

Solutions & Collaborations

The brand behind brands

Contents

Corporate Overview

- 02 Dixon at a glance
- 04 Our journey in milestones
- 05 The Building Blocks of Our Organization
- 06 Message from the corner office
- 08 Q&A with Managing Director
- 10 Financial analysis, 2017-18
- 11 Key figures
- 12 The opportunity landscape
- 14 Our business model
- 15 Strategy for sustainable profitability
- 16 Corporate Social Responsibility
- 18 Profile of Board of Directors
- 20 Management team
- 21 Corporate information

Statutory Reports

- 22 Directors' Report
- 65 Management Discussion & Analysis
- 73 Corporate Governance

Financial Statements

- 94 Standalone Financial Statements
- 164 Consolidated Financial Statements

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



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

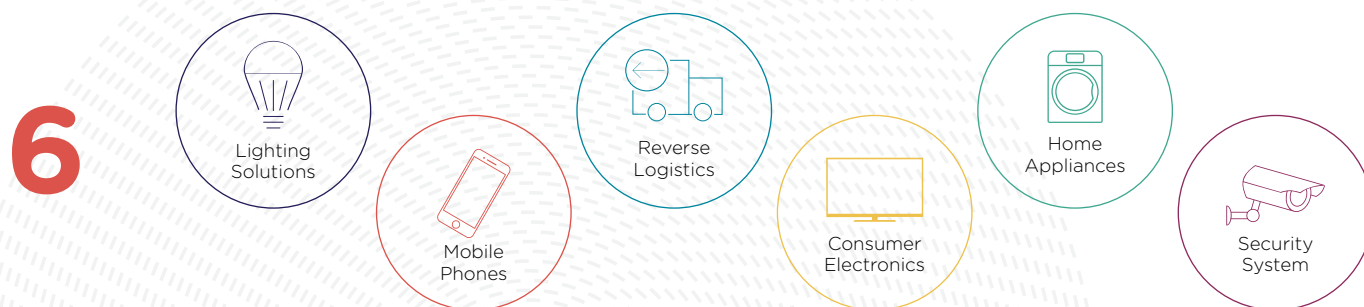
We have focused on our R&D and come up with product and service innovations. We have provided the **best product solutions to brands across the world**. And we have collaborated with businesses and positioned ourselves as the preferred choice across product and consumer segments. It's through **quality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



Dixon at a Glance

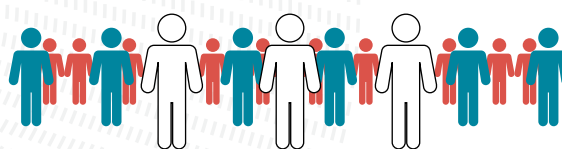
Dixon is the leading home grown, design-focused solutions company engaged in manufacturing products across multiple consumer durable segments. We are an integrated original equipment manufacturing (OEM) company, covering sourcing, manufacturing, quality checks, packaging and logistics solutions for leading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

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



117x

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



31 R&D team as on 31st March, 2018

Team size

(permanent employees as on 31st March 2018)



121
1994



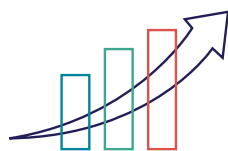
473
2011



780
2018

37.05%

Promoter shareholding as on 31st March, 2018



**₹28575.66
million**

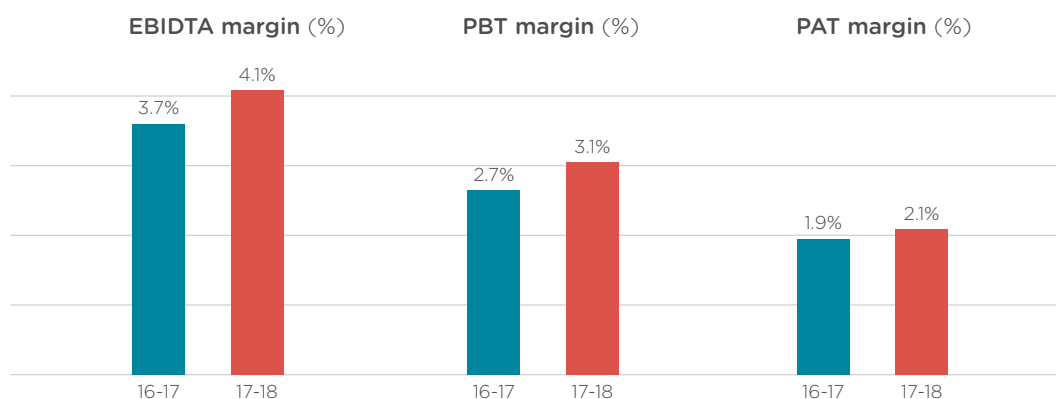
Total revenue as on
31st March, 2018*



**₹37153.09
million**

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

A Look at Our Margins*

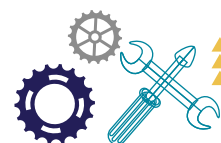


Manufacturing locations*



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

Research and Development



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

*Taken on Consolidated Level

Our Journey in Milestones

1994

- ▶ Commenced manufacturing colour televisions

1996

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

2008

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

2009 and 2010

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

2014

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

2015

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

2016

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

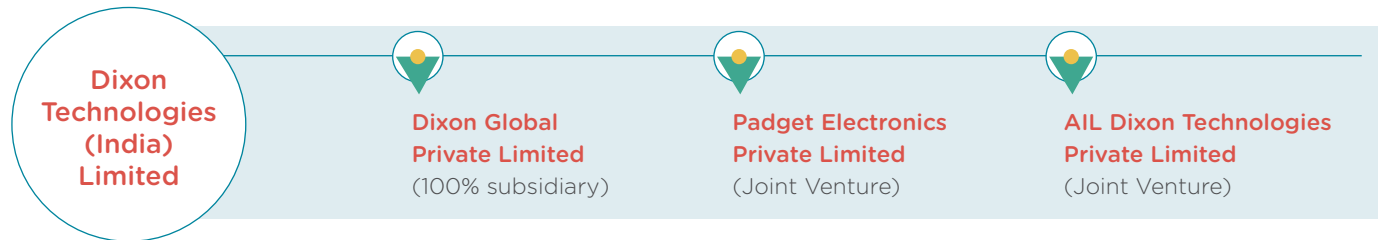
2017

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

2018

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

The Building Blocks of Our Organization



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



Message from the Corner Office

Dear Shareholders,

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

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

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

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

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





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

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

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

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

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

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

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

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

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

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

Sunil Vachani
Executive Chairman

Q&A with Managing Director



We recorded an increase in PAT by

28% to ₹61 cr.

in this year as compared to PAT of

₹48 cr.

in 2016-17.

*Taken on Consolidated Level

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

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

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

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

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

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

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

Q How do you plan to further strengthen your margins?

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