Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation. Related Lease rental aggregating Rs. 24,115,134 (previous year Rs. 6,732,552) have been debited to the Statement of Profit & Loss.

b. As a lessor :

The Company has given three different portions of its properties on lease and tenure of leases varies between 1 to 11 years. Terms of the lease include operating term for renewal ,increase in rent in future period and term of cancellation to its Subsidiary/Joint Venture on a monthly rental of Rs. 5,000/- w.e.f. 16-03-11, Rs. 9,000/-w.e.f. 15-10-10 and 448,000 W.e.f. 01-09-2015. Related lease rental income aggregating Rs. 5,544,000 (Previous year Rs. 3,304,000). The cost of depreciation provided during the year, on rented portion is Rs. 3,037,102/- (Previous year Rs. 1,784,416/-)

ix. In accordance with the revised accounting standard 15, “Employee Benefits” the requisite disclosures are as follows:-

Gratuity: The Company has defined unfunded benefit gratuity plan and managed by company. Expenses are recognized under head “Gratuity”. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus variable dearness allowance) for each completed year of service subject to a maximum of Rs.1,000,000 on resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

Actuarial Assumptions: Principal assumptions used for actuarial valuations are:

	Current Year	Previous Year
i) Method Used	Projected Unit Credit Method	
ii)Discount rate	7.54 %	8.00%
iii) Expected rate of return on assets (Gratuity only)	0.00%	0.00%
iv) Future Salary Increase-	6.00%	6.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

(c) **Expenses recognized in Statement of Profit & Loss:** (Amount in Rupees)

	Gratuity	
Descriptions	**Current Year**	Previous Year
Current Service Cost	**4,562,541**	2,704,675
Past Service Cost	**-**	-
Interest Cost on benefit obligation	**2,078,283**	1,357,499
Expected return on plan assets	**-**	-
Net actuarial (gain) / loss recognized in the year	**1,666,506**	3,872,211
Expenses recognized in the Statement of Profit & Loss	**8,307,330**	7,934,385

(d) **Amount recognized in the Balance Sheet**: (Amount in Rupees)

	Gratuity	
Descriptions	**Current Year**	Previous Year
Present value of obligation as at 31.03.2017 (i)	**33,361,226**	24,287,048
Fair value of plan assets as at 31.03.2017 (ii)	**-**	-
Difference (ii) - (i)	**(33,361,226)**	(24,287,048)
Net assets / (liability) recognized in the Balance Sheet	**(33,361,226)**	(24,287,048)

(e) **Change in the present value of the defined benefit obligations:** (Amount in Rupees)

	Gratuity	
	Current Year	Previous Year
Present value of obligation as at 01.04.2016	**24,287,048**	16,968,739
Amalgamation Adjustment (01.04.2016)	**1,691,488**	-
Interest Cost	**2,078,283**	1,357,499
Current service Cost	**4,562,541**	2,704,675
Past service Cost	**-**	-
Benefits paid	**(924,640)**	(616,076)
Net actuarial (gain)/ loss on obligation	**16,66,506**	3,872,211
Present value of the defined benefit Obligation as at 31.03.2017	**33,361,226**	24,287,048

x. **Related party disclosure**:

(a) Related party disclosures, as required by Accounting Standard-18, “Related Party Disclosures”, are given below:

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
Relative of Key Managerial Personnel	
Mrs. Gayatri Vachani	Wife of Chairman
Mr. Kamal Vachani	Brother of Chairman
Mr. Ravi Vachani	Brother of Chairman
Mrs. Geeta Vaswani	Sister of Chairman

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

II. Other parties with whom company has entered into transactions during the year

Holding Company	NA
Subsidiaries	M/s Dixon Appliances Pvt. Limited till 31st March'2016 (Refer Note 27B(xviii)
	M/s Dixon Bhurji Moulding Pvt. Ltd. till 31st March'2016 (Refer Note 27B(xviii)
	M/s Dixon Global Pvt. Ltd.
Joint Venture	M/s Padget Electronic Pvt. Limited (Subsidiary Company w.e.f. 10th June,2013) & converted to Joint Venture w.e.f. 10 November 2015.
	M/s AIL Dixon Technologies Private Limited(W.e.f. 8th February 2017)
Associates	M/s My Box Technologies Pvt. Ltd. (Subsidiary Company w.e.f. 30th March 2009, converted to associate Company w.e.f. 29th March 2012 to 3rd July 2015)
Enterprises over which KMP or relative of KMP have significant influence	M/s Dixon Applied Technologies 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
	Fincraft Learnings Private Limited(Company in which Managing Director/Chairman is Director/Shareholder)
	M/s Rage (Partnership firm of Chairman's relative)

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

(Amount in Rupees)

Sr. no.	Particulars		Subsidiary Companies /Associates/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	-	**2,625,922**			**2,625,922**
		Previous Year	25,296,717	-	-	-	25,296,717
B	Purchase of Goods	Current year	**3,590,507,831**	-	-	**343,500**	**3,590,851,331**
		Previous Year	6,030,426,457	-	-		6,030,426,457
C	Sale of Goods	Current year	**9,821,557**	-	-	**128,439**	**9,949,995**
		Previous Year	836,708,536	-	-	-	836,708,536
D	Remuneration	Current year	-	**50,457,730**	-	-	**50,457,730**
		Previous Year	-	36,214,577	-	-	36,214,577
E	Rent Received	Current year	**6,370,980**	-	-	-	**6,370,980**
		Previous Year	3,773,150	-	-	-	3,773,150
F	Sundry Debtors & (Creditors) / Amount Recoverable & (Payable) year end balances	Current year	**(183,533,556)**	**56,769,091**	-	-	**(126,764,465)**
		Previous Year	284,213,569	825,000	-	-	285,038,569
G	Investments	Current year	**8,500,000**	-	-	-	**8,500,000**
		Previous Year	212,539,921	-	-	-	212,539,921
H	Purchase of Property, Plant and Equipment	Current year	**25,199,325**	**10,700,000**	**10,700,000**	-	**46,599,325**
		Previous Year	-	-	-	-	-
I	Outstanding Guarantees given by the Company	Current year	**395,000,000**	-	-	-	**395,000,000**
		Previous Year	535,000,000	-	-	-	535,000,000
J	Service Charges Received	Current year	-	-	-	-	
		Previous Year	163,372	-	-	-	163,372
K	JOB Charges Received (Including Duty)	Current year	**122,883**	-	-	-	**122,883**
		Previous Year	14,801,295	-	-	-	14,801,295
L	Job Charges Paid	Current year	-	-	-	-	-
		Previous Year	2,348,859	-	-	-	2,348,859
M	Advance against Property	Current year	-	**1,604,396**	**1,604,396**		**3,208,792**
		Previous year	-	1,460,000	1,460,000	-	2,920,000
N	Loan/advance Given	Current year	**898,280**	**53,618,169**	-	-	**54,516,449**
		Previous Year	-	675,000	-	-	675,000
O	Surety Bond Given to Custom Department on behalf of the Joint Venture	Current year	**61,00,00,000**	-	-	-	**61,00,00,000**
		Previous Year	500,000,000	-	-	-	500,000,000

P	Bond Given to Custom Department by the Subsidiaries /Joint Venture on behalf of Dixon Technologies (India) Private Limited	Current year	**242,000,000**	-	-		**242,000,000**
		Previous Year	-	-	-	-	-
Q	Sales of Plant, Property & Equipment	Current year	-				-
		Previous Year	2,346,577				2,346,577
R	Proceed received Under ESOP Scheme	Current year		**44,221,093**			**44,221,093**
		Previous Year					
S	Perquisite to EMPLOYEE Under ESOP Scheme	Current year		**27,206,207**			**27,206,207**
		Previous Year					
T	No of Bonus share issued	Current year		**3,180,196**	**139,707**		**3,319,903**
		Previous Year					
U	No of share issued under ESOP Scheme	Current year		**215,000**			**215,000**
		Previous Year					

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

xi. In the opinion of the Board, the current assets are at value stated, if realized in the ordinary course of business. The provisions for all known and ascertained liabilities are adequate and not in excess of the amounts reasonably required.

xii. The company has a process of sending letter of confirmation to its sundry Debtors, creditors and others, other than where bill-wise payment are received or made. However, account Confirmations/Reconciliations in respect of certain accounts of Sundry Debtors having debit balance of Rs. 129,671,905/- and credit balance of Rs.31,923,460/-, Creditors having credit balance of Rs. 74,810,643/- and debit balances of Rs.1,740,880/-, other loans and advance to Supplier, Contractors etc. have not been received and they are subject to confirmations and reconciliation. The management is of the opinion that adjustments, if any arising out of such reconciliation would not be material effecting financial statements of the year.

xiii. **A. Payment to Auditors: -**

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Audit Fees	**1,540,000**	800,000
Tax Audit Fees	**200,000**	130,650
Out of pocket expenses	**246,606**	111,740
Certification fees	**263,250**	596,786
Company Law matter	**453,500**	100,000
Total	**2,703,356**	1,739,176

B. Payment to Cost Auditors:

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Audit Fees	**406,975**	240,000
Total	**406,975**	240,000

xiv. **Prior period items (net) comprise of:**

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Salary	**56,769**	-
Miscellaneous Expenses	**6,400**	-
Rent	**77,400**	-
Total	**140,569**	-

xv. **Corporate Social Responsibility Expenditures:**

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

A. Gross amount required to be spent by the company **Rs. 3,033,493/-**

B. Amount spent by the company on

	Particulars	Amount in Rs.
1	Donation to Magic Bus India Foundation (Sec.8) company for project related to orphans	1,515,000
2	Donation to Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	70,000
3	Bansividya Memorial Trust	500,000
4	Bharat Vikas Viklang Nyas	50,000
5	Delhi Langar Seva Society	100,000
6	Guru Vishram Vridh Ashram	415,000
7	Noida Deaf Society	200,000
8	Rugmark Foundation	200,000
	Total Spent	3,050,000

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

xvi. **Exceptional Items : -**

(Amount in Rupees)

S. N.	Particulars	Current Year	Previous Year
1.	Claim Paid to M/s Koninklijke Philips Electronics N.V	-	144,893,346
2.	Profit on sales of investment in Associates shares	-	132,939,580
	Net Expenses (1-2)	-	11,953,766

xvii. During the year, the Board of Directors has declared interim dividend of Rs.6.00/- (Previous year: Rs.12.50/-) per Equity Share amounting to Rs. 65,912,055 (Previous year: Rs. 38,789,463).

xviii. **Event Occurring after Balance Sheet date.**

a) 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. Being wholly owned subsidiaries the difference between the amounts recorded as investments of the Company and the amount of share capital of the aforesaid transferor companies have been adjusted in the reserves & surplus.

b) 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.

c) There has been fire in the testing area of the factory located at B-14,15 phase-II, Noida on 16th April 2017 resulting into estimated loss of Rs. 30,000,000/- including Fixed Assets and Inventories. The company is in process of assessing loss and filling of insurance claim with the Insurance Company and necessary accounting adjustment will be done in the year of settlement

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

xix. **Interest in Joint Venture :**

The Company's Interest, as venture, in joint controlled entity is given below:

Name of entity	**Country of incorporation**	**Current period**	Previous Year
Padget Electronics Private Limited	India	50%	50%
AIL Dixon Technologies Pvt. Ltd.	India	50%	NA

The Company 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:

Padget Electronics Private Limited

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Income	**8,108,071,752**	200,093,334
Expenses	**8,064,238,251**	205,578,475
Assets	**2,862,186,353**	351,252,474
Liabilities	**2,761,745,213**	284,151,528
Contingent liabilities	**107,500,000**	-
Commitments (net of advance)	**Nil**	42,995

AIL Dixon Technologies Pvt. Ltd*

Particulars	**Current Year**	Previous Year
Income	**-**	-
Expenses	**116,715**	-
Assets	**5,591,528**	-
Liabilities	**482,827**	-
Contingent liabilities	**-**	-
Commitments (net of advance)	**-**	-

xx. **Stock Option Plan**

A. Scheme :- The board of director recommended grant of equity shares of the company to the eligible employees of the Company and its subsidiaries companies 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 board of director established the employee stock option plan 2010 in the board meeting held on 2nd November 2010. The maximum aggregate number of shares that may be awarded under the 2010 plan was 437,000 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 year from the date of grant of such option. The Plans are Equity Settled Plans.

B. The activity in the 2010 Plan during the year ended March 31, 2017 and March 31, 2016 is as follows:-

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Standalone Financial Statement

Particulars	Year Ended 31st March,2017		Year ended March 31, 2016	
	Share arising out of options (Number)	Weighted average exercise price (Rs.)	Share arising out of options (Number)	Weighted average exercise price (Rs.)
Outstanding at the beginning				
Granted	-	-	137,426	290
Forfeited and expired	-	-	-	-
Exercised	3,14,806	193.65	-	-
Outstanding at the end	-	-		
Exercisable at the end	-	-	3,14,806	193.65

C. Effect of employee share based payment plan on the profit or loss of the company:-

During the year ended March 31, 2017, the company recorded an employee compensation expenses of Rs.19,844,170 in the statement of profit and loss.

xxi. **Disclosure on Specified Bank Notes:-**

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Amount in Rs.

Particulars	SBNs (*)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1,500,000	11,666,642	13,166,642
Add : Permitted receipts		6,084,897	6,084,897
Less : Permitted payments		15,729,315	15,729,315
Less : Amount deposited in bank	1,500,000		1,500,000
Closing cash in hand as on December 30, 2016		2,022,224	2,022,224

*For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407 (E), dated November 8, 2016

xxii. The company has filed Draft red hearing prospects (the DRHP) with Securities exchange board of India on 19th May 2017 and same is under approval of Securities exchange board of India.

xxiii. All initial public offer related expenses shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and sold to the public in the Fresh Issue and the Offer for Sale, respectively. The company has incurred initial public offer expenses amounting to Rs 5,768,558 which is shown under other current assets. The public offer expenses to the extent of share of the company will be charged to statement of Profit & Loss on the completion of the public offer and/or Listing process with the stock exchange.

xxiv. Previous Year figures have been Regrouped/Rearranged wherever necessary.

xxv. Figures of financial statements for the year ended March 2017 are not comparable with the figures for the year ended 31st March 2016 because of amalgamation of two subsidiary companies.

xxvi. (a) Details of products manufactured, turnover, opening stock and closing stock of goods produced for sale :

(Qty in Numbers And Amount In Rs.)

PRODUCTS	OPENING STOCK		PRODUCTION #	TURNOVER		CLOSING STOCK	
	QTY.	VALUE	QTY.	QTY.	VALUE	QTY.	VALUE
1. TELEVISONS	2,112	2,16,86,814	7,51,197	7,47,383	7,54,77,83,692	5,926	8,13,09,730
	(14,000)	(14,83,70,699)	(5,77,083)	(5,88,971)	(6,48,61,55,054)	(2,112)	(2,16,86,814)
2. CHASSIS	1,55,676	64,31,201	2,69,47,426	2,69,08,959	1,25,57,25,917	1,94,143	46,46,505
	(3,09,833)	(1,76,70,564)	(5,32,55,439)	(5,34,09,596)	(2,31,96,21,262)	(1,55,676)	(64,31,201)
3. DVD PLAYER	618	7,57,434	42,784	42,335	5,59,18,724	1,067	14,61,708
	(1,001)	(11,17,119)	(2,03,178)	(2,03,561)	(24,87,65,345)	(618)	(7,57,434)
4. SET TOP BOXES	25	24,456	28,965	28,980	4,28,10,318	10	10,080
	(539)	(7,16,140)	(2,23,123)	(2,23,637)	(26,85,04,905)	(25)	(24,456)
6. CFL LAMP	2,33,761	1,01,14,238	2,68,16,423	2,64,94,167	1,28,52,75,755	5,56,017	2,31,71,540
	(22,742)	(10,83,065)	(2,22,74,423)	(2,20,63,404)	(1,21,74,18,886)	(2,33,761)	(1,01,14,238)
7.LED Bulb	2,02,246	1,19,93,372	5,03,94,379	5,03,03,492	2,70,07,58,158	2,93,133	1,50,87,218
	(0)	(0)	(1,57,27,058)	(1,55,24,812)	(1,00,27,51,760)	(2,02,246)	(1,19,93,372)
8. WASHING MACHINE	3,007	1,09,78,681	3,74,633	3,76,842	1,88,02,61,761	798	40,79,178
	-	(0)	(0)	(0)	(0)	(0)	(0)
9. MISC. ITEMS	-	27,58,252	-	-	1,59,06,96,988		80,96,890
	-	(80,60,762)	-	-	(99,46,67,101)	-	(11,96,128)
Current Year	**5,97,445**	**6,47,44,448**	**10,53,55,807**	**10,49,02,158**	**16,35,92,31,312**	**10,51,094**	**13,78,62,849**
Previous Year	**(3,48,115)**	**(17,70,18,349)**	**(9,22,60,304)**	**(9,20,13,981)**	**(12,53,78,84,313)**	**(5,94,438)**	**(5,22,03,643)**

Notes :

1. Figures in brackets indicates figures of previous year.
2. # Includes stock written off during the year. Excludes shortage / excess during the year.

xxvi. (b) Analysis of cost of raw materials consumed :

Description	Unit	2016-2017		2015-2016	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
I i) Raw Materials/Components					
- Chassis	Kits	**15,22,73,086**	**30,81,26,499**	10,13,81,210	22,39,87,726
- LED TVs	Kits	**7,56,822**	**5,38,48,27,450**	5,71,079	4,75,86,88,969
ii) D.V.D. Players	Kits	**39,550**	**89,36,531**	2,09,975	5,92,07,029
iii) Set Top Boxes	Kits	**79,192**	**62,86,054**	2,45,154	5,32,92,581
iv) Cabinets					
- DVD	Nos.	**82,827**	**35,68,199**	4,17,180	1,77,37,714
v) Molding Materials	Kgs		**57,95,81,724**		
vi) Motor Wash	Nos.	**3,78,768**	**17,69,72,843**		
vii) Motor Spin	Nos.	**3,87,528**	**13,42,86,632**		
viii) -Others			**7,52,38,60,685**		5,98,57,32,574
TOTAL			**14,12,64,46,617**		11,09,86,46,594

xxvi. c) Value of imported and indigenous material consumed and the percentage of each of the total consumption :

	2016-17 Rupees	2016-17 Percentage	2015-2016 Rupees	2015-2016 Percentage
Imported	**6,36,28,03,008**	**45.04%**	1,43,44,11,685	12.92%
Indigenous	**7,76,36,43,609**	**54.96%**	9,66,42,34,909	87.08%
	14,12,64,46,617	**100.00%**	11,09,86,46,594	100.00%

xxvi. d) C.I.F. Value of Imports

	2016-17 Rupees	2015-16 Rupees
Raw Materials & Components	**6,07,60,92,815**	1,55,51,85,017
Spares	**78,56,259**	8,64,085
Capital Goods	**11,59,03,727**	6,86,88,815

xxvi. e) Expenditure in foreign currency

	2016-17 Rupees	2015-16 Rupees
Subscription and Membership	**4,29,835**	-
Employee Training & Development	**27,90,460**	-
Claims		15,14,75,169
Service Charges	**1,33,54,495**	50,46,447
Travelling & Conveyance	**21,09,338**	16,29,589

xxvi. g) Earnings in Foreign currency

	2016-17 Rupees	2015-16 Rupees
Exports (on F.O.B. Basis)	**59,00,71,534**	14,37,60,526

As per our report of even date attached
For **SINGHI & CO.**
Chartered Accountants
Firm Reg. no. 302049E

SD/-
B.L.CHORARIA
PARTNER
(Membership No.022973)

PLACE : NOIDA
DATE :13TH July, 2017

CHAIRMAN	SD/- **SUNIL VACHANI** **(DIN-00025431)**
MANAGING DIRECTOR	SD/- **ATUL B. LALL** **(DIN-00781436)**
CHIEF FINANCIAL OFFICER	SD/- **GOPAL JAGWAN**
COMPANY SECRETARY	SD/- **ASHISH KUMAR** **(M.No. F8355)**

Independent Auditor's Report

To the Members of Dixon Technologies (India) Private Limited

(Now Dixon Technologies (India) Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of Dixon Technologies (India) Private Limited (Now Dixon Technologies (India) Limited) ("the Holding Company"), and its subsidiary (the holding Company and its subsidiary together referred to as "the Company or the group") and its Jointly controlled entities, which comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows 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 Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Board of Directors of the company 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility for the Consolidated Financial Statements

Our responsibility is to express an opinion on these consolidated 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 there under.

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of their consolidated state of affairs of the Company as at 31st March, 2017, consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

1. Note No. 27[B][XII] regarding non Reconciliations/Confirmations in respect Creditors accounts having debit balance Rs. 3,134,600/- and credit balance Rs. 78,388,596/- and debtors having debit balances Rs. 393,915,359/- and credit balance Rs. 31,923,460/- other loan and advance to supplier, contractors, etc. have not been received and they are subject to confirmations and reconciliation. The management is of the opinion that adjustments, if any arising out of such confirmation would not be material effecting financial statements of the year.
2. Note No. 27[B][XXII] In one of the 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. 19,120,216/- that was intended to be made to Cixi city Chenyang get diverted to the hacker's account in Hungary. Out of which Rs 7,136,164 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 these matters.

Other Matters

We did not audit the financial statement of one jointly controlled entity, whose financial statements reflect total assets of Rs. 5,866,112/- as at 31st March, 2017, total revenue of Rs. Nil and net cash outflows amounting to Rs. 5,500,000/- for the year ended 31st March, 2017. These 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 financial statements.
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
   e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the 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, 2017 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 financial statement has disclose the impact of pending litigations on the consolidated financial position of the group – Refer Note No. 27 B I (e), (f), (g), (h), & (i) to the Consolidated 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.

   iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the company. Refer Note 27B (XXVI) to the financial statements.

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

B.L. Choraria
Partner
Membership No. 022973

Place: Noida
Date: 13TH July, 2017

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 financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Dixon Technology (India) Private Limited (Now Dixon Technologies (India) Limited)("the Holding Company") and its subsidiary company, and its jointly controlled entitieswhich 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 and its Subsidiary Company and its Jointly controlled entities, 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 Guidancenote 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 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 and its jointly controlled entities' 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 entities, 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 effectivelyas at 31st March 2017, 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
Date: 13TH July, 2017

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH ,2017

Particulars		Note No.	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
I.EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital		1	**10,98,53,410**	3,10,31,570
(b) Reserves & Surplus		2	**1,86,74,81,561**	1,14,47,15,265
			1,97,73,34,971	1,17,57,46,835
(2) Non Current Liabilities				
(a) Long Term Borrowings		3	**9,80,82,827**	52,13,80,161
(b) Deferred Tax Liabilities (Net)	(Refer Note No 27 B (V)		**9,77,37,500**	7,16,28,073
(c) Other Long term Liabilities		4	**-**	-
(d) Long Term Provisions		5	**4,38,96,653**	2,66,35,115
			23,97,16,980	61,96,43,349
(3) Current Liabilities				
(a) Short Term Borrowings		6	**33,06,35,404**	24,91,39,618
(b) Trade Payables		7		
Total outstanding dues of micro enterprises and small Enterprises			**17,69,81,457**	8,90,93,766
Total outstanding dues of creditors Other than micro enterprises and small Enterprises			**4,87,36,78,021**	1,76,76,56,532
(c) Other Current Liabilities		8	**21,65,56,574**	12,46,46,043
(d) Short Term Provisions		9	**17,54,20,307**	9,22,37,352
			5,77,32,71,763	2,32,27,73,311
TOTAL			**7,99,03,23,714**	4,11,81,63,495
II.ASSETS				
(1) Non current Assets				
(a) Property, Plant & Equipment		10		
(i) Tangible assets			**1,37,00,90,236**	1,12,35,05,192
(ii) Intangible Assets				
a) Others		10	**13,43,665**	11,97,153
b) Goodwill on Consolidation			**-**	11,11,85,518
(iii) Capital work-in-progress		10	**1,95,78,163**	87,000
			1,39,10,12,063	1,23,59,74,863
(b) Non Current Investments		11	**-**	10,00,000
(c) Long Term Loans and Advances		12	**22,33,11,462**	14,76,15,524
(d) Trade Receivables		13	**-**	90,86,032
(e) Other Non Current Assets		14	**2,74,584**	10,820
			1,61,45,98,109	1,39,36,87,239
(2) Current Assets				
(a) Inventories		15	**2,82,19,71,188**	1,36,28,21,955
(b) Trade Receivables		16	**2,80,20,60,420**	88,75,04,117
(c) Cash and Bank Balances		17	**15,33,34,041**	7,46,09,273
(d) Short-Term Loans and Advances		18	**58,60,25,457**	39,40,19,575
(e) Other Current Assets		19	**1,23,34,499**	55,21,336
			6,37,57,25,605	2,72,44,76,256
TOTAL			**7,99,03,23,714**	4,11,81,63,495
SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION AND OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS		27		

Notes 1 to 27 forms integral part of the financial statements

As per our report of even date attached		SD/-
For SINGHI & CO.	**CHAIRMAN**	**SUNIL VACHANI**
Chartered Accountants		**(DIN-00025431)**
Firm Reg. No. 302049E		
		SD/-
	MANAGING DIRECTOR	**ATUL B. LALL**
SD/-		**(DIN-00781436)**
B.L.CHORARIA		
PARTNER		
(Membership No.022973)		SD/-
	CHIEF FINANCIAL OFFICER	**GOPAL JAGWAN**
		SD/-
PLACE : NOIDA	**COMPANY SECRETARY**	**ASHISH KUMAR**
DATE : 13TH July, 2017		**(M.No. F8355)**

DIXON TECHNOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED OF 31ST MARCH 2017

Particulars		Note No.	For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
(I) Revenue From Operations (Net)		20	**24,56,75,89,166**	13,89,41,66,574
(II) Other Income		21	**1,67,49,449**	2,81,86,777
(III) Total Revenue (I+II)			**24,58,43,38,615**	13,92,23,53,351
(IV) Expenses:				
Cost of Materials Consumed		22	**22,05,60,86,260**	12,28,43,51,722
Change in Inventories of Finished Goods, Work In Progress , Stock in trade etc.		23	**(25,52,68,092)**	(16,13,43,602)
Employee's Benefits Expense		24	**65,99,31,250**	55,13,65,915
Finance Costs		25	**12,76,54,008**	13,10,69,279
Depreciation and Amortisation Expense		10	**10,63,46,625**	8,43,76,608
Other Expenses		26	**1,21,79,95,241**	65,18,17,277
Total Expenses			**23,91,27,45,292**	13,54,16,37,198
(V) Profit (Loss) Before Tax ,Exceptional item, Minority Interest and Associates (III-IV)			**67,15,93,323**	38,07,16,153
(VI) Exceptional Items	(Refer Note 27 B(XIX))		**-**	2,78,69,446
(VII) Profit (Loss) Before Tax , Minority Interest and Associates (V-VI)			**67,15,93,323**	35,28,46,707
(VIII) Tax Expenses				
- Current tax			**16,08,74,163**	8,34,71,823
- Earlier Year tax			**29,99,681**	(1,10,892)
- Deferred tax Assets/(Liabilities)			**2,61,09,427**	74,95,920
- Tax Credit Entitlement U/s 115JAA			**(24,03,014)**	(1,13,22,657)
- Tax Credit Entitlement U/s 115JAA Earlier			**(5,23,17,858)**	(4,99,122)
(IX) Profit for the Year After Tax (VII-VIII)			**53,63,30,923**	27,38,11,635
Earning Per Equity Share - Basic	(Refer Note 27B(VI))		**52.01**	29.19
- Diluted			**49.21**	26.41
SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION AND OTHER NOTES TO CONSOLIDATED FINANCIAL STATEMENTS		27		

Notes 1 to 27 forms integral part of the financial statements

As per our report of even date attached

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

SD/-
B.L.CHORARIA
PARTNER
(Membership No.022973)

PLACE : NOIDA
DATE :13TH July, 2017

CHAIRMAN SD/- **SUNIL VACHANI** **(DIN-00025431)**

MANAGING DIRECTOR SD/- **ATUL B. LALL** **(DIN-00781436)**

CHIEF FINANCIAL OFFICER SD/- **GOPAL JAGWAN**

COMPANY SECRETARY SD/- **ASHISH KUMAR** **(M.No. F8355)**

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

	For the Year Ended 31st March 2017 Amount (Rs.)		For the Year Ended 31st March 2016 Amount (Rs.)	
Cash flow from operating activities				
Profit before tax & provisions		**67,15,93,323**		35,28,46,708
Adjusted for:				
- Depreciation	**10,63,46,625**		8,43,76,608	
- Sundry Credit Bal. written back	**(12,08,472)**		(87,37,220)	
- Excess Liability/ Provision Written back	**(4,41,229)**		(4,62,375)	
- Rent Received	**(26,88,000)**		(24,64,000)	
- Loss/(Profit) on sale of Property ,Plant & Equipment	**55,24,731**		2,32,88,085	
- Profit on sale of Share	**-**		(11,70,23,900)	
- Interest Received	**(1,19,51,194)**		(89,03,880)	
- Provision for doubtful debts / loans & Advances	**1,65,41,775**		33,84,868	
- Provision for Impairment of Property, Plant and Equipment	**7,04,062**		6,00,000	
- Employee Stock Compensation Expense	**1,98,44,170**		-	
- Finance Costs	**12,76,54,008**	**26,03,26,477**	13,10,69,279	10,51,27,465
Operating profit before working capital changes		**93,19,19,799**		45,79,74,173
Adjusted for:				
Trade and other receivables	**(1,92,20,12,046)**		(33,78,52,310)	
Inventories	**(1,45,91,49,233)**		(23,24,89,700)	
Loans & Advances and other assets	**(15,24,39,360)**		(7,47,46,626)	
Trade payables and Other Provision	**3,30,25,93,224**	**(23,10,07,415)**	69,58,31,035	5,07,42,400
Cash generated from operations		**70,09,12,384**		50,87,16,572
Tax Paid		**(15,40,90,019)**		(8,65,81,915)
Cash (net) from operating activities		**54,68,22,365**		42,21,34,658
Cash flow from investing activities				
Purchase of Property, Plant & Equipment (including CWIP)		**(39,11,13,994)**		(27,02,57,706)
Sale / (Investment) in Shares (Net)		**10,00,000**		17,63,61,360
Payment to Minority Interest		**-**		(14,10,29,007)
Investment in margin money/security		**(6,83,44,590)**		1,93,074
Sale of Property, Plant & Equipment		**1,23,15,859**		72,53,668
Rent Received		**26,88,000**		24,64,000
Interest Received		**1,19,51,194**		89,03,880
Cash (used) in investing activities		**(43,15,03,532)**		(21,61,10,732)
Cash flow from financing activities				
Proceed from share capital & Premium		**6,09,61,760**		
Long term borrowings		**(3,59,89,720)**		11,38,83,625
Short term borrowing		**8,14,95,786**		(14,06,90,197)
Dividend paid		**(6,59,12,055)**		(3,87,89,463)
Dividend Distribution tax paid		**(1,78,40,251)**		(34,74,514)
Finance Costs		**(12,76,54,008)**		(13,10,69,279)
Cash (net) from financing activities		**(10,49,38,487)**		(20,01,39,827)
Net increase in cash and cash equivalents		**1,03,80,343**		58,84,099
Opening balance of cash and cash equivalents		**1,67,64,178**		1,08,80,079
		2,71,44,520		1,67,64,178
Closing balance of cash and cash equivalents		**2,71,44,520**		1,67,64,178

Notes :

1. The cash flow statement has been prepared under indirect method as per accounting standard (AS-3) cash flow statement .
2. Previous year figures have been regrouped /rearranged wherever considered necessary, to make them comparable.

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

CHAIRMAN — SD/- SUNIL VACHANI (DIN-00025431)

SD/-
B.L.CHORARIA
PARTNER
(Membership No.022973)

MANAGING DIRECTOR — SD/- ATUL B. LALL (DIN-00781436)

CHIEF FINANCIAL OFFICER — SD/- GOPAL JAGWAN

PLACE : NOIDA
DATE : 13TH July, 2017

COMPANY SECRETARY — SD/- ASHISH KUMAR (M.No. F8355)

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE CONSOLIDATED BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 1 - SHARE CAPITAL		
AUTHORISED*		
26,000,000 (Previous Year 5,000,000) Equity shares of Rs.10/- each	**26,00,00,000**	5,00,00,000
Nil (Previous Year 5,000 Preference Shares of Rs.10/- each)	**-**	50,000
	26,00,00,000	5,00,50,000
ISSUED, SUBSCRIBED AND PAID-UP		
109,853,41 Equity Shares of Rs.10/- each fully paid up	**10,98,53,410**	3,10,31,570
	10,98,53,410	3,10,31,570

*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/- Each, pursuant to the approval of scheme of amalgamation for merger of Dixon Bhurji Moulding Private Limited and Dixon Appliances Private Limited with the company effective from 1st April 2016.

a) Reconciliation of Equity Share		
Balance as at the beginning of the year	**31,03,157**	31,03,157
Add: shares issued during the Period		-
Issued under conversion of Debenture during the year (refer (d) below)	**12,90,041**	
Issued under ESOP Scheme during the year (refer (e) below)	**3,14,806**	
Bonus (refer (f) below)	**62,77,337**	
Balance as at the end of the year	**1,09,85,341**	31,03,157

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 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.

c) Details of shares held by shares holder holding more than 5% of the aggregate shares in the Company.

Mr. Sunil Vachani	**48,30,343**	20,70,147
(In %)	**43.97%**	66.71%
India Business Excellence Fund 1	**21,46,265**	
(In %)	**19.54%**	
Mrs. Kamla Vachani	**12,25,000**	5,25,000
(In %)	**11.15%**	16.92%
IL&FS Trust Company Limited	**11,55,730**	
(In %)	**10.52%**	
Mr.Atul B. Lall	**7,00,000**	
(In %)	**6.37%**	

d) Terms & conditions of convertible Debentures

1. Debentures are compulsorily convertible into Equity shares in compliance with the applicable law.
2. 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 alloted on Premium Rs 280.66 Per share

(Amount in rupees)

Date of Issue	No of Debentures	Face Value	Total Amount
24-Jun-08	199,967	1,000	199,967,000
21-Nov-08	60,000	1,000	60,000,000
31-Jan-09	40,000	1,000	40,000,000
28-Apr-09	50,000	1,000	50,000,000
28-Oct-09	25,000	1,000	25,000,000
TOTAL	**374,967**		**374,967,000**

e) **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 refered in Note 27B (XXI)

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 Rs10 each during the period ended December 2016 ,pursuant to a bonus share approved by share holders in th 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

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE CONSOLIDATED BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 2 - RESERVES AND SURPLUS		
(a) CAPITAL RESERVE		
Balance as per last balance sheet	**85,17,150**	85,06,236
Add : Transferred from Surplus in statement of profit and loss during the Period /year	**-**	10,914
Balance as at the end of the Year	**85,17,150**	85,17,150
(b) CAPITAL REDEMPTION RESERVE		
Balance as per last balance sheet	**33,24,420**	33,24,420
Balance as at the end of the Year	**33,24,420**	33,24,420
(c) SHARE PREMIUM ACCOUNT		
Balance as per last balance sheet	**1,52,68,014**	1,52,68,014
Add: During the Period	**-**	
Premium on Conversion on Debenture into Equity Share	**36,20,66,590**	
Premium on Issue of shares under ESOP Scheme	**7,76,57,870**	
Less : Issue of bonus shares	**(6,27,73,370)**	
Balance as at the end of the Year	**39,22,19,104**	1,52,68,014
(d) GENERAL RESERVE		
Balance as at the beginning of the year / Add : Transferred from Surplus in the statement of profit and loss during the year	**7,03,35,522**	7,03,35,522
Balance as at the end of the Year	**7,03,35,522**	7,03,35,522
(e) SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance as at the beginning of the year	**1,04,72,70,158**	82,01,44,608
Profit/(Loss) for the year	**53,63,30,923**	27,38,11,635
Less: Appropriations		
Interim Dividend on Equity Shares (Refer Note No. 27 B (XVII))	**6,59,12,055**	3,87,89,463
Dividend distribution tax on Interim dividend on Equity Shares	**1,34,18,143**	78,96,622
Adjustment on account of Amalgamation (Refer Note 27 (B) (XVIII)(a))	**11,11,85,518**	
Balance as at the end of the year	**1,39,30,85,365**	1,04,72,70,158
Total Reserves and Surplus(a+b+c+d+e)	**1,86,74,81,561**	1,14,47,15,265
NOTE 3- LONG TERM BORROWINGS		
a) Debenture (Unsecured)	**-**	37,49,67,000
b) Term loan(Secured)		
- Standard Chartered Bank (External Commercial Borrowing)	**8,61,88,236**	11,75,29,020
- Hero Fincorp (Plant & Machinery)	**-**	1,21,80,048
c)Deferred payment liabilities(secured)		
Vehicle Loan	**1,18,94,591**	1,67,04,093
	9,80,82,827	52,13,80,161
Sub classification of Long Term Borrowing		
Secured	**9,80,82,827**	14,64,13,161
Unsecured	**-**	37,49,67,000
	9,80,82,827	52,13,80,161

a) Debenture converted into Equity shares during the period refer Note-1(d)

b) USD 2000000 Foreign currency loan from Standard Chartered Bank is secured against first pari passu charge on movable Plant & Equipment(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 installment payable on December, 2020. rate of interest Libor+275 BPS and loan is fully hedged.

c) Term Loan (Plant & Machinery) exclusive first charge on injection moulding machine. Term Loan Repayable in Sixty equal monthly instalments start from 8th March 2015 with no moratorium period was fully paid during the current year.

d) 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 2011 ending on 2022, bearing interest rate varying from 9.5% p.a to 13.25% p.a.

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 4 -OTHER LONG TERM LIABILITIES		
Trade Deposits	**-**	-
	-	-
NOTE 5-LONG TERM PROVISIONS		
Provision for employee's benefit:	**3,16,90,741**	2,41,35,115
Other Provision		
- for Warranty	**1,22,05,913**	25,00,000
	4,38,96,653	2,66,35,115

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE CONSOLIDATED BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 6-SHORT TERM BORROWINGS		
Working capital borrowing		
From Bank(Secured)		
Working capital demand loan in Indian rupees	**21,50,58,476**	23,58,65,618
Packing Credit Loan	**10,00,00,000**	1,32,74,000
Buyers credit in foreign currency	**1,55,76,928**	-
Total	**33,06,35,404**	24,91,39,618

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 materials, work in process and finished stocks. 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 of Company Mr. Sunil Vachani.

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 7-CURRENT TRADE PAYABLE		
For Goods & Services (Refer Note No. 27B(II) & (XII))		
Total outstanding dues of micro enterprises and small Enterprises	**17,69,81,457**	8,90,93,766
Total outstanding dues of creditors Other than micro enterprises and small Enterprises	**4,87,36,78,021**	1,76,76,56,532
	5,05,06,59,478	1,85,67,50,298
NOTE 8-OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debts		
-Foreign Currency Loan from Bank	**3,13,41,176**	1,56,70,980
-Indian Rupees Loan from Bank	**-**	31,01,429
Current maturities of Deferred Payment liabilities		
-Vehicle Loan	**64,21,110**	66,49,263
Interest accrued but not due on borrowing	**10,12,952**	2,96,784
Unpaid Dividends	**-**	165
Advances from Customers (Refer Note No. 27B (XII))	**3,26,33,399**	90,19,012
Advance received from Consignment agent against Stock	**2,93,44,364**	85,88,628
Statutory Dues	**6,51,83,989**	4,10,43,998
Employee's Related Liabilities	**5,06,19,584**	4,02,75,784
(Including director commision Amounting to Rs. 13,171,136 and Previous Year Rs. 6,398,420)		
Total	**21,65,56,574**	12,46,46,043
NOTE 9- SHORT-TERM PROVISIONS		
Provision for employee's benefit: (Refer Note No. 27B (IX))	**22,76,097**	18,43,421
Other Provision		
- for Dividend Distribution Tax on proposed dividend on Equity Shares	**-**	44,22,108
- for Income Tax	**16,08,74,163**	8,34,71,823
- for Warranty	**1,22,70,047**	25,00,000
	17,54,20,307	9,22,37,352
NOTE -11 NON CURRENT INVESTMENTS		
Trade Investment		
Unquoted Equity Instruments		
Investment in Joint Venture (Share Application Money)	**-**	10,00,000
	-	10,00,000
NOTE-12 LONG TERM LOANS & ADVANCES		
Capital Advances		
Unsecured, considered good (Refer Note No. 27B (I)(2)(a))	**8,12,66,264**	5,97,74,991
	8,12,66,264	5,97,74,991
Security Deposit		
Unsecured, considered good (Refer Note No. 27B (I)(1)(e,f,i))	**4,13,36,832**	4,22,85,395
	4,13,36,832	4,22,85,395
Other Loans and Advances (Unsecured, Considered good unless stated otherwise)		
Tax Credit Entitlement U/s 115JAA	**10,02,76,010**	4,55,55,138
Balances with Government & Statutory Authorities	**4,32,357**	-
Other Advances (Unsecured, Considered Doubtful)	**13,87,504**	13,87,504
	10,20,95,871	4,69,42,642
Less : Provision for Doubtful Advances	**13,87,504**	13,87,504
	22,33,11,462	14,76,15,524

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE CONSOLIDATED BALANCE SHEET

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE 13- NON CURRENT TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	-	90,86,032
Unsecured, Considered Doubtful (Refer Note No. 27B (XII))	3,01,68,033	1,34,76,626
	3,01,68,033	2,25,62,658
Less: Provision for doubtful debt	3,01,68,033	1,34,76,626
	-	90,86,032
	-	90,86,032
NOTE : 14 OTHER NON CURRENT ASSETS		
Unsecured, considered good unless stated otherwise		
Unamortized Preliminary Expenses	2,74,584	10,820
	2,74,584	10,820
NOTE 15- INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Material, Components, Packing Material and Stores & Spares etc.	1,64,02,78,621	86,03,46,372
Work - in - progress	58,48,96,378	40,64,75,449
Finished Goods	17,17,30,377	9,50,65,545
Scrap	10,12,441	8,30,111
Goods in Transit (Raw Material, Packing Material and Stores & Spares)	42,40,53,370	1,04,478
	2,82,19,71,188	1,36,28,21,955
NOTE 16- CURRENT TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good (Refer Note No. 27B (XII))	6,98,45,599	2,73,71,626
From Prisma Electronics (Chairman is Proprietor)	-	2,10,469
Unsecured, Considered Doubtful	48,309	1,97,941
	6,98,93,908	2,77,80,036
Less: Provision for doubtful debt	48,309	1,97,941
Total	6,98,45,599	2,75,82,095
Other Receivables		
Unsecured, Considered Good (Refer Note No. 27B (XII))	2,73,19,25,088	85,76,24,771
Padget Electronics Private Limited (Joint Venture)	2,89,733	22,97,251
Total	2,73,22,14,821	85,99,22,022
Grand Total	2,80,20,60,420	88,75,04,117
NOTE-17 CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENT		
Cash on Hand	20,82,206	30,73,900
Banks Balance		
- in Current Accounts	2,50,62,314	1,36,90,278
Earmarked balances with Banks		
Unpaid Dividend Account	-	165
Balances with Bank held as margin money/ security (including interest)	12,61,89,521	5,78,44,931
	15,33,34,041	7,46,09,273
NOTE-18 SHORT TERM LOAN AND ADVANCES		
Security Deposit		
Unsecured, considered good	1,18,94,688	14,80,000
	1,18,94,688	14,80,000
Advance to Related Parties		
AIL Dixon Technologies Private Limited	4,49,140	
	4,49,140	-
Other Loans and Advances (Unsecured, Considered good unless otherwise stated)		
Advances to Employees *	8,57,77,877	52,71,712
Balances with Government & Statutory Authorities	26,46,05,505	24,26,09,625
Advance Tax and TDS	15,14,47,657	8,38,29,142
Other Advances (to Suppliers, contractors etc)		
Unsecured, considered good (Refer Note No. 27B (XII) & (XXII))	7,18,50,591	6,08,29,096
Unsecured, considered doubtful	84,930	84,930
	57,37,66,559	39,26,24,505
Less: provision for doubtful advances	84,930	84,930
	57,36,81,629	39,25,39,575
Total	58,60,25,457	39,40,19,575

* Includes advance of Rs. 78,607,963/- to employees for subscribing shares under employee stock option plan which is repayable in 36 months, interest will be @10% pa

Particulars	As on 31st March 2017 (Rs.)	As on 31st March 2016 (Rs.)
NOTE : 19 OTHER CURRENT ASSETS		
Unsecured, considered good unless stated otherwise		
Preliminary Expenses	91,528	-
Initial Public Issue expenses recoverable (Refer Note No. 27B (XXIV))	57,68,558	-
Prepaid expenses	64,74,413	55,21,336
	1,23,34,499	55,21,336

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
NOTE 20- REVENUE FROM OPERATIONS		
Sale of Products & Others	**24,66,53,18,987**	13,91,41,23,380
Less:-Excise Duty & Cess	**41,69,46,206**	20,74,86,541
	24,24,83,72,781	13,70,66,36,839
Sale of Services		
Job Work receipts	**24,00,85,180**	17,95,92,446
Service Charge receipts	**5,64,80,337**	
Other Operating Revenue		
Sale of scrap	**20,30,018**	23,63,902
Export Incentive	**1,05,76,375**	28,58,145
Duty Draw Back	**1,00,44,475**	27,15,242
	24,56,75,89,166	13,89,41,66,574
NOTE 21- OTHER INCOME		
Interest received (Gross)		
- On Fixed Deposits and Margin Money	**59,29,381**	45,72,002
- Others	**60,21,813**	43,31,878
Exchange Fluctuation (Net)	**-**	51,40,754
Other Non Operating Income		
Other receipts	**2,62,614**	11,56,391
Sundry Credit balances written back	**12,08,472**	87,37,220
Provision for doubtful debts, Loans & Advances written back	**1,97,941**	13,22,157
Rent Received (Gross)	**26,88,000**	24,64,000
Excess Liability and Provision written back	**4,41,229**	4,62,375
	1,67,49,449	2,81,86,777
NOTE 22-COST OF MATERIALS CONSUMED		
Opening Stock	**86,02,71,101**	78,44,62,151
Add : Purchases (Net) (Refer Note No. 27B (III))	**22,83,60,93,781**	12,36,01,60,672
	23,69,63,64,881	13,14,46,22,822
Less : Closing Stock	**1,64,02,78,621**	86,02,71,101
	22,05,60,86,260	12,28,43,51,722
NOTE- 23 CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS, STOCK IN TRADE etc.		
Finished goods		
Opening stock	**9,50,65,545**	20,08,29,622
Closing stock	**17,17,30,377**	9,50,65,545
(Increase)/decrease in stock	**(7,66,64,833)**	10,57,64,077
Work in process		
Opening stock	**40,64,75,449**	13,95,01,014
Closing stock	**58,48,96,378**	40,64,75,449
(Increase)/decrease in stock	**(17,84,20,929)**	(26,69,74,435)
Stock in Trade	**-**	
Opening stock	**-**	2,57,203
Closing stock	**-**	-
(Increase)/decrease in stock	**-**	2,57,203
Scrap		
Opening stock	**8,30,111**	4,39,664
Closing stock	**10,12,441**	8,30,111
(Increase)/decrease in stock	**(1,82,330)**	(3,90,447)
	(25,52,68,092)	(16,13,43,602)

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO CONSOLIDATED STATEMENT OF PROFIT & LOSS

Particulars	For the Year ended 31st March 2017 (Rs.)	For the Year ended 31st March 2016 (Rs.)
NOTE 24 - EMPLOYEE'S BENEFITS EXPENSE		
Salary, Wages, Bonus etc	**54,51,24,641**	47,65,14,902
Contribution to Provident and other funds	**3,47,87,185**	3,51,14,733
Gratuity	**89,12,941**	89,22,687
Staff Welfare Expenses	**5,12,62,314**	3,08,13,594
Expense on Employee Stock Option Scheme (ESOP)	**1,98,44,170**	
	65,99,31,250	55,13,65,915
NOTE 25- FINANCIAL COSTS		
Interest Expenses	**11,53,89,057**	12,01,60,619
Less : Interest Received from Associate	**-**	13,75,000
	11,53,89,057	11,87,85,619
Bank Charges	**1,22,64,951**	1,22,83,660
	12,76,54,008	13,10,69,279
NOTE 26 - OTHER EXPENSES		
Consumption of Stores and Spares parts (including packing materials)	**21,85,06,910**	16,89,13,218
Manufacturing Expenses	**40,73,81,030**	14,22,44,891
Power & Fuel	**10,97,30,073**	8,68,02,177
Rent	**2,74,24,531**	1,95,05,385
Repairs to Building	**79,60,952**	27,69,674
Repairs to Plant & Machinery	**4,45,68,975**	3,20,99,964
Repairs to Others	**2,33,96,408**	1,35,83,444
Insurance	**78,26,435**	48,64,572
Rates & Taxes	**90,50,282**	1,55,79,390
Selling & Distribution Expenses	**6,79,41,595**	3,02,68,087
Donation	**2,92,850**	2,61,770
R & D Expenses	**51,54,395**	36,99,052
Bad debts Write off	**2,17,091**	13,86,522
Pre-operative Expenses written off	**-**	60,358
Preliminary Expenses written off	**1,02,348**	2,705
Payment to Auditors (Refer Note No. 27B (XIII))	**38,88,893**	31,27,626
Prior Period Items (Net) (Refer Note No. 27B (XIV))	**1,40,569**	1,72,819
Provision for doubtful debts, Loans & Advances	**1,67,39,716**	33,84,868
Provision for Impairment of Property, Plant & Equipment	**7,04,062**	6,00,000
Loss on sale of Property, Plant & Equipment	**55,24,731**	2,32,88,085
Corporate Social Responsibility Expenses (Refer Note No. 27B (XV))	**30,50,000**	14,65,000
Exchange Fluctuations (Net)	**70,25,170**	14,14,963
Increase/(decrease) in Excise Duty & Cess on Finished goods	**9,14,062**	(14,14,172)
Miscellaneous Expenses	**25,04,54,163**	9,77,36,880
	1,21,79,95,241	65,18,17,277

DIXON TECHONOLOGIES (INDIA) PRIVATE LIMITED
(Now DIXON TECHNOLOGIES (INDIA) LIMITED)
NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTES-10 Property, Plant & Equipment

(Amount in rupees)

SL No	DESCRIPTIONS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT				NET BLOCK	
		AS ON 31-Mar-16	ADDITIONS	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	FOR THE YEAR	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	FOR THE YEAR	DEDUCTIONS	AS ON 31-Mar-17	AS ON 31-Mar-16	AS ON 31-Mar-17
	TANGIBLE ASSETS (A)														
1	LAND - FREE HOLD	1,15,57,726	2,50,34,179	-	3,65,91,905	-	-	-	-	-	-	-	-	1,15,57,726	3,65,91,905
2	LAND - LEASE HOLD	7,02,16,991	-	-	7,02,16,991	-	-	-	-	-	-	-	-	7,02,16,991	7,02,16,991
3	FACTORY BUILDING	38,23,59,098	2,42,28,479	-	40,65,87,577	7,37,95,850	1,22,49,515	-	8,60,45,365	-	-	-	-	30,85,63,248	32,05,42,212
4	OFFICE BUILDING	1,33,92,758	2,51,51,513	-	3,85,44,271	14,94,215	6,48,200	-	21,42,415	-	-	-	-	1,18,98,543	3,64,01,856
5	ELECTRIC INSTALLATION	4,53,89,432	95,63,328	18,83,317	5,30,69,443	1,76,51,545	40,67,622	18,83,317	1,98,35,851	-	-	-	-	2,77,37,886	3,32,33,592
6	PLANT & MACHINERY	74,01,97,500	19,20,41,089	3,19,47,941	90,02,90,648	22,99,21,325	5,47,60,571	1,94,47,151	26,52,34,745	1,94,35,729	46,18,292	45,58,957	1,94,95,064	49,08,40,447	61,55,60,839
7	TOOLS & DIES	9,95,99,918	4,11,44,736	49,93,830	13,57,50,825	2,24,99,914	74,30,589	3,84,735	2,95,45,768	93,447	6,44,727	-	7,38,174	7,70,06,557	10,54,66,883
8	FAN , COOLER & AC	2,38,49,312	78,79,991	-	3,17,29,303	78,20,141	44,18,269	-	1,22,38,410	-	-	-	-	1,60,29,171	1,94,90,893
9	FURNITURE & FIXTURES	6,23,74,524	2,48,69,966	3,75,600	8,68,68,890	1,16,01,421	71,24,743	3,75,600	1,83,50,565	-	-	-	-	5,07,73,102	6,85,18,325
10	VEHICLES	6,54,68,091	31,32,523	30,52,566	6,55,48,048	2,36,79,780	70,62,865	23,38,130	2,84,04,516	-	-	-	-	4,17,88,311	3,71,43,532
11	OFFICE EQUIPMENTS	1,09,05,752	44,88,267	48,556	1,53,45,463	52,68,934	17,97,746	48,556	70,18,124	-	-	-	-	56,36,818	83,27,340
12	COMPUTERS	2,97,24,127	1,34,65,138	32,130	4,31,57,136	1,82,67,735	63,09,394	15,861	2,45,61,268	-	-	-	-	1,14,56,392	1,85,95,868
	Total of A	**1,55,50,35,229**	**37,09,99,209**	**4,23,33,940**	**1,88,37,00,499**	**41,20,00,862**	**10,58,69,514**	**2,44,93,349**	**49,33,77,026**	**1,95,29,176**	**52,63,018**	**45,58,957**	**2,02,33,238**	**1,12,35,05,191**	**1,37,00,90,236**
	INTANGIBLE ASSETS (B)														
	COMPUTER SOFTWARE	69,08,840	6,23,622	-	75,32,462	57,11,687	4,77,111	-	61,88,797	-	-	-	-	11,97,153	13,43,665
	TOTAL (A+B)	**1,56,19,44,069**	**37,16,22,831**	**4,23,33,940**	**1,89,12,32,961**	**41,77,12,549**	**10,63,46,624**	**2,44,93,349**	**49,95,65,824**	**1,95,29,176**	**52,63,018**	**45,58,957**	**2,02,33,238**	**1,12,47,02,345**	**1,37,14,33,900**
	Add: Work In progress				-				-					87,000	1,95,78,163
														1,12,47,89,345	1,39,10,12,063
	PREVIOUS YEAR	1,33,87,21,551	27,01,70,706	4,69,48,188	1,56,19,44,069	34,97,42,396	8,43,76,608	1,64,06,456	41,77,12,549	1,89,29,176	1,06,00,000	1,00,00,000	1,95,29,176	97,00,49,979	1,12,47,02,345

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

NOTE 27 A- SIGNIFICANT ACCOUNTING POLICIES

I. **Principles of consolidation**

The consolidated financial statements relate to Dixon Technologies (India) Private Limited (Holding Company), its subsidiary and its interest in joint venture and Associates (together referred to as "The Group"). The Consolidated financial statements have been prepared on following basis:

a) The financial statements of the Holding Company and its Subsidiary have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and any unrealized profits / losses included therein, if any.
b) Investments in Associate are accounted for using the equity method as per Accounting Standard-23 on Accounting for Investments in Associates in Consolidated Financial Statements. All unrealized surplus and deficit on transactions between the group companies are eliminated.
c) Interests in jointly controlled entities, where the Company is a direct venturer, are accounted for using Proportionate consolidation in accordance with Accounting Standard-27. The difference between costs of the Company's interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.
d) The consolidated Financial Statements are prepared by adopting uniform policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Holding Company's standalone financial statements.
e) Minority's interest in net profit of Subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Holding Company.
f) Minority's interest in net assets of Subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding's Shareholders.
g) The excess/shortfall of cost to the Company of its investments in the subsidiary company, over the net assets at the time of acquisition in the subsidiary as on the date of investment is recognized in the financial statements as goodwill/capital reserve as the case may be.
h) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Holding Company.

Companies included in consolidation

Name of Companies	Country of Incorporation	Shareholding	Relationship
Dixon Appliances Private Limited (Refer Note 27 (B) XVIII(a))	India	100%	Subsidiary (31st March 2016)
Dixon Bhurji Moulding Private Limited (Refer Note 27 (B) XVIII(a))	India	100%	Subsidiary (31st March 2016)
Dixon Global Private Limited	India	100%	Subsidiary
Padget Electronics Private Limited	India	50%	100% Subsidiary till 9th Nov. 2015/Jointly Controlled Entity w.e.f. 10th Nov 2015
My Box Technologies Private Limited	India	49.36%	Associates (Till 3rd July 2015)
AIL Dixon Technologies Private Limited	India	50%	Jointly Controlled Entity w.e.f. 08th February 2017

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

II. Summary of Significant Accounting Policies:

1) **Basis of preparation of Accounts**
The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with rule 7 of the companies (Accounts) rules, 2014 (as amended) (here in after referred as “The Rules”) and the relevant provisions of The Act, to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

2) **Use of Estimates**
The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from those estimated. Any revision to accounting estimates is recognized prospectively in current and future periods.

3) **Property, Plant and Equipment**
a) Property Plant and Equipment are carried at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost is inclusive of freight, applicable duties less input credit, taxes and other directly attributable costs to bring the assets to their working condition or for intended use as prescribed Cost Model in Accounting Standard (AS) 10 of The Rules.
b) Cost of Spares parts above Rs. 100,000 having useful life more than one year is added to the assets. Others are charged to the statement of Profit and Loss under appropriate accounting head.
c) Let out Property to Joint venture & Subsidiaries is merely for the purpose of business of the company and therefore treated as Property, Plant and Equipment.

4) **Depreciation & Amortization**
a) **Tangible Assets**
Depreciation on tangible asset is provided over useful life of an asset on straight line methods prescribed in Schedule II to the Companies Act, 2013. Assets costing Rs. 5,000/- or below are fully depreciated in the year of purchase.
b) **Intangible Assets**
Computer software is amortized over period of three years from date of purchase as per Accounting Standard 26 of the Rules.
c) **Lease hold Land**
Premium paid on lease hold land is for 99 years and not amortized over the period of lease.
d) Upfront fee on ECB loans is being amortized over the period of loan.

e) (1) In case the cost of part of a 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 the external valuers which the management believes that the useful lives of the component best represent the period over which the management expects to use those components.

(2)Cost of Spares parts above Rs. 100,000 having useful life more than one year is depreciated with the remaining useful life of the asset.

f) Deprecation on let out property to Joint Venture and Subsidiaries are provided over useful life of an asset on straight line method prescribed in Schedule II to the Companies Act, 2013.

5) **Foreign exchange transaction**

a) Transactions in foreign currencies are recorded at the rates prevailing on the date of the transaction. At the year end monetary items denominated in foreign currencies are restated at the rates prevailing on the balance sheet date or the forward cover rates as applicable, and exchange gains / losses are dealt with in the Statement of Profit & Loss.

b) In case of monetary items which are covered by forward exchange contract, the difference between the booking rates and the rate on the date of contract is also recognized and dealt with in the Statement of Profit & Loss.

c) The company has exercised option under notification no. GSR 914 (E) dated 29th December'2011 issued by Ministry of Corporate Affairs and accordingly net exchange difference on long term foreign currency borrowing has been added / reduced to the depreciable fixed assets acquired & Work in Progress.

6) **Investment**

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

7) **Inventories**

Inventories are valued as under:

a) Raw Materials & components, Packing Materials and Stores & Spares - at lower of cost or net realizable value.

b) Work - in - Progress - at lower of cost or net realizable value.

c) Finished Goods - at lower of cost or net realizable value.

Cost referred to above represent cost (based on moving first in first out method) incurred in bringing the inventories to their present location and condition inclusive of customs duty, freight, normal demurrage, insurance net of discounts/ incentive recoverable from suppliers.

In case of Work in Progress and Finished goods, cost includes appropriate portion of overheads and where applicable, excise duty.

The net realizable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of finished goods are not written down below costs, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. In such cases, the materials are valued at the lower of replacement cost or the ultimate net realizable value of finished goods.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

8) **Revenue recognition**
   a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
   b) Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are passed on to the buyers. Sales are net of taxes, sales return discount, etc.
   c) Sale of consignment is recognized as income when goods are sold by Consignment agent on behalf of consignor.
   d) Interest revenue is recognized on a time proportion basis taking into account the rate applicable and amount outstanding.
   e) Insurance claims are accounted for on acceptance or to the extent amounts have been received.

9) **Borrowing costs**
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as expenses in Statement of Profit and Loss in the period in which they are incurred.

10) **Export benefits**
Export incentives are accounted for on accrual basis.

11) **Earnings per share**

Basic earnings per share is calculated by dividing the profit/ (loss) after tax 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 and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted earnings per share is calculated by dividing the profit/(loss) after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

12) **Taxation**

Provision is made for both current and deferred tax. Provision for current tax is made on the basis of assessable profits computed in accordance with Income Computation and Disclosure Standards notified under Section 145 (2) and other provisions of Income tax Act, 1961.

Deferred tax is recognized for the future tax rate on components attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax status. The effect on deferred taxes of a change in tax rate is recognized using the tax rate and tax laws that have been enacted by the balance sheet date. Deferred Tax assets are recognized to the extent that they will originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Such assets are reviewed as at each balance sheet date to reassess realization

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

13) **Accounting for Tax credit under section 115JAA of Income Tax Act.**
As per the Guidance note, issued by the Institute of Chartered Accountants of India, on accounting for Tax credit in respect of Section 115JAA under the Income Tax Act 1961, Tax credit is a resource controlled by the Company as a result of past event,(viz., payment under Section 115JB). Tax credit has expected future economic benefits in the form of its adjustments against the discharge of the normal tax liability if the same arises during the specified period and accordingly Tax credit is an asset. And it should be recognized as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

14) **Retirement benefits**
a. Provident fund contributions are accounted for on accrual basis with corresponding contribution to the authorities.
b. Provision for gratuity liability is determined on the basis of actuarial valuation at the balance sheet date carried out by an independent actuary and charged to revenue each year.
c. In respect of leave, as the leave accrued, if any, laps at the end of the year and hence, no liability in respect of accrued leave arises.

15) **Impairment of Assets**
An impairment loss, if any, is recognized whenever the carrying amount of the Property, Plant & Equipment (tangible or intangible) exceeds the recoverable amount i.e. the higher of the assets net selling price and value in use.

16) **Provisions and Contingencies**

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

17) **Research & Development Expenses**
The revenue expenditure on research and development 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.

18) **Proposed Dividend**
The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

19) **Warranty**

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.

20) **Classification of Assets and Liabilities as Current and Non-Current**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III (as amended) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current/ non-current classification of assets and liabilities.

21) **Pre-Operative Expenditures**

Pre-operative expenditure are apportioned to fixed assets and depreciation on pre-operative is provided over useful life of an assets on straight line method prescribed in schedule II to the Companies' Act 2013.

22) **Employee Stock Option Plan**

As required Difference between nominal value of share and the fair market value as certified by valuer is recognized as share premium reserve and difference between the fair market price and exercise price is charged to the statement of profit & loss. As per the Guidance note on Accounting for Employee Share-based payment issued by the Institute of Chartered Accountant of India.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

NOTE 27 B OTHERS EXPLANANTORY INFORMATION AND OTHER NOTES

I. **Contingent Liabilities and commitments (to the extent not provided for):-**

(Amount in Rupees)

S.N	Particulars	Current Year	Previous Year
1.	**Contingent liabilities not provided In respect of :**		
a.	Letters of Credit & Bill of Collection(outstanding)	**240,472,391**	251,847,732
b.	Guarantees issued by bankers on behalf of Company and amount outstanding	**29,06,271**	1,506,271
c.	Corporate Guarantees given to Bank on behalf of subsidiaries & Associate for purpose of financial assistance	**395,000,000**	605,000,000
d.	Bill Discounting With Banks	**113,208,574**	149,235,978
e.	Demand for Sales Tax under appeal with Department/Tribunal/ Courts and show cause notice etc. (Deposit under protest Rs.5,206,632; 31st March 2016 Rs 45,46,937)	**10,250,183**	10,294,020
f.	Demand for excise , Custom Duty, Service Tax under appeal with Department/Tribunal/ Courts and show cause notice etc.(Deposit under Protest Rs.15,981,481 ; 31st March 2016 Rs.13,161,278)	**158,165,149**	172,291,774
g.	Demand for Income Tax under objection filed under Dispute Resolution Panel	**16,962,223**	-
h.	Cases pending in labor court and not provided for	**1,700,516**	1,077,381
i.	Stamp Duty appeal filed with Chief Controller of revenue, Allahabad (Deposit under protest Rs. 415,500 and 31st March 2016 Rs 415,500)	**1,778,300**	1,778,300
j.	Surety Bond given to Custom Department	**894,000,000**	500,000,000
2.	**Capital Commitment**		
a.	Estimated amount of contract remaining to be executed on Capital Account and not provided for (net of Advances)	**164,717,275**	28,760,745

II. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at end of year	**176,981,457**	89,093,766
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at end of year	-	-
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	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

III. Purchases is net of foreign exchange profit Rs. 91,137,914 /- (previous year loss Rs. 1,571,529/-)

IV. Company including Subsidiaries incurred expenditure for in house Research & Development and such expense is charged off in Profit & Loss Account under respective heads of accounts. Details are furnished as under:

(Amount in Rupees)

Nature of Expenses	**Current Year**	Previous Year
Cost of Materials Consumed	**6,449,499**	1,415,159
Power & Fuel	**300,000**	240,000
Salaries, Wages, Bonus etc	**22,370,936**	11,721,036
Contribution to Provident and Other Funds	**1,537,483**	862,050
Gratuity	**595,000**	266,115
Staff Welfare Expenses	**42,379**	9,520
Consumption of Store and spare parts	**265**	13,260
Repairs to Other Assets	**57,782**	58,750
Repairs to Plant & Machinery	**5,600**	-
Rates & Taxes	**43910**	84,474
Depreciation	**200,319**	23,189
Other Expenses : -		
R & D Expenses	**5,154,395**	3,699,052
Miscellaneous Expenses	**2,278,397**	1,112,057
TOTAL	**39,035,965**	19,504,662

V. **Deferred Tax liability (Net)**
Calculation of deferred tax liability (net) as on 31st March, 2017 is as given below: -

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Deferred Tax Liability	**135,906,500**	109,862,703
Deferred Tax Asset	**38,169,000**	38,234,630
Deferred tax liabilities (Net)	**97,737,500**	71,628,073

VI. **Earning per share is calculated as follows:-**

(Amount in Rupees)

Particulars	**Current Year**	Previous Year
Net Profit/(Loss) After Tax for the year	**536,330,923**	273,811,635
Add:- Interest on Convertible Debentures during the year (Net of Tax)		9,573,577
Adjusted Net Profit/(Loss) After Tax for the year	**536,330,923**	283,385,212
Weighted average Number of Equity Shares for computing **Basic** Earnings per share.	**10,312,100**	9,380,494
Weighted average Number of Equity Shares for computing **Diluted** Earnings per share.	**10,899,876**	10,804,699
Face value of per share	**10.00**	10.00
-**Basic EPS**	**52.01**	29.19
-**Diluted EPS**	**49.21**	26.41

VII. Company's operation predominantly relates to manufacturing & sale of Electronic goods and accordingly this is the only segment. Consequently no separate disclosures are necessary under Accounting Standard 17 "Segment Reporting" as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with The Rule.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

VIII. a. **As a lessee.**

The Company has entered into cancellable operating leases and transactions for leasing of accommodation for office space, Godown, transit house etc. The tenure of lease generally, varies between one and three years. Terms of lease includes operating terms for renewal, increase in rent in future period and terms of cancellation. Related Lease rental aggregating Rs. 27,424,531 (previous year Rs. 19,505,385) have been debited to the Statement of Profit & Loss.

b. **As a lessor:**

The Company has given its property on lease and tenure of leases is 11 year. Terms of the lease include operating term for renewal, increase in rent in future period and term of cancellation Joint Venture on a monthly rental of Rs. 448,000 W.e.f. 01-09-2015. Related lease rental income aggregating Rs. 2,688,000 (Previous year Rs. 2,464,000). The cost of depreciation provided during the year, on rented portion is Rs. 3,003,674 (Previous year Rs. 1,752,143)

IX. In accordance with the revised Accounting Standard 15, i.e. "employee's benefits", the requisite disclosures are as follows:-

Gratuity: The Company has defined unfunded benefit gratuity plan and managed by company. Expenses are recognized under head "Gratuity". Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus variable dearness allowance) for each completed year of service subject to a maximum of Rs.1,000,000 on resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

Actuarial Assumptions: Principal assumptions used for actuarial valuations are:

	Current Year	Previous Year
i) **Method Used**	**Projected Unit**	**Credit Method**
ii) **Discount Rate**		
Dixon Technologies (India) Pvt. Ltd.	7.54%	8.00%
Padget Electronics Pvt. Ltd.	7.35%	-
iii) **Expected rate of return on assets (Gratuity only)**	0.00%	0.00%
iv) **Future Salary Increase**		
Dixon Technologies (India) Pvt. Ltd.	6.00%	6.00%
Padget Electronics Pvt. Ltd.	5.50%	5.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

a) **Expenses recognized in Statement of Profit & Loss** (Amount in Rupees)

Particulars	**Current Year**	Previous Year
Current Service Cost	**5,072,563**	3,209,967
Past Service Cost	**-**	-
Interest Cost on benefit obligation	**2,078,283**	1,484,589
Expected return on plan assets		-
Net actuarial (gain) / loss recognized in the year	**1,666,506**	4,228,131
Expenses recognized in the Statement of Profit & Loss	**8,912,941**	8,922,687

b) **Amount recognized in the Balance Sheet** (Amount in Rupees)

Particulars	**Current Year**	Previous Year
Present value of obligation as at 31.03.2017 (i)	**33,966,837**	25,978,536
Fair value of plan assets as at 31.03.2017 (ii)	**-**	-
Difference (ii) - (i)	**(33,966,837)**	(25,978,536)
Net assets / (liability) recognized in the Balance Sheet	**(33,966,837)**	(25,978,536)

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

c) **Change in the present value of the defined benefit obligations**:-

(Amount in Rupees)

Particulars	Current Year	Previous Year
Present value of obligation as at 01.04.2016	25,978,536	18,557,370
Interest Cost	2,078,283	1,484,589
Current service Cost	5,072,563	3,209,967
Past service Cost	95,589	-
Benefits paid	(924,640)	(1,501,521)
Net actuarial (gain)/ loss on obligation	1,666,506	4,228,131
Actual return of plan of assets	-	-
Present value of the defined benefit Obligation as at 31.03.2017	33,966,837	25,978,536

RELATED PARTY DISCLOSURE:

a) Related party disclosures, as required by AS-18, "Related Party Disclosures", are given below:

i. Key Managerial Personnel and their relatives

Name	Designation/Relationship
Key Managerial Personnel	
Mr. Sunil Vachani	Chairman
Mr. Atul B. Lall	Managing Director
Mr. Gopal Jagwan	Chief Financial Officer
Relatives of Key Managerial Personnel	
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 parties with whom company has entered into transactions during the year

Joint Ventures	M/s Padget Electronic Pvt. Limited (Subsidiary Company w.e.f. 10th June. 2013) & converted to Joint Venture w.e.f. 10 November 2015. M/s AIL Dixon Technologies Private Limited(W.e.f. 8th February 2017)
Associate	M/s My Box Technologies Pvt. Ltd. (Subsidiary Company w.e.f. 30th March 2009, converted to associate Company w.e.f. 29th March 2012 to 3rd July 2015)
Enterprises over which KMP or relative of KMP have significant influence	M/s Dixon Applied Technologies 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
	Fincraft Learnings Private Limited (Company in which Managing Director & Chairman are Directors & Shareholders)
	M/s Rage (partnership firm of Chairman's Relative)

(b) The following transactions were carried out with the related parties in the ordinary course of business: (Amount in rupees)

Sr.	Particulars		Associates/ 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**	-	**2,625,922**	-	-	**2,625,922**
		Previous Year	**13,75,000**	-	-	-	13,75,000
B	Sale of Goods	**Current Year**	-	-	-	**128,439**	**128,439**
		Previous Year	**7,958,687**	-	-	-	7,958,687
C	Remuneration, Consultancy and Commission	**Current Year**	-	**53,427,730**	-	-	**53,427,730**
		Previous Year	-	39,694,577	-	-	**39,694,577**
D	Proceed received under ESOP Scheme	**Current Year**	-	**44,221,093**	-	-	**44,221,093**
		Previous Year	-	-	-	-	-
E	Sundry Debtors & (Creditors) / Amount Recoverable & (Payable)	**Current Year**	**1,477,745**	**56,769,091**	-	-	**58,246,836**
		Previous Year	**4,594,502**	825,000	-	210,459	5,629,961
F	Advance given against Property Purchase	**Current Year**	-	**1,604,396**	**1604,396**	-	**3,208,792**
		Previous Year	-	1,460,000	1,460,000	-	2,920,000
G	Bond Given to Custom on Behalf of Joint Venture	**Current Year**	**610,000,000**	-	-	-	**610,000,000**
		Previous Year	**500,000,000**	-	-	-	500,000,000
H	Bond Given to Custom By Joint Venture on behalf of Company	**Current Year**	**210,000,000**	-	-	-	**210,000,000**
		Previous Year	-	-	-	-	-
I	Loan/Advance Given	**Current Year**	**898,280**	**53,618,169**	-	-	**54,516,449**
		Previous Year	-	625,000	-	-	625,000
J	Rent Received	**Current Year**	**6,177,920**	-	-	-	**6,177,920**
		Previous Year	**3,581,760**	-	-	-	3,581,760
K	Sale of Property, Plant and Equipment	**Current Year**	-	-	-	-	-
		Previous Year	**2,346,577**	-	-	-	2,346,577
L	Investment in share	**Current Year**	**8,500,000**	-	-	-	**8,500,000**
		Previous Year	**71,500,000**	-	-	-	71,500,000
M	Purchase of Property, Plant and Equipment	**Current Year**	**114,750**	**10,700,000**	**10,700,000**	-	**21,514,750**
		Previous Year	-	-	-	-	-
N	Perquisite to Employee Under ESOP Scheme	**Current Year**	-	**27,206,207**	-	-	**27,206,207**
		Previous Year	-	-	-	-	-
O	Nos. of Bonus share issued	**Current Year**	-	**3,180,196**	**139,707**	-	**3,319,903**
		Previous Year	-	-	-	-	-
P	Nos. of Share issued under ESOP Scheme	**Current Year**	-	**215,000**	-	-	**215,000**
		Previous Year	-	-	-	-	-
Q	Purchases of Goods	**Current Year**	**15,285**	-	-	**343,500**	**358,785**
		Previous Year	-	-	-	-	-
R	Job work Receipt	**Current Year**	**80 500**	-	-	-	**80,500**
		Previous Year	-	-	-	-	-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

XI. In the opinion of the Board, the current assets are at value stated, if realized in the ordinary course of business. The provisions for all known and ascertained liabilities are adequate and not in excess of the amounts reasonably required.

XII. The company has a process of sending letter of confirmation to its sundry Debtors, creditors and others, other than where bill-wise payment are received or made. However, account reconciliations/Confirmations in respect of certain creditors having debit balance 3,134,600 & credit balance Rs.78,388,596 and debtors having debit balances Rs.393,915,359 & Credit Balance 31,923,460 have not been independently confirmed as at the end of the year and they are subject to confirmations. The management is of the opinion that adjustments, if any arising out of such confirmation would not be material effecting financial statements of the year.

XIII. A) **Payment to auditor**: (Amount in Rupees)

Particulars	**Current Year**	**Previous Year**
Audit Fees	**2,140,000**	1,422,500
Tax Audit Fees	**200,000**	247,250
Out of pocket expenses	**256,093**	235,875
Certification Fees	**432,325**	859,527
Company Law Matter	**453,500**	122,472
Total	**3,481,918**	2,887,626

B) **Payment to Cost Auditor**: (Amount in Rupees)

Particulars	**Current Year**	**Previous Year**
Audit Fess	**406,975**	240,000
Total	**406,975**	240,000

XIV. **Prior period adjustment net comprise of:** (Amount in Rupees)

Particulars	**Current Year**	**PreviousYear**
Miscellaneous Expenses	**6,400**	32,920
Purchase	**-**	9,118
Selling & Distribution Expenses	**-**	21,220
Salary & Wages etc.	**56,769**	192,878
Rent	**77,400**	-
Staff Welfare Expenses	**-**	2,667
Income	**-**	-
Salary & Wages etc.	**-**	(85,984)
Total	**140,569**	172,819

XV. **Corporate Social Responsibility Expenditure**:

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

A. Gross amount required to be spent by the company Rs. 3,033,493/-

B. Amount spent by the company on

	Particulars	**Amount in Rs.**
1	Donation to Magic Bus India Foundation for project related to orphans	1,515,000
2	Donation to Chhatra Pati Shivaji Samaj Kalyan And Shiksha Prachar Samiti for education related project	70,000
3	Bansividya Memorial Trust	500,000
4	Bharat Vikas Viklang Nyas	50,000
5	Delhi Langar Seva Society	100,000
6	Guru Vishram Vridh Ashram	415,000
7	Noida Deaf Society	200,000
8	Rugmark Foundation	200,000
	Total Spent	3,050,000

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

XVI. Additional information, As required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

Particulars	**Net Assets i.e. Total Assets Minus Total Liabilities**		**Share of Profit or Loss**	
Name of the Entity	As % of Consolidated Net Assets	Value In Rupees	As % of consolidated Profit	Value In Rupees
A. Holding Company				
Dixon Technologies (India) Pvt. Ltd.	96.34%	1,904,919,464	91.72%	497,915,295
B. Subsidiary Company:				
Dixon Global Private Limited	2.98%	59,018,163	1.51%	8,207,089
C. Joint Venture Companies:				
Padget Electronics Private Limited	5.08%	100,441,140	5.40%	29,340,195
AIL Dixon Technologies Private Limited	0.27%	5,383,286	-0.02%	(116,715)
	104.67%	**2,069,762,053**	**99.82%**	**535,345,864**
Consolidation Adjustment: -				
Other Adjustment	**-4.67%**	**(92,427,082)**	**0.18%**	**985,058**
	100%	**1,977,334,971**	**100%**	**536,330,923**

XVII. During the year, the Board of Directors has declared interim dividend of Rs.6.00/- (Previous Year: - Rs.12.50/-) per Equity Share amounting to Rs.65,912,055 (Previous Year: Rs. 38,789,463).

XVIII. **Event Occurring after Balance Sheet date:**

a) 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 April 1, 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. Being wholly owned subsidiaries the difference between the amounts recorded as investments of the Company and the amount of share capital of the aforesaid transferor companies have been adjusted in the reserves & surplus.

b) 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.

c) There has been fire in the testing area of the factory located at B-14,15 phase-II, Noida on 16th April 2017 resulting into estimated loss of Rs. 30,000,000/- including Fixed Assets and Inventories. The company is in process of assessing loss and filing of insurance claim with the Insurance Company and necessary accounting adjustment will be done in the year of settlement.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

XIX. **Exceptional Items :-** (Amount in Rupees)

S.N.	Particulars	Current Year	Previous Year
1.	Claim Paid to M/s Koninklijke Philips Electronics N.V	-	144,893,346
2.	Profit on sale of Investment in Associate shares Less:- Associate's Profit of earlier year already accounted for in Consolidation	-	132,939,580 15,915,680
	Net Expenses (1-2)	**-**	**27,869,446**

XX. **Interest in Joint Ventures:**

Padget Electronics Private Limited

a) The Company has entered into agreement with Jaina Group and wish to work in cooperation each other to operate and manage the company which will utilize the respective experience of the parties for the purpose of running the business of company. For this purpose both Jaina group and Dixon Technologies (India) Limited have subscribed to 50% of the total Paid up Capital of the Company each.

b) The Group's interests in jointly controlled entity are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income expenditure, contingent liabilities and commitments related to the group's interests in its jointly controlled entity included in these consolidated financial statements are given below:

Balance Sheet (Amount in Rupees)

	Current Year	PreviousYear
Equities and liabilities		
Share Holder funds		
Share Capital	75,000,000	700,00,000
Reserve & surplus	25,441,140	(3,899,054)
	100,441,140	**66,100,946**
Share application money pending for allotment	-	**10,00,000**
Non-Current Liabilities		
Deferred Tax Liability (Net)	6,599,500	(1,597,000)
Long Term Provisions	603,780	
Current Liabilities		
Trade Payables	2694269179	273,860,279
Other Current Liabilities	51,571,102	11,888,250
Short Term Provisions	8,701,652	
	2,754,541,933	**285,748,529**
Total	**2,862,186,353**	**351,252,474**
Assets		
Non Current Assets		
Tangible Assets	78,319,794	64,834,723
Intangible Assets	480,964	-
Long Term Loan & Advances	3,248,985	312,500
Other Non Current Assets	-	10,820
	82,049,472	**65,906,306**
Current Assets		
Inventories	1,255,554,068	281,990,406
Trade Receivables	1,464,963,440	1,250
Bank & Other balances	45,184,319	904,507
Short-Term Loan and Advances	13,473,876	2,038,011
Other Current assets	961,179	411,991
	2780136881	**285,346,166**
Total	**2,862,186,353**	**351,252,474**

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Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

Statement of Profit And Loss (Amount in Rupees)

Income	**Current Year**	Previous Year
Revenue from Operation	8,107,065,771	200,093,334
Other Income	1,005,981	-
Total	**8,108,071,752**	200,093,334
Expenses		
Cost of materials Consumed	7,943,070,447	383,342,898
Change in Inventories of Finished Goods, Work In Progress	(63,609,638)	(194,797,088)
Employee Benefits Expense	49,031,742	7,588,786
Finance Costs	359,859	2,056
Depreciation	6,778,661	1,163,999
Other Expenses	128,607,181	8,077,824
Total Expenses	**8,064,238,251**	205,578,475
Profit/(Loss) before Tax	**43,833,501**	(5,485,141)
Current Tax	(8,699,821)	-
Tax Credit Entitlement	2,403,014	
Deferred Tax (Liabilities)/Assets	(8,196,500)	1,597,000
Profit /(Loss) after Tax	**29,340,195**	(3,888,141)

Contingent Liabilities & Commitments (Amount in Rupees)

Particulars	**Current Year**	Previous Year
Contingent Liabilities	105,000,000	-
Capital Commitment	-	42,995

AIL Dixon Technologies Private Limited

a) During the Year the Company has entered into agreement with Aditya Infotech Limited and wish to work in cooperation each other to operate and manage the company which will utilize the respective experience of the parties for the purpose of running the business of company. For this purpose both Aditya Infotech Limited and Dixon Technologies (India) Limited have subscribed to 50% of the total Paid up Capital of the Company each.

b) The Group's interests in jointly controlled entity are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income, expenditure, contingent liabilities and commitments related to the group's interests in its jointly controlled entity included in these consolidated financial statements are given below:

Particulars	(Amount in Rs.)
Equities and liabilities	**Current Year**
Share Holder funds	
Share Capital	500,000
Reserve & surplus	(116,715)
Share application money pending for allotment	5,000,000
Current Liabilities	
Trade Payables	481,327
Other Current Liabilities	1,500
Total	**482,827**
Assets	
Non Current Assets	
Other Non Current Assets	274,584
Current Assets	
Bank & Other balances	5,500,000
Other Current assets	91,528
Total	**5,591,528**

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

(Amount in Rupees)

Income	**Current Year**
Revenue from Operation	-
Other Income	-
Total	-
Expenses	
Cost of materials Consumed	-
Change in Inventories of Finished Goods, Work In Progress	-
Employee Benefits Expense	12,687
Finance Costs	-
Depreciation	
Other Expenses#	104,028
Total Expenses	**(116,715)**
Profit/(Loss) before Tax	**(116,715)**
Current Tax	-
Tax Credit Entitlement	-
Deferred Tax (Liabilities)/Assets	-
Profit /(Loss) after Tax	**(116,715)**

c) # 1/5th of the preliminary expenses incurred by the company for incorporation has been charged to statement of Profit & Loss during the period, during the year of commencement of business company will charge balance preliminary expenses to the statement of profit & Loss.

XXI. **Stock Option Plan**

a) Scheme: - The board of director recommended grant of equity shares of the company to the eligible employees of the Company and its subsidiaries companies 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 board of director established the employee stock option plan 2010 in the board meeting held on 2nd November 2010. The maximum aggregate number of shares that may be awarded under the 2010 plan was 437,000 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 year from the date of grant of such option. The Plans are Equity Settled Plans.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

b) The activity in the 2010 Plan during the year ended March 31, 2017 and March 31, 2016 is as follows:-

Particulars	**Year Ended March 31, 2017**		Year ended March 31, 2016	
	Share arising out of options (Numbers)	**Weighted average exercise price (Rs.)**	Share arising out of options (Numbers)	Weighted average exercise price (Rs.)
Outstanding at the beginning	-	-	-	-
Granted	-	-	137,426	290
Forfeited and expired	-	-	-	-
Exercised	3,14,806	193.65	-	-
Outstanding at the end	-	-	-	-
Exercisable at the end	-	-	3,14,806	193.65

Effect of employee share based payment plan on the profit or loss of the company:
During the year ended March 31, 2017, the company recorded an employee compensation expenses of Rs.19,844,170 in the statement of profit and loss.

XXII. In Subsidiary Company Dixon Global Private Limited, during the financial year 2015-16, email account of the company get hacked and payment amounting to Rs. 19,120,216/- that was intended to be made to Cixi city Chenyang get diverted to the hacker's account in Hungary. Out of which Rs 7,136,164 was subsequently recovered and police investigation in the matter and recovery of balance amount is in process in Hungry.

XXIII. The company has filed Draft red hearing prospects (the DRHP) with Securities exchange board of India on 19th May 2017 and same is under approval of Securities exchange board of India

XXIV. All initial public offer related expenses shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares issued and sold to the public in the Fresh Issue and the Offer for Sale, respectively. The company has incurred initial public offer expenses amounting to Rs 5,768,558 which is shown under other current assets. The public offer expenses to the extent of share of the company will be charged to statement of Profit & Loss on the completion of the public offer and/or Listing process with the stock exchange.

XXV. **Vertical wise break-up of Revenues from Operations (net) and Earnings before Interest, Taxes, Depreciation and Amortisation.**

The vertical wise break-up of the revenues from operations (net) is provided below:

(Amount in Rupees)

Business vertical	**Current Year**	Previous Year
Lighting	5,508,025,544	4,295,050,880
Consumer electronics	8,445,381,838	7,701,198,574
Home appliances	1,880,261,761	1,306,447,880
Reverse logistics	626,854,252	391,375,907
Mobile phones	8,107,065,771	200,093,334
TOTAL	**24,567,589,166**	**13,894,166,574**

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

The portion of our revenues from operations (net) attributable to our OEM model is provided below:

(Amount in Rupees)

Business vertical	Current Year	Previous Year
Lighting	3,010,139,004	2,568,102,969
Consumer electronics	7,449,329,505	7,000,368,860
Home appliances	-	-
Reverse logistics	626,854,252	391,375,907
Mobile phones	8,107,065,771	200,093,334
TOTAL	**19,193,388,533**	**10,159,941,071**

The portion of our revenues from operations (net) attributable to our ODM model is provided below:

(Amount in Rupees)

Business vertical	Current Year	Previous Year
Lighting	2,497,886,540	1,726,947,910
Consumer electronics	996,052,333	700,829,713
Home appliances	1,880,261,761	1,306,447,880
Reverse logistics	-	-
Mobile phones	-	-
TOTAL	**5,374,200,633**	**3,734,225,503**

EBIDTA bifurcated in business Vertical of Lighting, Consumer appliance, Home Appliance, Reverse logistics and Mobile Phones: (Amount in Rupees)

Business vertical	Current Year	Previous Year
Lighting	166,633,945	213,730,742
Consumer electronics	247,019,750	155,684,000
Home appliances	305,630,320	134,352,647
Reverse logistics	119,594,452	68,526,959
Mobile phones	49,966,040	4,319,085
TOTAL	**888,844,507**	**567,975,263**
Other Income	16,749,449	28,186,777
Total EBIDTA	**₹905,593,956**	**596,162,040**

1. The Company currently operates in 5 business verticals namely of Lighting, Consumer Electronics, Home Appliances, Reverse logistics and Mobile Phones. Further revenues generated from two verticals being Lighting and Consumer Electronics verticals is attributable to both Original Design Manufacturer (“ODM”) and Original Equipment manufacturer (“OEM”) models of the Company.

   a. Original Design Manufacturer (“ODM”): Under ODM model, the Company with its in-house research team conceptualizes, designs the products which are then marketed to prospective customers. The Customers place orders for such products along with order details such as quantity, pricing etc. and then the ODM Products are manufactured at respective manufacturing facilities of the Company.

   b. Original Equipment manufacturer (“OEM”): -The Company manufactures original equipment for their customers based on designs developed by or provided by the customers at an agreed cost basis customers’ purchase orders.

Dixon Technologies (India) Private Limited
(Now Dixon Technologies (India) Limited)
Significant Accounting Policies & Other Explanatory Information And Other Notes to Consolidated Financial Statement

2. To calculate the vertical wise Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA), firstly the directly allocable expenses are apportioned to the respective vertical and the balance expenses are apportioned in proportion to contribution of each vertical.

XXVI. **Disclosure on Specified Bank Notes:-**

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(Amount in Rupees)

Particulars	SBNs (*)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1,881,000	15,270,477	17,151,477
Add : Permitted receipts	0	8,119,451	8,119,451
Less : Permitted payments	2,000	20,530,616	20,532,616
Less : Amount deposited in bank	1,879,000	0	1,879,000
Closing cash in hand as on December 30, 2016	0	2,859,312	2,859,312

* For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407 (E), dated November 8, 2016

XXVII. a) Grouping and heads of accounts of the subsidiaries have been rearranged in terms of Presentation of those of Holding company wherever necessary.

b) The corresponding previous Year figure has been Regrouped/Rearranged wherever necessary.

As per our Report of even date

For SINGHI & CO
Chartered Accountants
Firm Registration No.: 302049E

SD/-
B. L. CHORARIA
PARTNER
(Membership No. 022973)

PLACE:- NOIDA
DATED: 13TH July, 2017

SD/-
CHAIRMAN
(SUNIL VACHANI)
(DIN-00025431)

SD/
MANAGING DIRECTOR
ATUL B. LALL
(DIN-00781436)

SD/-
CHIEF FINANCIAL OFFICER
GOPAL JAGWAN

SD/-
COMPANY SECRETARY
ASHISH KUMAR
(M.No. F8355)

Statement containing salient features Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2016 relating to Subsidiaries & Joint venture Companies.

a) Subsidiary Company

(Amount in Rupees)

S. N.	Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Dixon Global Private Limited	INR	10,000,000	49,018,163	321516690	262,498,527	-	3,514,940,186	13,196,789	4,989,700	8,207,089	-	100%

b) Jointly Controlled Entities:

(Amount in Rupees)

Name of Entity	Latest audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end	Amount of Investment in Joint Venture	Extent of Holding% attributable	Net worth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation	Description of how there is significant influence	Base on why the joint venture is not considered
Padget Electronics Private Limited	31-Mar-17	7,500,000	75,000,000	50%	100,441,140	29,340,195		Note A	
AIL Dixon Technologies Private Limited	31-Mar-17	50,000	5,500,000	50%	5,383,286	(116,715)		Note A	

Note A: There is significant influence due to percentage holding of share capital

As per our Report of even date

For SINGHI & CO
Chartered Accountants
Firm Registration No.: 302049E

SD/-
B. L. CHORARIA
PARTNER
(Membership No. 022973)

PLACE:- NOIDA
DATED: 13TH July, 2017

CHAIRMAN
SD/-
(SUNIL VACHANI)
(DIN-00025431)

MANAGING DIRECTOR
SD/-
ATUL B. LALL
(DIN-00781436)

CHIEF FINANCIAL OFFICER
SD/-
GOPAL JAGWAN

COMPANY SECRETARY
SD/-
ASHISH KUMAR
(M. No. F8355)

Key Events, Milestones and Achievements

Calendar year	Key Events, Milestones and Achievements
1994	Commencement of manufacture of colour televisions
1996	Establishment of Noida I Facility
2008	Entered the lighting products vertical with manufacture of CFL products
2008	Private equity investment by Indian Business Excellence Fund (“IBEF”) and Indian Business Excellence Fund I (“IBEF 1”)
	Commencement of reverse logistics operations
2010	Commencement of manufacturing of washing machines by our Subsidiary, Dixon Appliance Private Limited (“DAPL”)
2009 and 2010	Commencement of commercial manufacturing in the metal sheet and moulding segments by our Subsidiary, Dixon Bhurji Moulding Private Limited(“DBMPL”)
2014	Achieved more than Rs 10,000 million of revenue from operations on a standalone basis
2015	Acquisition of remaining shareholding of our erstwhile subsidiaries DAPL and DBMPL, pursuant to which they became our wholly owned subsidiaries
2016	Commencement of manufacture of mobile phones through our joint venture, Padget Electronics Private Limited (“PEPL”)
2016	Granted approval by the Government of Andhra Pradesh (“GoAP”) for setting up a manufacturing facility in Tirupati
2017	Amalgamation of DAPL and DBMPL, our wholly owned subsidiaries, with and into our Company
2017	Entering 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 (“ADTPL”)

Awards and Accreditations

Calendar year	Awards and accreditations
2007	ISO 14001:2004 by United Registrar of Systems for compliance by our Company with environmental management system in the manufacture and supply of DVD, LCD/LED TV, FIM/LCM, Induction Cooker, CFL Lamp, LED Lamp, Ballast and Circuit Assembly at the Dehradun I Facility
2009	ISO 14001:2004 by United Registrar of Systems for compliance by our Company with environmental management system in the manufacture and supply of PCB assembly for consumer and industrial electronics products and lighting products at the Noida I Facility
2009	ISO 9001:2008 by United Registrar of Systems for compliance by our Company with quality management system in the manufacture and supply of CFL (Compact Fluorescent Lamp), STB (Set Top Box) and its Refurbishment at the Noida III Facility
2009	ISO 14001:2004 by United Registrar of Systems for compliance by our Company with environmental management system in the manufacture and supply of CFL (Compact Fluorescent Lamp), STB (Set Top Box) and its Refurbishment at the Noida III Facility
2009	ISO 9001:2008 by United Registrar of Systems for compliance by our Company with quality management system in the manufacture and supply of DVD, LCD/LED TV, FIM/LCM, Induction Cooker, CFL Lamp, LED Lamp, Ballast and Circuit Assembly at the Dehradun I Facility
2010	ISO 9001:2008 by United Registrar of Systems for compliance by our Company with quality management system in the manufacture and supply of PCB assembly for consumer and industrial electronics products and lighting products at the Noida I Facility
2010	ISO 9001:2008 by United Registrar of Systems for compliance by DAPL with quality management system in the manufacture and supply of washing machines at the Dehradun II Facility
2011	ISO 9001:2008 by United Registrar of Systems for compliance by DBMPL with quality management system in the manufacture and supply of moulding items for washing machines, CTVs and DVDs at the Dehradun III Facility
2011	‘Best OEM Award 2011’ awarded to our Company by CEAMA
2016	ISO 9001:2008 by United Registrar of Systems for compliance by PEPL with quality management system in the manufacture of mobile phones at the Noida II Facility
2016	ISO 14001: 2004 by United Registrar of Systems for compliance by PEPL with environmental management system in the manufacture of mobile phones at the Noida II Facility
2016	Development Excellence Award (Semi-Automatic Washing Machine) awarded by Panasonic India Private Limited to DAPL
2017	ISO 14001:2015 by United Registrar of Systems for compliance with environmental management system in the manufacture and supply of washing machines at the Dehradun II Facility