LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

(AN ISO / TS 16949 : 2009, ISO 14001, OHSAS 18001 : 2007 & ISO 9001 : 2008 CERTIFIED COMPANY)

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August 21, 2017 **(through NEAPS)**

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai -400051

Dear Sir,

Sub: Annual Report for Financial Year 2016-17.
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred herein as Listing Regulations).

Pursuant to Regulation 34 of the Listing Regulations, we hereby submit a copy of the Annual Report for the Financial Year 2016-17 duly approved and adopted by the members in the Annual General Meeting of the Company held on August 21, 2017 as per provisions of the Companies Act, 2013.

This is for your records please.

Thanking you

Yours faithfully,
For Fiem Industries Limited

Arvind K. Chauhan
Company Secretary

Encl: A/a.

LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED
ANNUAL REPORT 2016-17

Leading the LED revolution in 2-wheeler automotive lighting!



Scan the QR code on your smart device to read this Annual Report

Cautionary Disclaimer

This document contains statements about expected future events and financial and operating results of Fiem Industries limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Further, certain industry data and other information presented in this document are collected from various reports and sources publicly available. We cannot authenticate the correctness of such data and information. Accordingly, this entire document is subject to this disclaimer. Readers are cautioned that the Company is in no way responsible for any loss / adverse result caused to them attributable to any statement in this document. Readers are requested to exercise their own judgment in assessing the risk associated with the Company.

Contents

Chairman's overview 004

New LED products launched 008

Fiem's R&D and Design competence 010

Fiem's Manufacturing edge 012

Fiem's competitive advantage 015

Fiem's Financial highlights 016

Milestones 018

Product segments 020

Our presence 022

Awards and recognitions 024

Corporate Social Responsibility 026

Directors' Report 034

Management Discussion and Analysis 063

Corporate Governance Report 069

Standalone Financial Statements 085

Consolidated Financial Statements 134









At Fiem Industries, we are respected as a two-wheeler lighting specialist.

We don't just manufacture; we engage in the complete value chain from research to design to development to manufacture.

We don't just make light products, we pioneer them.

We don't just address emerging opportunities; we evangelize cutting-edge technologies and development.

We don't just sell products; we shrink time-to-market so that we can help customers strengthen their businesses.

Fiem Industries. Way ahead in India's two-wheeler LED lighting applications.



Fiem: Leading the LED revolution in two-wheeler automotive lighting space

Over the past decade, technological innovations in automobile lighting have not only improved product quality and fuel efficiency, but have also enhanced customer confidence. Buyers today want the best value for their money and manufacturers have responded with path-breaking product features at prices unimaginable a decade ago. A wide variety of lighting designs in cars and motorcycles indicate amazing research in this important aspect of vehicles.

LED sources significantly differ from tungsten halogen (TH) or high intensity discharge (HID) lamps. Recent advances in white light LED technology, particularly in the total amount of light output and luminance per device, demand sustained development of vehicle forward lighting systems (head lamps). Vehicle lighting extended from a functional element into a styling element in today's vehicles. Not only do light system profiles enhance styling and aesthetics in total vehicle design, but lights themselves have become brand-differentiating. Furthermore, LEDs hold possibilities in developing safety features because of distinctive features of spectral power distribution (SPD). The SPD of a lamp has a considerable impact on the driver's visual performance. LEDs can also provide more safety for the oncoming driver from the opposite side. Besides, light bending options with front lights provide drivers with a better view around corners.

It was a proud moment for Team FIEM, when the Company's in-house R&D developed LED head lamp launched by Yamaha India in the Indian market. It was the first LED head lamp homologated and launched in the Indian market. The R&D team took five years to develop a LED head lamp at its in-house R&D project to showcase its technological prowess and readiness for LED advancement. FIEM's cutting-edge research has demonstrated that the Company is way ahead in LED lighting adaption in two wheelers. It was a humble beginning with manufacturing of LED marker lamp more than a decade ago; progress in LED product development made the Company in becoming a self-sufficient LED technologies. Today, FIEM has a large range of LED lighting products, from automotive lighting to LED luminaries to IPIS System with LED displays, developed by in-house R&D and manufacturing facilities, validating its knowledge.

The development of two-wheeler LED head lamp by FIEM was a natural result as FIEM had been a front runner in developing the two-wheeler LED tail lamp and other LED lighting adoptions in vehicles. From a styling point of view to making a way for brands to distinguish themselves, LEDs offer a new look to vehicles. LEDs also offer other advantages, i.e. longer life, less susceptibility to vibration than filament lamps, lower power requirements than halogen systems, and greater mechanical and optical design flexibility.



Comparison of automotive lighting technologies

Parameters	Halogen lamps	Xenon lamps	LED lights
Basic operating elements	Tungsten filament	Electrodes and xenon gas	Diodes
Average luminous efficacy	11-20 lm/W	70-100 lm/W	80-110 lm/W
Life span	Nearly 3,000 hours	Nearly 20,000 hours	Nearly 50,000 hours

The new safety regulations, AHO (Automatic Headlamp On), effective from 1st April, 2017 provided a shot in the arm for the Company's automotive lighting business and opened up new opportunities, as LED is the best compatible technology for AHO. It is a matter of pride that the industry is adopting the LED head lamps faster than anticipated. AHO regulations require that two-wheeler head lamp should remain switched on even during the day or should have a day running light option, providing visibility and helping avoid accidents.

Numerous technological advancements were observed in the automotive lighting segment over the past decade. It witnessed the advent of incandescent lamps, halogen lamps and xenon lamps. Currently, the LED lighting is gaining popularity worldwide. The above table on this page depicts a comparison of the various technologies across different parameters.

The current penetration of LED lights in automobiles is lower than conventional halogen and xenon lamps. However, their use per vehicle will increase as the demand for vehicle design differentiation and introduction of new applications increase. LED lights provide designers excellent flexibility in creating new lighting styles, helping manufacturers command a significant price premium. LED solutions are significantly more effective and versatile than xenon lamps. New LED applications include enhanced night vision and head-up displays, with new features being constantly introduced.

What adds to the list of advantages is that LED lights are more efficient. A simple LED low-beam headlight requires only 18W as against 35W for its xenon counterpart. LED lights, moreover, are resistant to vibrations and require minimum maintenance, which is often an area of concern with conventional lighting. LED lighting modules use minimal power, augmenting vehicle's fuel efficiency and reducing CO_2 emissions.

The LED revolution for automobiles has taken safety, efficiency and design versatility to a new level, offering something for everyone, e.g. manufacturers gain market credibility, designers get to experiment with this innovative technology and buyers get an affordable lighting option which not only livens up their expectations, but also makes commuting safer. These features combined with the substantial environment benefits, make LED lights an option the industry can adopt.

With strong domain knowledge in LED, in-house R&D and testing capabilities, technological prowess and state-of-the-art manufacturing facilities coupled with longstanding relationships with prestigious OEMs, FIEM is attractively placed. OEMs demand for two-wheeler LED head lamps and other LED applications are increasing. To capture this sustainable business opportunity, the Company investing to enhance LED automotive capabilities and capacities in R&D, designing, testing, development and manufacturing.



Chairman's **overview**

"The Company's business model continues to be robust marked by enduring customer relationships. The Company is likely to emerge as one of the principal beneficiaries of the LED revolution in the 2W automotive lighting segment unfolding in the country's two-wheeler space."

Though the year 2016-17 was one of the most challenging years in recent times, however the worst appears behind us as we move towards attractive growth period. Actually, this overview reconciles two contrasting emotions- optimism for our automotive business and disruption in our LED luminaire business that impacted us adversely during the year under review.

Despite impact of demonetization, our net sales in the automotive business grew by 11%. However, the performance of LED business was not favorable as along with low turnover during the year, a written-off of Rs. 19 Crore was also booked, being non-recoverable from Energy Efficiency Services Ltd. (EESL). This write-off happened because of discontinuance of maintenance by EESL, which was a part of the contract of supply and commissioning of over 1,18,000 street lights to South Delhi Municipal Corporation (SDMC). Further, some orders of LED bulbs were short-closed by EESL due to a steep price decline and other market reasons.

Our automotive business

The company's overall performance was affected by currency demonetization, which transpired during the third quarter of the year under review, affecting the country, economy, automotive sector and the company. This impact was most visibly reflected in the country's two-wheeler segment as this segment is largely influenced by cash purchases and negligible external financing, making its purchase pattern completely different from the rest of the automotive sector.

With offtake extensively affected from November 2016 to February 2017, a number of intending two-wheeler buyers deferred purchases. The result was that most prominent OEMs in the country selected to temporarily discontinue operations. The cascade impact of this affected all two-wheeler brands in the country, a number of them being our prominent customers. As an extension, Fiem Industries was also affected by this slowdown.

One sigh of relief is that the impact of the demonetization began to recede by February-end and the country reported an attractive rebound in demand for two-wheelers starting March 2017, indicating that the worst indeed was over.

Besides, the introduction of new BS IV norms from April 2017 catalyzed the revival. Faced with the new stipulation that

made it mandatory for all sales in the new financial year to be benchmarked with the new upgraded norms, most two-wheeler trade intermediaries put a greater focus in liquidating their erstwhile inventories, which helped catalyze off take. The combination of a revival in pent-up demand that had remained bottled up for months on account of demonetization re-asserted; besides, the dealers who had proactively de-stocked on account of the BS-IV norms began to restock to address emerging demand.

It is indeed a matter of satisfaction that despite disruptions, Fiem Industries performed well in the automotive segment, the result of working with some of the largest and most popular two-wheeler brands in the country. The improvement in consumer sentiment translated into a stronger offtake of these brands, which accelerated our rebound.

The LED luminaire business

The reasons mentioned above coupled with demonetization, impacted the LED business. Though I believe that these are short-term obstacles and that in the long term, the LED business provides a large opportunity within India and abroad. In India, LED adoption is still in an initial phase and could take some time for the disruption to settle translating into attractive prospects for the product and the Company.

The AHO regulatory tailwind

My optimism for the automotive segment is derived for reasons that extend beyond a correction in market trends. A seminal moment in the country's automotive lighting segment transpired with the introduction of Automatic Headlight On (AHO) stipulation from 1 April 2017 along with the new BS IV norms. This stipulation made it imperative for the headlamps of two-wheelers to remain switched on while in use during the day. The headlight of the new two-wheeler turns on as soon as the engine is started; riders will not have the option of switching the head light off.

The stipulation could not have come a day too soon, as, two-wheelers accounts for being the single category of vehicles to have suffered the highest number of fatal road crashes. This subject is of increasing public importance; India has possibly the worst road safety record in the world. The Automatic Headlamp On is expected to help reduce crashes involving two-wheelers; it would help others recognize one's vehicle position in foggy / dusty environment; vehicles in front would able to recognize one's vehicle through the reflection of the vehicle headlamp in the rear-view mirror.

We believe that this regulatory transition will make the role of headlights central to the subject of safety in India. More specifically, this new regulation will accelerate the adoption of LED in 2W Head Lamps, as LED is the most compatible technology. Fiem, as a frontrunner in adaptation of LED in 2 wheelers, is well positioned to make this opportunity, which appears quite sustainable across the foreseeable future.

Our competitive advantage

Fiem possesses a longstanding domain expertise in the research, design, development and large-scale manufacture of lighting products. The company is more than just a manufacturer of automotive LED products; it pioneered the use of some of these products in India. Besides, the company has achieved prudent backward integration, strengthened its value chain and developed its research led product understanding from source to solution.

This enduring competence has been manifested in various confidence enhancing realities encapsulated in the following 3Rs:

Respect: The company is respected as a go-to provider of comprehensive LED solutions

Research: The Company has successfully absorbed technology research to shrink its mind-to-market with the objective to accelerate product launches by customers; besides, its deep research insight

The Company's business model continues to be robust marked by enduring customer relationships. The Company is likely to emerge as one of the principal beneficiaries of the LED revolution unfolding in the country's two-wheeler space.



has enabled it to make continuous product enhancements and extend from automotive to non-automotive applications (luminaires).

Relationships: The company has been a trusted multi-year lighting solution provider to some of the most prominent two-wheeler automotive brands in India; the robustness of their brands (and related off take) provides Fiem with attractive revenue visibility across the foreseeable future.

This is not a story that will only play out in the future; it has already started happening. The company recently started supply of 2W LED head lamp to Yamaha India, developed through Fiem's in-house R&D capabilities, reinforcing the company's respect as a first-mover in the two-wheeler LED head lamp segment.

In view of these market-leading realities, the company is attractively placed to ride the LED revolution in India's two-wheeler automotive lighting segment.

Culture of competitiveness

At Fiem, we are optimistic of our prospects because of the culture that we bring to this unprecedented LED opportunity. Fiem possesses a long-term commitment to its business, manifested in a future-facing investment in state-of-the-art pan-India manufacturing assets that deliver the high operating efficiencies.

The company has been periodically conferred QCDDM and other awards by its prestigious OEM customers for its 360-degree commitment to operational excellence, strengthening overall sustainability.

Outlook

Much of our optimism related to the long-term sustainability of our business is also derived from the robustness of the India story. India is the fastest growing economy and the country is expected to retain this position between 2016 and 2020. The country's consumption story is being driven by the India's burgeoning middle-class. We believe that these realities are irreversible, hold out long-term prospects and should continue to reinforce the preference for the two-wheeler as one of the first item of purchase following increased prosperity.

Hence, on the automotive front, the outlook appears promising with demonetization impact behind us. New regulations of BS-IV and AHO represent positive prospects for the industry and Company. LED is being adopted rapidly in the area of automotive lighting applications, a positive development as the company is among frontrunner in development of LED head lamps on account of in-house R&D capabilities. Keeping in view attractive prospects, the company raised Rs. 120 crore through a Qualified Institutions Placement (QIP) in September 2016 to be opportunity-ready. I am thankful to investors for their faith in our Company.

During the year under review, we have also signed a Technology License and Assistance Agreement (TAA) with Aisan Industry Co., Ltd., Japan, and Toyota Tsusho Corporation, Japan, for the manufacture of Canister in India, an emission control system product. Following the TAA, the Canister is being manufactured by Fiem Industries Ltd. with the technical support of Aisan Industry Co., Ltd. for Indian two-wheelers and three-wheelers.

Conclusion

The Company's business model continues to be robust marked by enduring customer relationships. The Company is likely to emerge as one of the principal beneficiaries of the LED revolution in the 2W automotive lighting segment unfolding in the country's two-wheeler space. We expect that these realities will widen our opportunity canvas and translate into attractive growth across the foreseeable future.

JK Jain
Chairman & Managing Director

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Consistent launch
of new LED automotive products

2002
LED Endout Marker
LED Side Marker

2005
LED Tail Lamp – MC
LED Tail Lamp – Trucks
LED RC Lamp – Trucks

2006
LED Side Marker
LED Front Position Lamp

2010
LED Tail Lamp
LED RC Lamp
LED Blinker

2011
LED Head Lamp
LED CHMSL

2012
LED Tail Lamp
LED Parking Lamp
LED Work Lamp

2013
LED Fog Lamp
LED Tail Lamp
LED Reading Lamp
LED Parking Lamp



2007
LED Tail Lamp
LED Blinkers
LED RC Lamp

2008
LED Tail Lamp – Trucks
LED RC Lamp – Trucks
LED – Cabin Lamp

2009
LED Front Position Lamp
LED Tail Lamp – Bike
LED Tail Lamp – Trucks
LED RC Lamp – Trucks
LED CHMSL

2014
LED Head Lamp
LED Tail Lamp
LED Projector Lamp
LED RC Lamp

2015
LED Head Lamp
LED Indicators

2016
LED Tail Lamp
LED Blinker
LED Indicators
LED Roof Lamp
LED Outline Marker
LED Side Marker
LED License Lamp

2017
LED Head Lamp
LED Tail Lamp
LED DRL
LED Position Lamp



Fiem's distinctive
R&D and Design competence

At Fiem, we believe that our competitive advantage and business sustainability have been derived from our distinctive knowledge across the spheres of our presence. This knowledge capital has been derived from a multi-decade presence in the sector, providing the company with a vantage position of changes in technologies and customer needs.



Research & Development and designing capabilities

The Company possesses three R&D / design centres located in India, Italy and Japan employing experienced professionals in mechanical design, optical design, simulation and guest engineering facilities for development of the automotive lamp and LED luminaires as per Indian and global standards.

The Company is fully-equipped with world-class R&D and testing facility and developed in-house capabilities in LED technology and manufacture.

Design Centers

The company is a rare instance of an LED player possessing three well-equipped R&D / Design Centres in India, Italy and Japan. These Centres employ qualified and experienced professionals in the area of design, optical simulation and guest engineering facilities for the development of LED and conventional lamp assemblies in the area of Automotive and LED luminaires in line with demanding Indian and global standards.

Fiem's state-of-the-art R&D Centre offers clients design and development capabilities in automotive lighting, signalling equipment and rear-view mirrors that address customer specifications.

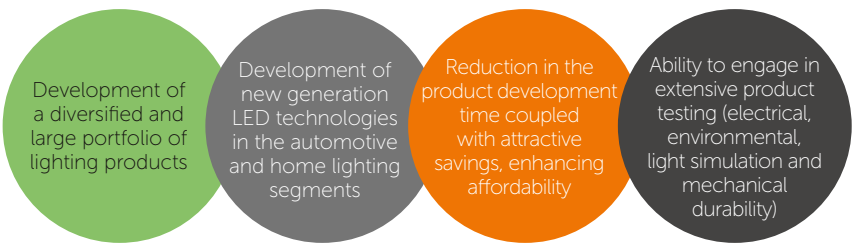
Investments

The Company's R&D Centre has been invested with modern infrastructure, state-of-the-art technology, cutting-edge softwares, as well as qualified and experienced manpower. Besides, the R&D Centre comprises various testing facilities (Product Testing, Photometry Testing, Environmental Testing, Thermal Tests, Electronic Test, Vibration Test, Chemical Test, Mechanical Tests etc). The photometry laboratory is NABL-accredited.





The competencies of our in-house R&D unit





Fiem's manufacturing edge



The company provided a number of its customers with the benefit of a one-stop shop within the products of its presence. The company provided automotive lighting, signalling equipment and rear-view mirrors for two- and four-wheelers.

At Fiem, our core competence comprises the consistent manufacture of high quality products that supplement product reliability and integrity of the products of our valued OEM customers.

This competence is principally derived from our deep multi-decade sectoral knowledge of managing people, plants, products and processes.

The company's manufacturing respect is derived from nine pan-India state-of-the-art manufacturing facilities. Over the years, these facilities were invested with the highest prevailing technologies that were periodically upgraded so that they remained benchmarked with global best practices.

Customer convenience

The company reinforced its manufacturing edge with timely customer service. In a business where it became necessary to provide products that did not just enhance the downstream dependability of customers but also in a manner that helped them moderate costs and enhance competitiveness, the company selected to locate facilities close to OEM customers. This proximity made it possible for customers to generate attractive savings in logistics and benefits arising out of just in-time delivery.

The company provided a number of its customers with the benefit of a one-stop shop within the products of its presence. The company provided automotive lighting, signalling equipment and rear-view mirrors for two- and four-wheelers. Progressively, the company extended to the manufacture of LED luminaires for indoor and outdoor applications. Besides, the company diversified into the business of Integrated Passenger Information Systems with LED display (IPIS), approved by the Ministry of Railways (RDSO).

The company strengthened its manufacturing edge through strategic technological alliances with some of the most advanced global players; this





empowered Fiem to provide advanced cost-efficient products.

Customer base

The result of this manufacturing commitment is that Fiem enjoys a strong client base of more than 50 OEMs; the company is supplying products to a number of prestigious customers since inception. The result is a significant market share in the supply of automotive lighting, signalling equipment and rear-view mirrors across some of the most prominent two-wheeler and four-wheeler OEMs in India. A validation of the company's competence is that some of these Indian engagements with multi-national customers extended to their global counterparts; the company exported automotive lighting products to Honda Japan and Kubota Japan (tractors and farm equipment) besides exporting to Austria, UK, Germany, Thailand, Indonesia and Vietnam.

LED specialization

Fiem has an in-house R&D Centre in Rai, which is recognized by DSIR, Ministry of Science & Technology, Govt. of India, equipped with latest technology, testing facilities and qualified and experienced engineers. The Company set up ultra-modern manufacturing facilities for automotive LED products in Rai, Sonepat, Haryana.

The company's testing facilities address automotive lighting as well LED luminaries of its NABL-accredited photometry laboratory.

The company developed more than 100 products and is developing more LED luminaires. The Company only imports LED chips and some electrical components while the rest of the parts are manufactured in-house, including the most crucial part (LED drivers).

The Company's strong R&D and development team consists of experienced and qualified engineers, competence in PCB circuit design, competence in structural product design, innovative optical design, thermal simulation to achieve higher efficiency, complete SMT plants installed more than a decade ago as well as a strong development team addressing OEMs.

Integrated Passenger Information System capability

The company possesses an Integrated Passenger Information System capability with LED Display (IPIS or PIDS), an electronic information system that provides real-time passenger information. This has demonstrated the company's competence in extending its core LED understanding to consumer-interfacing infrastructure. The IPIS is usually located along bus routes; Fiem has helped partners deliver an effective communication solution.

The Association of State Road Transport Undertakings cleared the Company's LED-based destination system following an inspection; the company is supplying this system to state transportation companies and schools etc.

The company received approval for the Integrated Passenger Information System with LED Display (IPIS) from the Ministry of Railways (Research Design and Standard Organization) related to manufacture and supply (comprising train indication, coach guidance and PC-based announcements) and now regularly supplies these systems to Railways, helping modernize of many stations.

Fiem is optimistic of prospects reflected in an increased demand from Railways, Central & State Government, Metro etc..

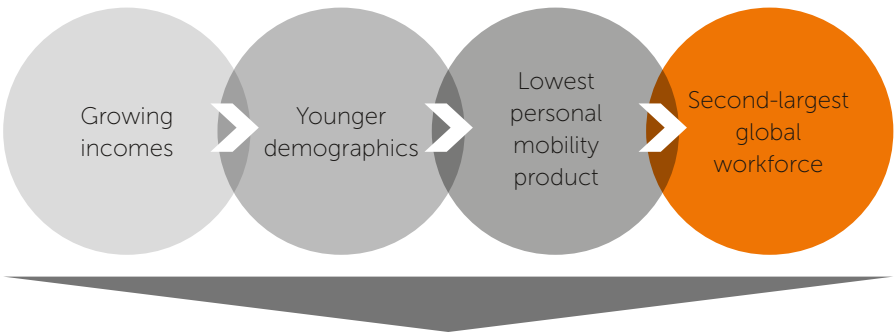
The IPIS systems have been installed (or are under installation) in various railway stations of Delhi, Goa, Haryana, Rajasthan, Uttar Pradesh, Maharashtra, Gujarat, Andhra Pradesh, Madhya Pradesh, Uttarakhand, Karnataka, Chattisgarh and Odisha.

Besides, the railway coaches, where the company's GPS-based PIS System have been used, comprise the Delhi-Bikaner Superfast Express. The IPIS system has been used in public and private buses in various states.

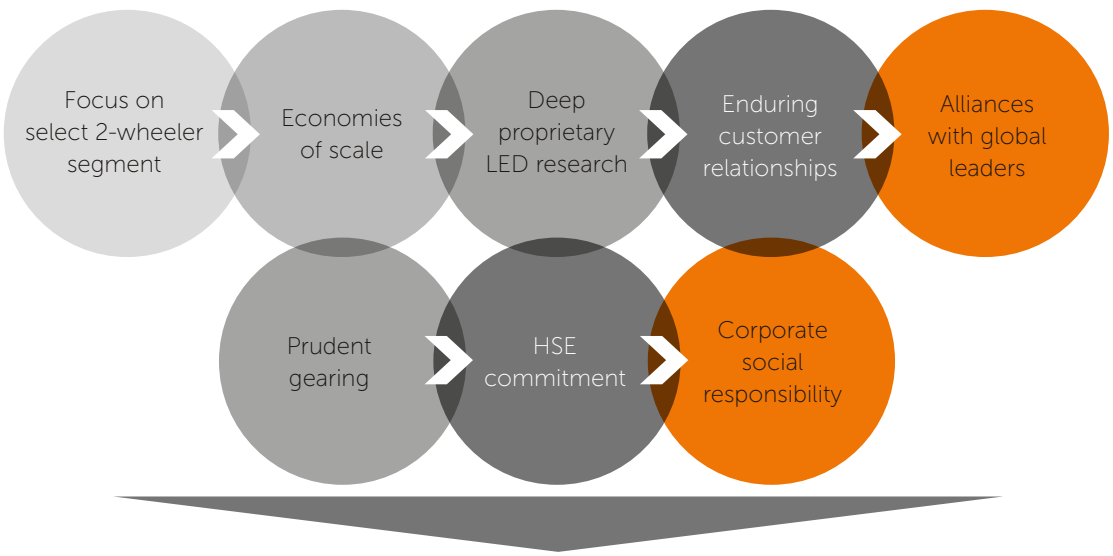
The company's LED display system has also been used by the Delhi Fire Service, CRPF, hospitals and public places.

Fiem. Addressing the growing opportunities in India

OPTIMISTIC NATIONAL REALITY



FIEM'S COMPETITIVENESS



ENHANCED STAKEHOLDER VALUE

Shareholders

- Revenue and profit growth
- Consistent margins
- Sound business health

People

- Employee and vendor engagement
- Personal and professional development
- Fair and equitable wages / opportunities

Customers

- Periodic product introductions
- Proximate manufacturing locations
- Outstanding service

Communities

- Ethical conduct
- Environmentally safe products/operations
- Corporate social responsibility

Society

- Contribution to exchequer
- Employment-driver
- Promoting clean and green products

Fiem's competitive **advantages**

BRAND
Fiem Industries enjoys the brand recall of a preferred 2 wheeler autocomponent manufacturer in India

DOMAIN KNOWLEDGE
The promoters of Fiem possess a more than four-decade exposure in the country's automotive lighting sector, having seen through a number of industry crests and troughs

FOCUS
The company is largely focused on growth opportunities emerging from the two-wheeler segment; besides, the company built long-term competencies in the design, development and manufacture of LED luminaries and IPIS.

SYNERGY
The company possesses a deep LED understanding, which made it possible to extend from two-wheeler LED use to general non-automotive LED applications (luminaires and street lighting), strengthening revenue broad-basing



RESEARCH & DEVELOPMENT
Fiem's state-of-the-art R&D Centre offers clients design and development capabilities in automotive lighting and rear view mirrors; the Centre comprises modern infrastructure, state-of-the-art technology, latest software, qualified and experienced engineers.

OPERATING LEVERAGE
The company's plants are directly-owned; they possess a large area available for additional expansion

CUSTOMER PROXIMITY
The company provides a superior customer proposition by the virtue of its locational proximity, making just-in-time deliveries a reality

RELATIONSHIPS
The company's business has been driven by the power of enduring relationships with some of the largest and fastest-growing two-wheeler brands in India; 70 per cent plus of the company's revenues in 2016-17 were derived from customers of five years or more

CUSTOMER EXTENSION
The value of the company's customer relationship has been validated through extension; for instance, the company's successful engagements with global automobile companies in India have translated into orders from their global parent companies.

Fiem's Financial Highlights

Financial performance (standalone)

Net Sales	EBITDA
FY2012	FY2012
5,302	680
(Rs. million)	(Rs. million)
FY2017	FY2017
10,077	1,222
(Rs. million)	(Rs. million)
5-year CAGR (%)	5-year CAGR (%)
13.7	12.4

FY17 Segmentwise sales breakup

LED segment	Auto segment
5.5	94.5
(%)	(%)

FY17 auto segment revenue break-up by product

Rear view mirrors	Others
14	8
(%)	(%)
Auto lamp	Plastic moulded parts
66	12
(%)	(%)

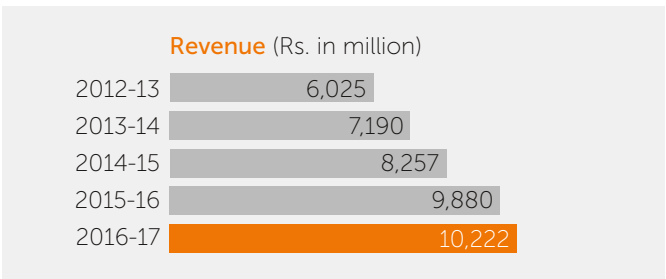
FY 17 auto segment revenue breakup by geography

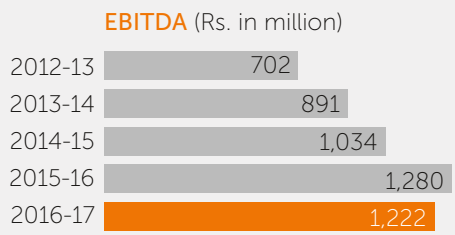
Exports	Domestic OEMs
3.5	87.3
(%)	(%)

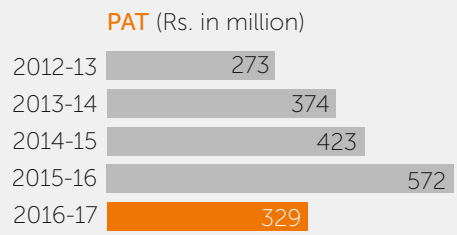
Domestic replacement market
9.2
(%)

FY 17 Revenue breakup by vehicle segment

4-wheelers	2-wheelers
5.72	94.28
(%)	(%)







Graphs are based on standalone financial

Financial performance, 2016-17 (Consolidated)

11.97	3.23	26.30
EBITDA margin (%)	Net profit margin (%)	Earnings per share (Rs.)

Promoters' holding
63.59
March 31, 2017 (%)

Institutional holding
21.99
March 31, 2017 (%)

Team size
1,854
March 31, 2017

Market capitalisation
12,681
March 31, 2017 (Rs. million)

MILESTONES IN OUR HISTORY

1989
Incorporated as Rahul Auto Private Limited

1992
Name changed to Fiem Industries Pvt. Ltd.

1993
Converted into public limited company - Fiem Industries Limited

1994
New state-of-the-art plant established at Kundli, Sonepat (Unit 1)

1996
Fiem Sung San (India) Ltd., a JV Company was established

2007
Merged Fiem Sung San with Fiem Industries

2011
Fiem R&D Centre approved by Govt. of India

2012
Started manufacturing auto lamps and components for Honda Japan

2007
Set up LED SMT plant

2010
Started new manufacturing Unit in Rai, Sonepat (Unit 7)

2011
Set up manufacturing facility for plastic moulded parts in Tapukara (Unit 8)

1998

Multi Focal Reflector launched for the first time in India by Fiem

2004, 2005

Manufacturing facilities commissioned in Hosur (Unit 2&3) and Mysore (Unit 4)

2005 2006

Manufacturing facilities commissioned in Hosur (Unit 5) and Nalagarh (Unit 6)

2006

Initial Public Offering



2013

Entered into a 50:50 JV with Horustech Lighting of Italy for a design centre

2015

Started receiving tenders from EESL for LED bulbs and street lights

2016

Unit 9, Ahmedabad, started commercial production in January 2016.

2016

NABL accreditation received for Photometry Laboratory

2017

Set up facility for manufacturing Canister (emission control system product) under BS-IV norms in the Tapukara plant

Product segments

Fiem is one of the leading Indian manufacturers of Automotive Lighting, Signalling Equipment and Rear View Mirrors. Its major business is derived from the two-wheeler segment of the automotive industry.

Fiem has diversified its product portfolio by manufacturing LED luminaires for indoor and outdoor applications and Integrated Passenger Information System for railways and buses.

LED Automotive Lamps



Automotive Lamps



Rear View Mirrors



Canister



Plastic Parts



Automotive division	LED division	
Automotive lamps – head lamp, Tail lamps, blinker lamp, fog Lamp etc. Rear View Mirror Sheet metal parts Plastic moulded parts Canisters	**Luminaries (indoor, outdoor)** LED bulbs and LED tubes LED down lights LED street lights Solar LED street lights Solar LED lantern	**Integrated passenger information systems (LED) for** Buses Railways Metros Airports Malls

LED Luminaries (indoor & outdoor)





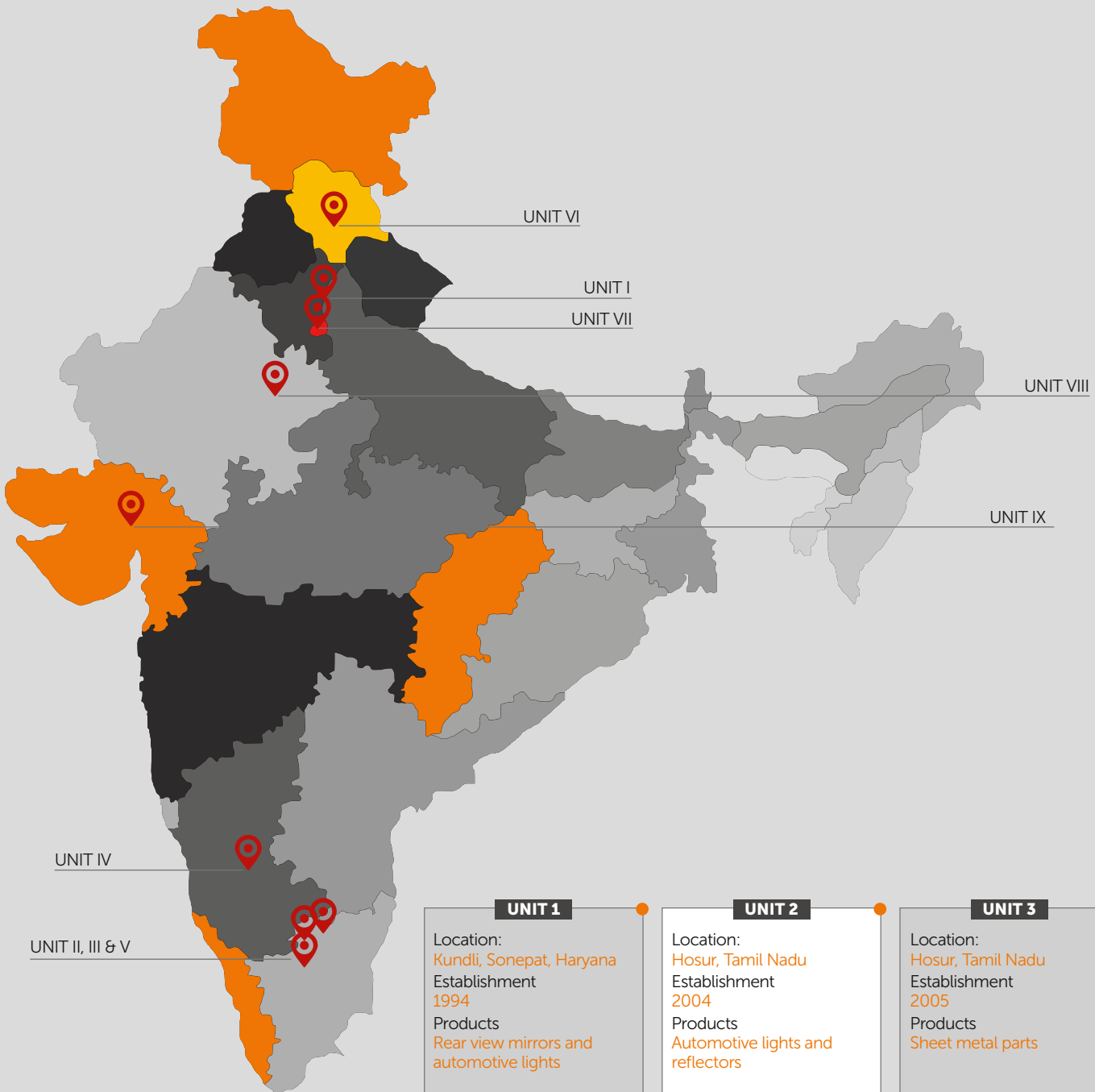


IPIS



Presence

Fiem has nine state-of-the-art manufacturing facilities in India, four each in Southern and Northern India as well as one in Gujarat. These plants are located proximate to OEM customers, offering logistic cost savings and the benefits arising from just-in-time delivery.



UNIT 1

Location:
Kundli, Sonepat, Haryana
Establishment
1994
Products
Rear view mirrors and automotive lights

UNIT 2

Location:
Hosur, Tamil Nadu
Establishment
2004
Products
Automotive lights and reflectors

UNIT 3

Location:
Hosur, Tamil Nadu
Establishment
2005
Products
Sheet metal parts

UNIT 4

Location:
Mysuru, Karnataka
Establishment
2005
Products
Rear fender assembly

UNIT 5

Location:
Hosur, Tamil Nadu
Establishment
2006
Products
Rear view mirrors and automotive lights

UNIT 6

Location:
Nalagarh, Himachal Pradesh
Establishment
2006
Products
Rear view mirrors, automotive lights, plastic parts

UNIT 7

Location:
Rai, Sonepat, Haryana
Establishment
2010
Products
Automotive lights, LED luminaires and IPIS

UNIT 8

Location:
Tapukara, Rajasthan
Establishment
2011
Products
Plastic injection moulded parts, LED luminaires and canisters

UNIT 9

Location:
Ahmedabad, Gujarat
Establishment
2015
Products
Automotive lights, plastic parts

The Company's manufacturing facilities are certified with ISO/TS 16949:2009, ISO 14001:2015, ISO 14000:2004, ISO 9001:2008 and OHSAS 18001:2007. The automotive products manufactured by Fiem conform to DOT, CCC, ADR and AIS standards, etc.



UNIT I : Kundli, Sonepat, Haryana



UNIT II : Hosur, Tamil Nadu



UNIT III : Hosur, Tamil Nadu



UNIT IV : Mysuru, Karnataka



UNIT V : Hosur, Tamil Nadu



UNIT VI : Nalagarh, Himachal Pradesh



UNIT VII : Rai, Sonepat, Haryana



UNIT VIII : Tapukara, Rajasthan



UNIT IX : Ahmedabad, Gujarat

Awards and recognitions from **valued OEM customers**

At Fiem, we have a strong client base of leading OEMs. We provide automotive lighting, signaling equipment and rear-view mirrors to two-wheeler and four-wheeler OEMs. We export automotive lighting to Honda (Japan) and Kubota (Japan) for tractors and farm equipment besides exporting to Austria, UK, Germany, Thailand, Indonesia and Vietnam. From time to time our valued customers have conferred us awards in recognition of our operational efficiency and excellent services.











Domestic customers in the two-wheeler segment



Gobal customers in the two-wheeler segment



Domestic customers in the four-wheeler segment



Gobal customers in the four-wheeler segment



Corporate Social Responsibility

At Fiem Industries, we believe that the full measure of growth, success and progress lies beyond Balance Sheets and conventional financial indicators. It is best reflected in the difference that business and industry make to the lives of the underprivileged.

Our involvement

We created Fiem Foundation, a public charitable trust and philanthropic vehicle of the Company to conduct CSR activities in a structured manner in compliance with the CSR provisions of the Companies Act, 2013. Our adopted CSR policy is available on our website www.fiemindustries.com.

Fiem Foundation conducts various community welfare activities, providing financial assistance in the case of life-threatening illnesses. In line with this objective, the Foundation collaborated with the social welfare unit of the All India Institute of Medical Sciences (AIIMS); as per AIIMS recommendations, the Company provides financial assistance to patients suffering from cancer and other ailments.

Activities

Besides, the Foundation is engaged in activities like mass marriages for deserving girls as well as ophthalmic surgeries for the less-privileged. The Foundation also provides financial assistance to run charitable dispensaries and conduct health camps for the underprivileged. The Foundation extended financial help to Kutch Vikas Trust in Gujarat, enhancing access to basic health services and as well as increasing health and hygiene awareness.

We have formed the 'Fiem Foundation', which supports the CSR provisions whole heartedly as per Schedule VII, the Companies (Corporate Social Responsibility Policy) Rules, 2014.



Extending financial support for Dental care camps.



Extending financial support for marriages of poor girls.



Extending financial support for Eye operations camps.



Dr. D.K. Sharma, Medical Superintendent of AIIMS presented memento to Mrs. Seema Jain, Director, Fiem Industries Ltd. in acknowledgment of contribution by Fiem Foundation.

Fiem foundation collaborated with Social Welfare Unit of AIIMS, New Delhi and provide financial assistance to poor & needy patients for their treatment in AIIMS. During the year 2016-17, financial assistance of Rs. 77 lacs was provided to 57 patients and this project is being continued.



Lalita Devi, 61 years from Bihar
Financial Assistance Provided:
₹28,310/-



Naveen Kumar, 26 years from Alipur U.P.
Financial Assistance Provided:
Rs. 15,000/-



Bhagirathi Devi, 46 years from Rampur U.P.
Financial Assistance Provided:
Rs. 50,000/-



Vikas, 20 years from Agra U.P.
Financial Assistance Provided:
Rs. 1,50,000/-



Deepak, 12 years from Agra U.P.
Financial Assistance Provided:
Rs. 1,50,000/-



Ram Babu, 40 years from Bihar
Financial Assistance Provided:
Rs. 1,08,000/-



Utkarsh, 6 years from Delhi
Financial Assistance Provided:
Rs. 50,000/-



Siyawati Devi, 62 years from Bihar
Financial Assistance Provided:
Rs. 89,250/-



Kamla Devi, 58 years from Uttrakhand
Financial Assistance Provided:
Rs. 37,249/-



Rajbala, 42 years from Faridabad
Financial Assistance Provided:
Rs. 2,29,110/-



Poonam, 27 years from, Delhi
Financial Assistance Provided:
Rs. 2,50,000/-



Surender, 48 years from New Delhi
Financial Assistance Provided:
Rs. 55,130/-



Sonu Kumar, 21 years fromBihar
Financial Assistance Provided:
Rs. 4,00,000/-



Parnish, 4 years from Rewari, Haryana
Financial Assistance Provided:
Rs. 2,34,000/-



Jeetu, 26 years from Badaun U.P.
Financial Assistance Provided:
Rs. 50,000/-

The family of FIEM LED products and solutions...

Ram Nawal Mundhra,
78, Bikaner junction.



Travelling alone to Jaisalmer. Nervous in a sea of passengers waiting for their trains.

His only consolation?

The LED displays providing train information every 100m.

When his train would arrive... On which platform it would arrive... And which bogie would stop at which point...

The result is that he followed every instruction. When his train arrived, there was a flurry of activity.

People running here, there and everywhere!

He watched the LED display system. He waited. He matched the number of the bogie which was provided on his ticket. He calmly stepped inside the bogie, checked for his seat, placed his luggage underneath and sat down.

No sweat. No stress.

Aayushman Bansal,
11, New Delhi.



Student. Taking the bus from his RK Puram residence to his school.

Each morning as his school bus comes to a halt in front of his home and when he is boarding the bus, announces a welcome message.

In the afternoon, when he is busy talking to his friends inside the bus, the system announces "Ayushman Bansal, please come near to the gate as your stop is approaching" What surprises Aayushman is that the LED display on the bus flashes his name: 'Aayushman Bansal' and even better, it announces his name!

He has never understood how a bus could be so intelligent. Since then, he has a name for this vehicle: 'Talking bus!

Aayushman wants to grow and learn about the 'magic' that makes this possible.

...Making commuting safer and convenient in buses and trains



....Thanks to FIEM's Integrated Passenger Information System and Coach Guidance System.



...Thanks to FIEM's GPS based LED display System.

Nikhil Gupta,
37, Delhi



Transport manager of the school, where Aayushman Bansal studies.

Always challenged by the need to appraise the health of his vehicles. The efficiency of his drivers. The need to strengthen his understanding of costings.

The school invested in an Intelligent Transportation System.

This comprehensive solution calculates the distance the vehicle travels, the route thebus is taking, the quantum of fuel consumed, the operating efficiency of the vehicle, the efficiency of each of his drivers.

Nikhil has a new weapon at hand to calculate the bonus payment and incentives.

Naturally, driving efficiency increased, routes are better managed, students are safer, an alert is flashed when bus de-routes resulting in a complete peace of mind. The solution is now his trusted 'partner'.

Shweta Malik,
13, Gurgaon.



Student. She takes the bus each morning to school.

For years, the challenge was to spot the bus during winter.

The fog made it difficult to see whether her bus was approaching. Besides, with most school buses being yellow in colour, she would have wait right till the very end to check.

This posed a safety hazard on a road with narrow pavements.

Her problem was solved with the introduction of the LED display on school buses. Not only does it tell her of which school the bus belongs to, but its amber colour also sends out a clear visibility through the haze.

Spotting her school bus has got safer.

Damayanti Sinha,
43, Patna.



Homemaker and illiterate. Taking the train to Kharagpur.

She worried about whether the train would arrive on time. Whether she would get to know about it in advance. Whether she would be able to collect her belongings and board on time.

Her worry transformed to relief. The public display and announcement system kept announcing the train's progress towards the station every few minutes. Finally, when it announced that the train had entered the platform, she rose with her bag on time.

This real-time information display and announcement proved to be a big blessing.

This solution was achieved through FIEM'S Intelligent Transport System integrated with GPS based LED display System!



...Thanks to FIEM'S LED Display System.



....Thanks to FIEM'S Integrated Passenger Information System.



Board of Directors



Mr. J.K. Jain
Chairman & Managing Director



Mrs. Seema Jain
Whole–time Director



Mr. Rahul Jain
Whole–time Director



Ms. Aanchal Jain
Whole–time Director



Mr. J.S.S. Rao
Whole–time Director



Mr. Kashi Ram Yadav
Whole–time Director



Mr. Mohan Bir Sahni
Independent Director



Mr. S.K. Jain
Independent Director



Mr. Iqbal Singh
Independent Director



Mr. V. K. Malhotra
Independent Director



Mr. Ashok Kumar Sharma
Independent Director (w.e.f. September 10, 2016)



Mr. Jawahar Thakur
Independent Director (w.e.f. November 12, 2016)

General Information

Board of Directors

Mr. J.K. Jain	Chairman & Managing Director
Mrs. Seema Jain	Whole–time Director
Mr. Rahul Jain	Whole–time Director
Ms. Aanchal Jain	Whole–time Director
Mr. J.S.S. Rao	Whole–time Director
Mr. Kashi Ram Yadav	Whole–time Director
Mr. Mohan Bir Sahni	Independent Director
Mr. S.K. Jain	Independent Director
Mr. Iqbal Singh	Independent Director
Mr. V. K. Malhotra	Independent Director
Mr. Abhishek Jain	Independent Director (upto September 8, 2016)
Mr. Ashok Kumar Sharma	Independent Director (w.e.f. September 10, 2016)
Mr. Charoen Sachamuneewongse	Independent Director (upto October 20, 2016)
Mr. Jawahar Thakur	Independent Director (w.e.f. November 12, 2016)

Chief Financial Officer

Mr. O.P. Gupta

Company Secretary and Compliance Officer

Mr. Arvind K. Chauhan

Audit Committee

Mr. S. K. Jain	Chairman
Mr. V. K. Malhotra	Member
Mr. Iqbal Singh	Member

Nomination & Remuneration Committee

Mr. S. K. Jain	Chairman
Mr. Iqbal Singh	Member
Mr. V. K. Malhotra	Member

Stakeholders Relationship Committee

Mr. V. K. Malhotra	Chairman
Mr. Rahul Jain	Member
Mr. Kashi Ram Yadav	Member

Corporate Social Responsibility (CSR) Committee

Mr. Rahul Jain	Chairman
Mr. Kashi Ram Yadav	Member
Mr. V.K. Malhotra	Member

Fund Raising Committee (FRC)

(Constituted w.e.f May 30, 2016)

Mr. J.K. Jain	Chairman
Mr. Rahul Jain	Member
Mr. S. K. Jain	Member

Statutory Auditors

M/s Anil S. Gupta & Associates, Chartered Accountants

Registered Office

D–34, DSIDC Packaging Complex, Kirti Nagar
New Delhi–110015 (INDIA)
Tel: +91–11–25927820, 25927919, Fax: +91–11–25927740
CIN: L36999DL1989PLC034928

Corporate Office & Unit VII

Plot No. 1915, Rai Industrial Estate, Phase – V
Distt. Sonepat, Haryana –131029
Tel: +91-130-2367905-910,
Fax: +91-130-2367903
Email: investor@fiemindustries.com
Website: www.fiemindustries.com

Registrar And Share Transfer Agent

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase–I, Near PVR Naraina, New Delhi–110028
Ph: 011–41410592/93/94
Fax No: 011–41410591

LIGHT UP THE WORLD

Directors' Report

Dear members

The Directors present the 28th Annual Report of Fiem Industries Limited (the Company or FIEM) on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2017.

Financial Results

The Directors' Report is prepared on the basis of Standalone Financial Statements of the Company pursuant to Rule 8 of the Companies (Accounts) Rules, 2014. However, this report also contains highlights of the performance and financial position of the Wholly-owned Subsidiary (WOS), Fiem Industries Japan Co., Ltd. and Joint Venture Company (JV), Centro Ricerche FIEM HorustecH S.r.l (Italy). The financials of these two overseas incorporated entities are included in the Consolidated Financial Statements of the Company. As financials of WOS as well as JV are not significant, hence their contribution to the overall financial performance of the Company are negligible. However, these two entities are giving immense operative support to the Indian parent company in Design, Development and local interface in Japan to our esteemed Japanese OEMs and working like extended arms of the Company.

Company's financial performance for the year under review along with previous year figures are as under: (Rs. in Lakhs)

Sr	Particulars	Standalone		Consolidated	
		FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
1	Income from Operations				
	a) Net Sales/Income from operations (Net of excise duty)	100,768.61	97,745.79	100,987.58	97,904.98
	b) Other Operating Income	975.46	952.10	895.76	910.96
	Total Income from operations (Net)	101,744.07	98,697.89	101,883.34	98,815.94
2	Total Expenses (excluding dep and finance cost)	89,999.67	85,998.55	90,104.38	86,085.93
3	Profit from operations before other income, finance costs, depreciation and exceptional items (1-2)	11,744.40	12,699.34	11,778.96	12,730.01
4	Add Other income	470.89	96.72	470.89	97.06
5	Profit from ordinary activities before finance costs, depreciation and exceptional items (3+4)	12,215.29	12796.06	12,249.85	12,827.07
6	Less :- Finance costs	2,324.17	1,576.84	2,326.58	1,578.09
	Depreciation	3,922.52	3,303.49	3,928.91	3,312.01
7	Profit from ordinary activities after finance costs, depreciation but before exceptional items (5-6)	5,968.60	7,915.73	5,994.36	7,936.97

Sr	Particulars	Standalone		Consolidated	
		FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
8	Exceptional Items	1,418.86	-	1,418.86	-
9	Profit/(Loss) from Ordinary Activities Before Tax (7-8)	4,549.74	7,915.73	4,575.50	7,936.97
10	Tax expense	1,260.09	2,197.26	1,262.96	2,203.67
11	Net Profit/(Loss) from Ordinary Activities After Tax (9-10)	3,289.65	5,718.47	3,312.54	5,733.30
12	Weighted Earnings Per Share (EPS)	26.12	47.80	26.30	47.93

State of the Company's affairs / Business Review

During the year, Company achieved a good growth in automotive business segment despite severe impact of demonetization on overall economy. Net sales in automotive business grew by 11%. However, performance of LED business was not good during the year and net revenue of LED Luminaries segment came down to Rs. 57.93 crores in FY 2016-17 as compared to Rs. 119.17 crores in FY 2015-16. Further, the Company has supplied over 1,18,000 LED Street Light to EESL for SDMC project in Delhi under SITC contract with comprehensive maintenance for 7 years. After commissioning, the comprehensive maintenance is discontinued by EESL and a net amount of Rs. 14.19 crores has been written-off as being non-recoverable from EESL (net of reversal of earlier provision of Rs. 5.28 crores). This exceptional item has proved a dampener in the profitability of the Company. Further, some orders of LED Bulbs have been short closed by EESL, due to steep price fall and other reasons. One order of PVVNL, Meerut for LED Bulbs has also been short closed. These all things coupled with demonetization has adversely impacted the LED business.

During the year, demonetization has adversly impacted overall business in the country in 3rd and 4th Quarter. Liquidity crunch was prevalent and automotive business was not an exception. Sales at dealers end were not happening. Therefore, OEMs cut down production drastically and our supplies to our major OEMs affected adversely during this period.

However, management believes that these are short term obstacles and in long term, LED provides a huge opportunity in the country as well as for export opportunities. In India, LED adoption is still in the initial phases and it will take some time to settle the volatility in the market. At the automotive front, the outlook is promising and the impact of demonetization is behind us. New regulations of BS-IV and AHO are positive for the industry as well as for the Company. LED is being adopted very fast in the automotive lighting applications. This is very positive development for the Company as Company is frontrunner in the development of LED Head lamps based on its in-house R&D capabilities.

Keeping in view the growth prospective and to meet the capex requirements, Company augmented the financial resources and raised Rs. 120 cores through Qualified Institutions Placement (QIP) in September, 2016. Out of which Rs. 36.14 crores have been utilized towards cost of issue and capital expansion, the balance of Rs. 83.86 crores have been temporarily invested in mutual funds/ fixed deposits.

During FY 2016-17, Rs. 21 crores has been invested in newly set-up Unit of the Company in Gujarat. Total Investment as on March 31, 2017 for Gujarat unit was Rs 75 crores. Investment in Tapukara Plant (Rajasthan) in LED Lighting products facilities during FY 2016-17 was Rs. 23 crores. During the Financial year, the total capex was Rs. 110 crores in different units of the Company.

During the year, we have signed a "Technology License and Assistance Agreement" (TAA) with Aisan Industry Co., Ltd., Japan and Toyota Tsusho Corporation, Japan for manufacturing of 'Canister' in India. 'Canister' is an Emission Control System Product. Under the TAA, the 'Canister' is manufactured by Fiem Industries Ltd. with the technical support of Aisan Industry Co., Ltd. for two-wheelers and three-wheelers in Indian market.

Dividend

The Board of directors in their meeting held on May 30, 2017, has recommended a final dividend at the rate of 80% i.e. Rs.8/- per equity share for the financial year ended on March 31, 2017 to the shareholders. The Dividend payout is subject to approval of members at the ensuing Annual General Meeting of the Company. The recommended dividend, if approved by the members, would involve a cash outflow of Rs. 1267.13 lacs including dividend tax.

Statutory disclosures as per provisions of Section 134 of the Companies Act, 2013 (the "Act")

1. Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, an extract of Annual Return in Form MGT-9 as on March 31, 2017, has been prepared and enclosed as **Annexure I**, which forms an integral part of this report.

2. Number of meetings of the Board

The Company operate under guidance and control of the Board. Meetings of the Board are held on regular intervals to discuss and decide on various business policies, strategies, operational, financial and other matters. Due to business exigencies, the Board has also approved some proposals through resolution passed by circulation from time to time.

During the financial year 2016-17, six (6) Board Meetings were held. One separate meeting of Independent Directors of the Company was also held during the Financial Year 2016-17. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms an integral part of this Annual Report.

3. Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013, Your Directors state that:

a) in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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 as at end of Financial Year ended March 31, 2017 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the Annual Financial Statements on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating efficiently; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including review of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2016-17.

4. Independent Directors' declaration

The Company has received necessary declaration from each of independent director of the Company under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), that they meet the criteria of independence as laid down under the Companies Act, 2013 and the Listing Regulations.

5. Directors' Appointment Criteria and Remuneration Policy etc.

The Nomination & Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of the Directors as well as Remuneration Policy for the Company as mandated under Section 178(3)/(4) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

The above referred Policy is enclosed as **Annexure II** which forms part of this report.

6. Auditors & Auditor's Reports

(a) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, the term of the present Statutory Auditors of the Company, M/s Anil S. Gupta & Associates, Chartered Accountants (Firm Registration No.004061N), is due for completion at the conclusion of the ensuing 28th Annual General Meeting of the Company. The Board of Directors of the Company, on the recommendation of the Audit Committee, at their meeting held on May 30, 2017, have recommended to the shareholders for appointment of M/s. V. Sachdeva & Associates, Chartered Accountants (Firm Registration No-004417N), as the new Statutory Auditors of the Company

at the ensuing 28th Annual General Meeting of the Company for a term of 5 (five) years from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company, subject to ratification by the shareholders at every Annual General Meeting. Accordingly, a resolution, proposing appointment of M/s. V. Sachdeva & Associates, Chartered Accountants, as the new Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, has been set out in the Notice of the 28th Annual General Meeting of the Company.

The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, would be in accordance with the applicable provisions of the Act and rules made thereunder. M/s V. Sachdeva & Associates, Chartered Accountants, also hold a Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board place on record its appreciation for the services rendered by outgoing Statutory Auditors of the Company, M/s Anil S. Gupta & Associates.

(b) Statutory Auditor's Reports

The Auditor's Reports given by M/s Anil S. Gupta & Associates, Statutory Auditors on the financial statement of the Company for the financial year 2016-17 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Reports. Further, during the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

(c) Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013 the Audit Committee recommended and the Board of Directors in their meeting held on May 30, 2017 has appointed M/s Ranjana Gupta & Associates, a firm of Company Secretaries in Practice (C.P. No. 9920) as the Secretarial Auditors of the Company to conduct the secretarial audit for the financial year 2017-18. The Company has received their consent for appointment.

(d) Secretarial Audit Report

The Secretarial Audit was conducted by M/s Ranjana Gupta & Associates, Company Secretaries (C.P. No. 9920) for the financial year 2016-17. The Report given by the Secretarial Auditors is annexed as **Annexure – III** and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report; hence no explanation by Directors is warranted.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

(e) Cost Auditor

As per Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, on the recommendation of the Audit Committee, the Board of Directors appointed Mr. Krishan Singh Berk, Cost Accountants (Membership No. 2724) as Cost Auditor of the Company for the financial year 2017-18. The Company has received their consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and they are not disqualified to be appointed as Cost Auditors. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder a requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice of the 28th Annual General Meeting of the Company.

The Cost Audit Report for Financial Year 2015-16 was filed to Registrar of Companies on September 23, 2016. Further, the Cost Audit Report for Financial Year 2016-17 will be filed with the Registrar of Companies in due course.

7. Particulars of Loans, Guarantees or Investments under Section 186

Details of the loans given, guarantees or securities provided (if any) and investments made by the Company along with their purposes, have been disclosed in the financial statements. Please refer to **Note No. 12** in the standalone financial statement.

8. Contracts and Arrangements with Related Parties

All contracts/ arrangement/ transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business. Due approvals from Board and Audit Committee were taken under the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. Further, no approval from shareholder required for any related party transaction during the year under review. There are no 'material' related party transactions during the year under review with the Promoters, Directors, Key Managerial Personnel or any

other related entity as defined under Regulation 23 of the Listing Regulations read with 'Related Party Transactions Policy' of the Company. Therefore, disclosure in form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013 are not required.

Members may refer to **Note No. 47** to the financial statements which sets out related party disclosures pursuant to AS-18.

Your Company has formulated a policy on related party transactions which is also available on Company's website at https://www.fiemindustries.com. This policy deals with the governing framework for review and approval of related party transactions.

The web-link of the same has been provided in the Corporate Governance Report.

9. Transfer to Reserves

Your Company has transferred Rs.350.00 lacs to the General Reserve from the profits of the Company.

10. Material changes and commitment affecting financial position of the Company / Change in the Nature of the Business

There are no material changes and commitments, affecting the financial position of the Company which has occurred after the close of financial year till the date of this Report.

11. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of Energy Conservation, Technology Absorption, Research and Development and Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014 are given in **Annexure IV** to this Report.

12. Risk Management

Company's approach to address business risks is comprehensive and includes periodic review of such risks and a framework for mitigating, controls and reporting mechanism of such risks. As per Listing Regulations, the Board of Directors of the Company are responsible for framing, implementing and monitoring the Risk Management plans of the Company. The Company has defined a "Risk Management Policy" and the same has been approved by the Board of Directors of the Company. Audit Committee plays a vital role in overseeing risk management.

A brief about the risk management of the Company is also given in the Management Discussion and Analysis Report.

13. Corporate Social Responsibility (CSR)

The Company has set up a dedicated trust, namely 'Fiem Foundation' as CSR Vehicle for undertaking Company's CSR programmes as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Company whole-heartedly supported the CSR provisions and remained compliant with the statutory requirements.

Your Company always seeks ways to make a positive impact on the society at large through various CSR activities. In our pursuit of Corporate Social Responsibility as per the Companies Act, 2013, we have selected 'health cure' as one of area of intervention and way of serving the humanity.

Towards this noble cause, we have collaborated with Social Welfare Unit of AIIMS, Delhi and disburse the financial assistance amount as and when they recommend to help the poor and needy patients suffering from cancer and other life threatening diseases for getting their treatment done in AIIMS. We are doing this work through our CSR Vehicle 'Fiem Foundation.'

During the financial year 2016-17, through the help of AIIMS, Company helped many poor and indigent patients who are not able to bear their medical treatment expenses due to their weak financial conditions.

Company does various other social welfare programme like arranging mass marriages for poor girls, free eye operation and other activities to help underprivileged. Company also providing financial support to 'Kutch Vikas Trust' which organizing eye and dental operation camps for poor patients.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure V** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For details regarding the CSR Committee, please refer the Corporate Governance Report, which forms part of Annual Report. The CSR Policy is available on the website of the Company (URL: www.fiemindustries.com/investors).

14. Board Evaluation

Performance Evaluation for Board is aimed to use

constructively as a mechanism to improve Board's effectiveness, maximize strengths and tackle weaknesses. It involves questionnaires to be filled by every Director about his own performance (self-assessment), performance of Board as whole, performance of Chairman and performance of respective Committee(s) where he is a member.

Initially, Nomination & Remuneration Committee carry out the primary evaluation of every Director's performance which is subject to next level of evaluation by the Board and Independent Directors. As per Section 178(2) of the Act, the Committee is required to conduct the performance evaluation of every Individual Director. As per Performance Evaluation framework of the Company, the evaluation process consists of evaluation on the basis of filled questionaries' received from all directors and opinions, inputs from all Committee members and any other information as may be required by the Committee.

The outcome of Committee in respect of Independent Directors is subject to final evaluation by the Board. Outcome of Committee in respect of Non-Independent Directors is subject to final evaluation by the Independent Directors. Performance evaluation of Board as a whole as well as Chairman of the Board is also conducted by the Independent Directors.

15. Highlights of the performance and financial position of Subsidiary and Joint Venture Company

a) **Fiem Industries Japan Co., Ltd. (Wholly-owned Subsidiary):** The Company was set-up in Japan as an extended arm of the Company for liaison with Japanese customers like Honda, Suzuki and Yamaha etc., support in Designing, R&D and new business development. While the parent Company (Fiem) is getting full support in above areas, the financials of the subsidiary are at very small scale. The financial performance of the Company is as under:

Subsidiary- Fiem Industries Japan Co. Ltd.

(Amount In INR)

	FY 16-17	FY 15-16
% of shareholding	100%	100%
Turnover	2,38,74,639	1,50,95,827
Other Operating Income	0	16,18,751
Other Income	326	34,279
Total Income	2,38,74,965	1,67,48,857
Total expenses	2,14,93,356	1,40,11,773
Profit/(Loss) before taxation	23,81,609	27,37,084
Provision for taxation	2,87,532	6,40,991
Profit/ (Loss) after taxation	20,94,078	20,96,093

b) **Centro Ricerche FIEM HorustecH S.r.l. (Joint venture in Italy):** The Company was set-up in Italy as a 50:50 JV with Horustech Lighting of Italy, which is a Designing Company. The purpose of setting-up of JV was to strengthen R&D and Designing capabilities of the Company. The JV is working with this objective. The financial performance of the JV Company is as under:

Joint Venture- Centro Ricerche FIEM HorustecH S.r.l

(Amount In INR)

	FY 16-17	FY 15-16
Extent of Holding %	50%	50%
Turnover	90,21,342	92,09,416
Total Income	90,21,342	92,09,416
Total expenses	90,42,167	97,64,492
Profit/(Loss) before taxation	(20,825)	(5,55,076)
Provision for taxation	–	–
Profit/ (Loss) after taxation	(20,825)	(5,55,076)

The financial position of the subsidiary and Joint Venture Company is given in AOC-1 in the financial statements.

16. Other statutory disclosures as required under Rule 8(5) of the Companies (Accounts) Rules, 2014

i. Financial summary/ highlights are already mentioned in the beginning of the report.

ii. Change in Directors and Key Managerial Personnel:

- The Board of Directors, at its meeting held on May 30, 2017, upon recommendation of the Nomination & Remuneration Committee, re-appointed Mr. Kashi Ram Yadav (DIN: 02379958) as Whole-time Director of the Company, w.e.f. October 25, 2017 to hold the office for a period of 3 years, subject to

the approval of shareholders at the ensuing Annual General Meeting of the Company.

- The Board of Directors, on May 30, 2017, upon recommendation of the Nomination & Remuneration Committee, also re-appointed Mr. J.S.S. Rao (DIN: 00014320) as Whole-time Director of the Company, w.e.f. December 1, 2017 for a period of 3 years, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
- Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mrs. Seema Jain (DIN: 00013523) and Mr. J.S.S. Rao (DIN: 00014320), Directors of the Company liable to retire by rotation and being eligible have offered themselves for re-appointment and they are not disqualified under Section 164(2) of the Companies Act, 2013.
- Mr. Ashok Kumar Sharma (DIN: 07610447) was appointed as the Independent Director of the Company on September 10, 2016 to fill the vacancy arose due to the resignation of Mr. Abhishek Jain on September 8, 2016.
- Mr. Jawahar Thakur (DIN: 07650035) was appointed as the Independent Director of the Company on November 12, 2016 to fill the vacancy arose due to the resignation of Mr. Charoen Sachamuneewongse on October 20, 2016.
- The details of Directors being recommended for appointment/ re-appointment as required under the Listing Regulations are contained in the Notice convening the ensuing Annual General Meeting of the Company.
- Mr. J.K. Jain, Chairman & Managing Director; Mr. O. P. Gupta, Chief Financial Officer and Mr. Arvind K. Chauhan, Company Secretary are the Key Managerial Personnel of the Company within the meaning of Section 203 of the Act.
- None of the Key Managerial Personnel has resigned or appointed during the year under review.

iii. There is only one Subsidiary and one Joint Venture Company of the Company and there was no change during the year about numbers of subsidiary or Joint Venture Company.

iv. **Details relating to Deposits:**
The Company has not accepted any Deposit from public within the meaning of the Companies (Acceptance of Deposit) Rules, 1975 or Chapter V of the Companies Act, 2013 and as such there was no outstanding as on the date of the balance sheet on account of principal or interest on deposits from public.

v. No significant and material orders were passed by any Regulator or court or tribunal impacting the going concern status and Company's operations in future.

vi. **Details in respect of adequacy of internal financial controls with reference to the Financial Statement:**

The Company has in place adequate internal financial controls, which are commensurate to size and operations of the Company. During the year, no area of concern, continuing failure or major weakness was observed.

vii. **Other disclosures required under provisions of the Companies Act, 2013 and the Listing Regulations, as may be applicable:**

- As per provisions of Section 177(8) of the Act, composition of the Audit Committee has been disclosed under Corporate Governance Report. The Board, during the year under review, had accepted all the recommendation made to it by the Audit Committee.
- **Establishment of vigil mechanism as per provision of Section 177(10) of the Act:** Company has already at place a vigil mechanism namely, 'Whistle Blower Policy'. The details of the same are reported under Corporate Governance Report;
- The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the

Company Secretary.

- Disclosure as required under Section 62(1)(b) of the Act read with Sub-rule 9 of Rule 12 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable, as during the year no shares were issued under ESOS / ESOP or under sweat equity scheme.
- Disclosure as required under Section 43(a)(ii) of the Act read with Sub-rule 4 of Rule 4 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable as during the year no equity shares with differential rights as to dividend, voting or otherwise were issued.

Corporate Governance Report & Management Discussion & Analysis Report

Pursuant to Listing Regulations, Management Discussion & Analysis Report, Report on Corporate Governance, Certificate on Corporate Governance, issued by Practicing Company Secretary and the declaration by the Chairman and Managing Director regarding affirmation for compliance with the Company's Code of Conduct forms part of the Annual Report.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated financial statements and Accounting Standard (AS) - 27 on Financial reporting of interest in Joint Ventures, the audited consolidated financial statements are provided in the Annual Report. The accounts of Wholly-owned Subsidiary company 'Fiem Industries Japan Co., Ltd.' and 50:50 JV Company 'Centro Ricerche Fiem HorustecH S.r.l' are consolidated with the accounts of the Company.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place a formal policy for prevention of sexual harassment of its women employees in line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there was no complaint filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall performance would not have been possible. Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. In last, but most important, your Directors also wish to place on record their deep sense of appreciation for the patronage and confidence reposed by its valued OEM customers.

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR.)
Date : May 30, 2017

LIGHT UP THE WORLD

ANNEXURE–I

Form No. MGT–9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

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

I. Registration and Other Details

(i)	CIN:	L36999DL1989PLC034928
(ii)	Registration Date	February 6, 1989
(iii)	Name of the Company	Fiem Industries Limited
(iv)	Category / Sub–Category of the Company	Public Company / Limited by shares
(v)	Address of the Registered office and contact details	D–34, DSIDC Packaging Complex, Kirti Nagar, New Delhi – 110015, India Tel: +91–11–25927820, 25927919 | Fax: +91–11–25927740 Email: investor@fiemindustries.com Website: www.fiemindustries.com
(vi)	Whether listed company Yes /No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase–I, Near PVR Naraina, New Delhi–110028 Ph: 011–41410591–94 | Fax No: 011–41410591

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Lights, signaling equipment and parts	2740	62.40%
2	Rear View Mirror and Parts	2310	13.36%
3	Plastic Moulded Parts	2930	11.28%
4	LED Luminaries (including LED Integrated Passenger Information System)	2740	5.26%
5	Other Misc. Items (being less than 10%)	–	7.70%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Fiem Industries Japan Co., Ltd. 201, Shiko 30 Season, 1-14-1 Tohoku Niiz-Shi Saitama, Japan-352-00014	Company incorporated outside India	Subsidiary	100	2(87)
2	Centro Ricerche FIEM HorustecH S.r.l. Via Dario Gaiti 15, 42015, Correggio (RE), Italy	– do –	Associate / JV	50	2(6)

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category–wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the financial year 2016-17 (Based on SHP of March 31, 2016)				Shareholding at the end of the financial year 2016-17 (As on March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter and Promoter Group**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8283878	0	8283878	69.2503	8283878	0	8283878	62.9482	-6.3021
(b)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Bodies Corporate	84400	0	84400	0.7056	84400	0	84400	0.6413	-0.0642
(e)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (A)(1)		**8368278**	**0**	**8368278**	**69.9559**	**8368278**	**0**	**8368278**	**63.5896**	**-6.3663**
[2]	Foreign									
(a)	Non-Resident Indians-Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Other- Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Bank/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (A)(2)		**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)		**8368278**	**0**	**8368278**	**69.9559**	**8368278**	**0**	**8368278**	**63.5896**	**-6.3663**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds	410075	0	410075	3.4281	536767	0	536767	4.0788	0.6507
(b)	Bank/FI	671	0	671	0.0056	2844	0	2844	0.0216	0.0160
(c)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Insurance Companies	335399	0	335399	2.8038	442431	0	442431	3.3620	0.5582
(g)	FIIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Others(specify)									
	Foreign Portfolio Investor	968434	0	968434	8.0958	1911388	0	1911388	14.5244	6.4286
	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (B)(1)		**1714579**	**0**	**1714579**	**14.3333**	**2893430**	**0**	**2893430**	**21.9868**	**7.6536**

Sr No	Category of Shareholders	Shareholding at the beginning of the financial year 2016-17 (Based on SHP of March 31, 2016)				Shareholding at the end of the financial year 2016-17 (As on March 31, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	320813	0	320813	2.6819	148526	0	148526	1.1286	-1.5533
(ii)	Overseas	0	104051	104051	0.8698	0	104051	104051	0.7907	-0.0792
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	944848	512	945360	7.9029	1104782	681	1105463	8.4003	0.4974
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	187715	20014	207729	1.7365	159831	0	159831	1.2145	-0.5220
(c)	Others									
	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Trusts	0	0	0	0.0000	1050	0	1050	0.0080	0.0080
	Hindu Undivided Family	141627	0	141627	1.1840	115549	0	115549	0.8780	-0.3059
	Foreign Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Non Resident Indians (Non Repat)	49199	0	49199	0.4113	25622	0	25622	0.1947	-0.2166
	Non Resident Indians (Repat)	59957	0	59957	0.5012	90163	0	90163	0.6851	0.1839
	Clearing Member	50633	0	50633	0.4233	147867	0	147867	1.1236	0.7003
Sub Total (B)(2)		**1754792**	**124577**	**1879369**	**15.7109**	**1793390**	**104732**	**1898122**	**14.4236**	**-1.2873**
Total Public Shareholding (B)=(B)(1)+(B)(2)		**3469371**	**124577**	**3593948**	**30.0441**	**4686820**	**104732**	**4791552**	**36.4104**	**6.3663**
(C)	**Shares held by Custodian for GDR & ADRs**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0.0000**
Total (A)+(B)+(C)		**11837649**	**124577**	**11962226**	**100**	**13055098**	**104732**	**13159830**	**100**	**0.0000**

ii) Shareholding of Promoters/ Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2016)			Shareholding at the end of the year (As on March 31, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledge/	No. of Shares	% of total Shares of the Company	% of Shares Pledge/	
1	Mr. J. K. Jain	2960000	24.7446	0	2960000	22.4927	0	-2.2519
2	Mrs. Seema Jain	2960000	24.7446	0	2960000	22.4927	0	-2.2519
3	Mr. Rahul Jain	1552340	12.9770	0	1552340	11.7960	0	-1.1810
4	Ms. Aanchal Jain	800000	6.6877	0	800000	6.0791	0	-0.6086
5	Jagjeevan Kumar Jain (HUF)	11538	0.0965	0	11538	0.0877	0	-0.0088
6	Fiem Auto Private Limited	84400	0.7056	0	84400	0.6413	0	-0.0642
Total		**8368278**	**69.9559**	**0**	**8368278**	**63.5896**	**0**	**-6.3663**

Note: During the month of September, 2016, Company allotted shares to QIBs under Qualified Institutions Placement. Hence, the percentage of promoters proportionately reduced in total capital of the Company.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the Year – April 1, 2016		Transactions During the Year		Cumulative Shareholding at the end of the Year – March 31, 2017	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. / percentage of Shares	No of Shares Held	% of Total Shares of the Company
1	Promoters & Promoters Group	8368278	69.9559				
2	Decrease in % due to Allotment to QIBs under QIP			23 Sept 2016	-6.3663%		
3	At the End of The Year					8368278	63.5896

Note: During the month of September, 2016, Company allotted shares to QIBs under Qualified Institutions Placement. Hence, the percentage of promoters proportionately reduced in total capital of the Company.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year – March 31, 2017	
		No.of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% Of Total Shares of The Company
1	SAIF INDIA V FII HOLDINGS LIMITED	276628	2.1021			276628	2.1021
	Transfer			27 May 2016	15989	292617	2.2236
	Allotment			19 Sep 2016	300000	592617	4.5032
	Transfer			03 Mar 2017	200000	792617	6.0230
	At The End of The Year					792617	6.0230
2	DSP BLACKROCK MICRO CAP FUND	383537	2.9145			383537	2.9145
	Allotment			19 Sep 2016	146802	530339	4.0300
	Transfer			25 Nov 2016	6428	536767	4.0788
	At The End of The Year					536767	4.0788
3	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	335399	2.5487			335399	2.5487
	Transfer			08 Apr 2016	22760	358159	2.7216
	Transfer			15 Apr 2016	(12000)	346159	2.6304
	Transfer			29 Apr 2016	18000	364159	2.7672
	Transfer			06 May 2016	10000	374159	2.8432
	Transfer			03 Jun 2016	10000	384159	2.9192
	Transfer			10 Jun 2016	9000	393159	2.9876
	Transfer			17 Jun 2016	9960	403119	3.0633
	Transfer			24 Jun 2016	40	403159	3.0636
	Transfer			01 Jul 2016	17000	420159	3.1927
	Transfer			08 Jul 2016	26490	446649	3.3940
	Transfer			15 Jul 2016	12307	458956	3.4876
	Transfer			22 Jul 2016	(40009)	418947	3.1835
	Transfer			29 Jul 2016	(49821)	369126	2.8049

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year – March 31, 2017	
		No.of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% Of Total Shares of The Company
	Transfer			05 Aug 2016	(10811)	358315	2.7228
	Transfer			26 Aug 2016	(30986)	327329	2.4873
	Transfer			02 Sep 2016	9278	336607	2.5578
	Transfer			09 Sep 2016	(6278)	330329	2.5101
	Transfer			16 Sep 2016	(17281)	313048	2.3788
	Allotment			19 Sep 2016	50000	363048	2.7588
	Transfer			30 Sep 2016	3000	366048	2.7816
	Transfer			07 Oct 2016	(6000)	360048	2.7360
	Transfer			04 Nov 2016	5000	365048	2.7740
	Transfer			02 Dec 2016	(7000)	358048	2.7208
	Transfer			16 Dec 2016	15000	373048	2.8347
	Transfer			23 Dec 2016	8000	381048	2.8955
	Transfer			30 Dec 2016	13000	394048	2.9943
	Transfer			06 Jan 2017	(15000)	379048	2.8803
	Transfer			24 Feb 2017	5000	384048	2.9183
	Transfer			03 Mar 2017	15383	399431	3.0352
	Transfer			24 Mar 2017	3000	402431	3.0580
	Transfer			31 Mar 2017	40000	442431	3.3620
	At The End of The Year					442431	3.3620
4	BLACKROCK INDIA EQUITIES (MAURITIUS) LIMITED	0	0.0000			0	0.0000
	Allotment			19 Sep 2016	226000	226000	1.7173
	At The End of The Year					226000	1.7173
5	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	199258	1.5141			199258	1.5141
	At The End of The Year					199258	1.5141
6	WASATCH INTERNATIONAL OPPORTUNITIES FUND	0	0.0000			0	0.0000
	Transfer			15 Jul 2016	8510	8510	0.0647
	Transfer			22 Jul 2016	37880	46390	0.3525
	Transfer			29 Jul 2016	56298	102688	0.7803
	Transfer			05 Aug 2016	21419	124107	0.9431
	Transfer			12 Aug 2016	2893	127000	0.9651
	Transfer			19 Aug 2016	33080	160080	1.2164
	Transfer			26 Aug 2016	27964	188044	1.4289
	Transfer			02 Sep 2016	11956	200000	1.5198
	Transfer			09 Sep 2016	4476	204476	1.5538
	Transfer			16 Sep 2016	35463	239939	1.8233
	Transfer			23 Sep 2016	26024	265963	2.0210
	Transfer			30 Sep 2016	19409	285372	2.1685

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year – March 31, 2017	
		No.of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% Of Total Shares of The Company
	Transfer			07 Oct 2016	14618	299990	2.2796
	Transfer			21 Oct 2016	40529	340519	2.5876
	Transfer			28 Oct 2016	20452	360971	2.7430
	Transfer			04 Nov 2016	14019	374990	2.8495
	Transfer			24 Feb 2017	(3564)	371426	2.8224
	Transfer			03 Mar 2017	(14966)	356460	2.7087
	Transfer			10 Mar 2017	(19204)	337256	2.5628
	Transfer			17 Mar 2017	(21500)	315756	2.3994
	Transfer			24 Mar 2017	(34488)	281268	2.1373
	Transfer			31 Mar 2017	(107900)	173368	1.3174
	At The End of The Year					173368	1.3174
7	KUWAIT INVESTMENT AUTHORITY FUND 224	0	0.0000			0	0.0000
	Allotment			19 Sep 2016	142000	142000	1.0790
	At The End of The Year					142000	1.0790
8	SL CORPORATION	104051	0.7907			104051	0.7907
	At The End of The Year					104051	0.7907
9	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF BLACKROCK INDIA EQUITY FUND	0	0.0000			0	0.0000
	Allotment			19 Sep 2016	84000	84000	0.6383
	Transfer			09 Dec 2016	(2464)	81536	0.6196
	At The End of The Year					81536	0.6196
10	EM RESURGENT FUND	106185	0.8069			106185	0.8069
	Transfer			19 Aug 2016	(26000)	80185	0.6093
	At The End of The Year					80185	0.6093
11	SURESH SHETTY	60000	0.4559			60000	0.4559
	At The End of The Year					60000	0.4559
12	ECAP EQUITIES LIMITED	101400	0.7705			101400	0.7705
	Transfer			10 Mar 2017	(2312)	99088	0.7530
	Transfer			17 Mar 2017	(52221)	46867	0.3561
	Transfer			24 Mar 2017	(46867)	0	0.0000
	At The End of The Year					0	0.0000
13	MILLENIUM PORTFOLIO SERVICES PRIVATE LIMITED	56117	0.4264			56117	0.4264
	Transfer			08 Apr 2016	(550)	55567	0.4222
	Transfer			15 Apr 2016	(39824)	15743	0.1196
	Transfer			22 Apr 2016	(15)	15728	0.1195
	Transfer			30 Jun 2016	(15428)	300	0.0023
	Transfer			22 Jul 2016	(275)	25	0.0002
	Transfer			16 Sep 2016	(25)	0	0.0000

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2016		Transactions during the year		Cumulative Shareholding at the end of the year – March 31, 2017	
		No.of Shares Held	% Of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% Of Total Shares of The Company
	At The End of The Year					0	0.0000
14	EW LONG TERM GROWTH OPPORTUNITIES FUND	50700	0.3853			50700	0.3853
	Transfer			10 Mar 2017	(1000)	49700	0.3777
	Transfer			17 Mar 2017	(37009)	12691	0.0964
	Transfer			24 Mar 2017	(12691)	0	0.0000
	At The End of The Year					0	0.0000

Notes:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the beginning of the year was Rs. 119622260 and at the end of the year is Rs. 131598300.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid-up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Name of Directors / KMP	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year		At end of year during the (As on March 31, 2017)	
		No. of Shares Held	% of Total Shares of the Company	No. of Shares Held	% of Total Shares of the Company*	No. of Shares Held	% of Total Shares of the Company
1.	Mr. J. K. Jain	2960000	24.7446	2960000	22.4927	2960000	22.4927
2.	Mrs. Seema Jain	2960000	24.7446	2960000	22.4927	2960000	22.4927
3.	Ms. Aanchal Jain	800000	6.6877	800000	6.0791	800000	6.0791
4.	Mr. Rahul Jain	1552340	12.9770	1552340	11.7960	1552340	11.7960
5.	Mr. Kashi Ram Yadav	338	0.0028	338	0.0026	338	0.0026
6.	Mr. J. S. S. Rao	12	0.0001	12	0.0001	12	0.0001
7.	Mr. Iqbal Singh	20014	0.1673	20014	0.1521	20014	0.1521
8.	Mr. Charoen Sachamuneewongse (Upto October 20, 2016)	0	0.0000	0	0.0000	0	0.0000
9.	Mr. V. K. Malhotra	0	0.0000	0	0.0000	0	0.0000
10.	Mr. S. K. Jain	0	0.0000	0	0.0000	0	0.0000
11.	Mr. Mohan Bir Sahni	0	0.0000	0	0.0000	0	0.0000
12.	Mr. Abhishek Jain (upto September 8, 2016)	0	0.0000	0	0.0000	0	0.0000
13.	Mr. Ashok Kumar Sharma (w.e.f September 10, 2016)	0	0.0000	0	0.0000	0	0.0000
14.	Mr. Jawahar Thakur (w.e.f November 12, 2016)	0	0.0000	0	0.0000	0	0.0000
15.	Mr. O.P Gupta, CFO	0	0.0000	0	0.0000	0	0.0000
16.	Mr. Arvind K. Chauhan, CS	0	0.0000	0	0.0000	0	0.0000

Note: During the month of September, 2016, Company allotted shares to QIBs under Qualified Institutions Placement. Hence, the percentage of promoters and Directors proportionately reduced in total capital of the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rs.)

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
I.	Principal Amount *	1,40,02,89,778	-	-	1,40,02,89,778
II.	Interest due but not paid	42,55,116	-	-	42,55,116
III.	Interest accrued but not due	60,51,267	-	-	60,51,267
Total (i+ii+iii)		1,41,05,96,161	-	-	1,41,05,96,161
Change in Indebtedness during the financial year					
	+ Addition	1,18,45,44,235	-	-	
	– Reduction *	33,48,20,026	-	-	
	Net Change	84,97,24,209	-	-	
Indebtedness at the end of the financial year					
i)	Principal Amount *	2,25,23,23,975	-	-	2,25,23,23,975
ii)	Interest due but not paid	22,98,571	-	-	22,98,571
iii)	Interest accrued but not due	56,97,824	-	-	56,97,824
Total (i+ii+iii)		2,26,03,20,370	-	-	2,26,03,20,370

* includes restatement of loan due to foreign exchange fluctuation.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Chairman & Managing Director and Whole–time Directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD						Total Amount
		Mr. J. K. Jain (CMD)	Mrs. Seema Jain (WTD)	Mr. J.S.S. Rao (WTD)	Mr. K. R. Yadav (WTD)	Ms. Aanchal Jain (WTD)	Mr. Rahul Jain (WTD)	
1	Gross Salary							
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.00	48.00	96.00	90.00	42.00	48.00	447.00
	b. Value of perquisites u/s 17(2) of Income tax Act, 1961	1.80	0.00	0.00	0.00	0.00	0.00	1.80
	c. Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Others (Company Contribution towards PF, Medical Reimbursement)	0.00	0.00	0.00	1.45	0.00	0.00	1.45
	Total (1+2+3)	124.80	48.00	96.00	91.45	42.00	48.00	450.25
	Ceiling as per the Act*							

*Note: In terms of the provisions of section 197 of the Companies Act, 2013 (the Act), the remuneration to a single Whole-time Director or CMD will not exceed 5% of net profits and the total managerial remuneration payable to all Whole-time Directors including CMD shall not exceeded 10% of the net profits of the Company calculated as per section 198 of the Act. The above remuneration is within the limits prescribed under the Act. In case remuneration exceed above limits, Schedule V or approval of Central Government, as the case may be would apply.

B. Remuneration to other Directors:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration Independent Director	Name of Directors								Total Amount
		Mr. Iqbal Singh	Mr. Charoen Sachamunee wongse	Mr. Vinod K. Malhotra	Mr. Subodh Kumar Jain	Mr. Mohan Bir Sahni	Mr. Abhishek Jain	Mr. A.K. Sharma	Mr. Jawahar Thakur	
1	**Independent Directors**									
	Fee for attending Board/ Committee meetings	4.40	0.50	4.90	4.90	3.50	1.50	1.50	1.50	22.70
	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	4.40	0.50	4.90	4.90	3.50	1.50	1.50	1.50	22.70
2	**Other Non-Executive Directors**									
	Fee for attending Board/ Committee meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1+2)	4.40	0.50	4.90	4.90	3.50	1.50	1.50	1.50	22.70
	Ceiling as per the Act*	'Refer Note'								

*Note: In terms of the provisions of section 197 of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceeded 1% of the net profits of the Company. The company has not paid any remuneration to non-executive directors except above sitting fees which is within the limit of Rs. 1,00,000/- per meeting for each director as stipulated under section 197(5) read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C. Remuneration to Key Managerial Personnel other than CMD/WTD

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of KMP		
		Mr. O.P. Gupta CFO	Mr. Arvind K. Chauhan CS	Total Amount
1	Gross Salary	48.00	54.35	102.35
a.	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.00	0.00	0.00
b.	Value of perquisites u/s 17(2) of Income tax Act, 1961	0.00	0.00	0.00
c.	Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	• As % of profit	0.00	0.00	0.00
	• Other, specify	0.00	0.00	0.00
5	Others (Company Contribution towards PF, Medical Reimbursement)	0.00	0.00	0.00
	Total (1+2+3)	48.00	54.35	102.35

Penalties / Punishment/ Compounding of Offences:

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

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR.)
Date : May 30, 2017

ANNEXURE–II

REMUNERATION POLICY

1 Background

1.1 The Remuneration Policy was originally formulated pursuant to section 178 of the Companies Act, 2013 (effective from April 1, 2014) read with revised Clause 49 of the Listing Agreement (effective from October 1, 2014).

1.2 The present revision is carried to incorporate suitable changes because of substitution of Listing Agreement with SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") w.e.f. December 1, 2015.

1.3 Regulation 19 of Listing Regulations read with Part D of Schedule II, inter-alia, provides that the role of Nomination and Remuneration Committee shall include 'formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees'. This provision of Listing Regulations is similar to corresponding provision of erstwhile Clause 49 of the Listing Agreement.

1.4 Therefore, the present revision is mainly carried out to incorporate the reference of relevant Listing Regulation and remove the reference of erstwhile Listing Agreement.

2. Legal Framework

2.1. Section 178 of the Companies Act, 2013, inter-alia provides for constitution of Nomination & Remuneration Committee and mandates the listed Companies to have Remuneration Policy for its directors, key managerial personnel and other employees. Sub section (3) and (4) of section 178 provides as under:

(i) The Nomination & Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

(ii) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that -

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Provided that such policy shall be disclosed in the Board's report.

2.2. In line with the Companies Act, 2013, Regulation 19 read with Part D of Schedule II of the Listing Regulations provides about the Nomination & Remuneration Committee and Remuneration Policy as under:

The role of the committee shall, inter-alia, include the following:

'formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.'

2.3. On above background, the captioned policy is framed.

3. Objectives & Scope

3.1. Criteria to determine qualifications, positive attributes and independence of a director.

3.2. Policy to provide guiding principles for remuneration of the directors, key managerial personnel and other employees.

4. Definitions

4.1. "Nomination & Remuneration Committee (NRC)

means such Committee constituted by the Board of Directors of the Company under provisions of section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations.

4.2. "Board" means the Board of Directors of the Company.

4.3. "Company" means the "Fiem Industries Limited" / "FIEM".

4.4. Companies Act, 2013 ('Act') includes Rules framed thereunder.

4.5. All other words, terms and phrases referred and not defined herein, shall have the same meaning as defined under Companies Act, 2013 and Listing Regulations.

5. Criteria to determine Qualifications, Positive Attributes and Independence of a Director

5.1. The independence of an Independent Director will be decided as per parameters provided under section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. Professional qualification of an Independent Director will be an advantage, but that will not be sole criteria and positive attributes like experience in industry, exposure as entrepreneur, specialised area expertise will be more effective attributes. However, these will be guiding principles and Nomination & Remuneration Committee will have liberty to consider other merits as well, while recommending an Independent Director for appointment.

6. Governing framework of Remuneration of Directors, KMPs and other Employees

6.1. The remuneration to Managing Director and Whole-time Directors will be as per the Companies Act, 2013 and will be recommended by NRC and approved by the Board and Shareholders.

6.2. The Independent Directors and Non-executive Directors will be paid sitting fees for attending the meeting of Board and Committees. They will also be provided travelling and boarding facilities / expenses whenever applicable.

6.3. The remuneration of KMPs and other employees of the Company will be governed by the Human Resources practices of the Company.

7. Guiding principles of Remuneration of Directors, KMPs and other Employees

7.1. The remuneration will be decided considering the long-term growth objective of the Company and by maintaining balance among various factors like complexity, criticality and scarcity of the skill sets of the candidates.

7.2. Long term objective, growth and suitability for the business of the Company will remain supreme driving principles.

7.3. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees at all levels for successfully running the Company.

7.4. Performance of individual and criticality of specialised skill sets required for the growth of the Company will be given due weightage while remunerating such employees.

7.5. Adequate facilities like company provided vehicles and other perquisites will be given to the Directors and eligible employees to retain and nurture best talent.

7.6. Variable remuneration will not be mandatory and periodic increments etc. will be decided considering various relevant factors like Company's performance, employee's willingness to devote sufficient time and energy in carrying out duties and responsibilities effectively, retaining and nurturing talent by the Company, industry practices, availability of talented manpower, motivate the manpower and to develop a sense of belongingness as well as need of the Company. The remuneration level can be reviewed and reset annually / periodically based on comparison with the relevant peer group and industry trends.

8. Policy Review

This Policy may be reviewed as and when any changes are to be incorporated in the Policy due to change in laws or as may be felt appropriate by the Company. Any changes or modification on the Policy would be approved by the Committee or Board of the Company.

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR.)
Date : May 30, 2017

ANNEXURE–III

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on March 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Fiem Industries Limited
(CIN: L36999DL1989PLC034928)
D-34, DSIDC Packaging Complex,
Kirti Nagar, New Delhi-110015

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

We report that –

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the Financial Statements of the Company.

d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, documents, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 and made available to us, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      (d) The Securities and Exchange Board of India

(Listing Obligations & Disclosure Requirements) Regulations, 2015.

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in respect of shares issued under Qualified Institutions Placement during the month of September 2016.

2. We further report that, during the Audit Period there were no events / actions in pursuance of:
   (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.
4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines & Standards, to the extent applicable as mentioned above.

We further report that –

5. The Company is engaged in manufacturing of Automotive Lighting & Signaling Equipments, Rear View Mirror, Plastic Moulded Parts and other Auto Components. Company also manufactures LED Luminaries / LED products for general lighting applications and LED Integrated Passenger Information System for buses and railways etc. Company has manufacturing facilities, depots and offices in different States of the Country. During the course of business operations, various Labour, Industrial, Environmental, Local / State Laws as well as Laws specific to the Industry (such as Indian Motor Vehicle Act, 1988 and Rules made there under) applies to the Company. We have examined the compliance management system of the Company for ensuring the compliances of these laws. In our opinion and to the best of our information and explanations given to us, the compliance management system is adequate to ensure compliance of above referred applicable laws.
6. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
7. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
8. Adequate notice is given to all Directors for Board and Committee Meetings. Notice, Agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
9. Decisions by the Board and Committees are carried out unanimously and therefore, no dissenting views were required to be captured and recorded as part of the minutes.
10. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. During the audit period, the shareholders of the Company passed one special resolution through Postal Ballot on September 1, 2016 enabling the issue of equity shares through Qualified Institutions Placement.

    Company has complied with the procedures for the postal ballot as prescribed under Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
12. During the audit period company has entered into a Technology License & Assistance Agreement with Aisan Industry Co. Ltd., Japan. Further, there were no instances of:
    (i) Redemption / buy-back of securities
    (ii) Any resolution by the members in pursuance to section 180 of the Companies Act, 2013
    (iii) Merger / amalgamation / reconstruction, etc.

For **Ranjana Gupta & Associates**
Company Secretaries

Sd/-
Ranjana Gupta
Proprietor
FCS No.: 8613
CP No.: 9920

Date: May 30, 2017
Place: New Delhi

ANNEXURE–IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT , 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

(A) CONSERVATION OF ENERGY

Though our Industry is not power intensive, still power is among major cost constituent in the product cost. Therefore, it is not only a matter of conservation of energy but also a matter of cost reduction or improvement in profits. Hence, energy conservation is the duty and responsibility of all employees. Further, the energy conservation initiatives goes beyond cost savings and it is a national resource, which required to be conserved for more productive usage. The main focus of the energy conservation initiatives have been on reducing energy cost and minimizing the adverse environmental impact of its operations. Some of the activities and initiatives carried out during the year towards environment, energy and water conservation are as under:

(i) Steps Taken or Impact on Conservation of Energy:

a) Rationalization of certain processes / operations with temperature management and aligning the associated equipment in off mode to reduce energy consumption;

b) Constant focus on increasing awareness level amongst the work force for various energy conservation measures throughout operations, this initiative keep aware the employees about their duty to save energy;

c) Using energy efficient pumps for many applications and air cooled pump with Variable Frequency Drive (VFD) compatible motor;

d) In cooling towers, the motor attached with the cooling fan is aligned with the temperature of water through sensors, so that these turn auto switch-off, when there is no requirement because of low temperature;

e) At most of the areas, like assembly area, reception etc., air-conditioners are time controlled and turned-off during intermittent periods like lunch time and tea breaks. Further, at desired locations they are connected with the office timing and turned-off at the time of office close timings;

f) Encourage supplier's adherence to green practices as an important pre-requisite to the Company purchasing strategy;

The impact of above measures in reduction of energy consumption and consequent impact on the cost of production of goods is difficult to quantify. However, as power constitutes a major cost factor in production and overall operations of the Company, hence all these measure of energy conservation results in the cost reduction.

(ii) Steps taken by the Company for Utilizing Alternate Sources of Energy:

Company is also contemplating for captive solar power generation options. However, as the processes of the Company are not largely power intensive, hence traditional source of power is being utilized by the Company. Still at small area like canteen, solar water heaters are being provided for warm water supply and at some places LED Street Lights are installed with solar power option.

(iii) The Capital Investment on Energy Conservation Equipment:

Most of the energy conservation measures are in the form of improvement / change in the existing practices and big capital investment was not on these measures. During the year under review capital investment made on energy saving equipment was not significant.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

The year under review has witnessed the next phase of upgradation. Among the various initiatives that have been set into motion, there are several successful efforts that include a collaborative approach with customers as well as ongoing productivity improvement with enhancement of automation for achieving the best quality product. During the year LED automotive lighting has remained area of more focus and major technology absorption revolved around the same. All these efforts have helped in speeding up the ongoing improvements and has successful implementation as under:

a) Certified clean room area is introduced for complete manufacturing function, start from raw material storage to finish goods storage to produce LED Automotive Lighting according to Global Automotive Standard (US FED STD 209E) at a level of Class 8 which will totally avoid or minimize the generation and retention of foreign particles inside the manufacturing line with dust free environment and humidity and temperature controlled.

b) De-humidifier is introduced to protect the Moisture Sensitive electronic component for reducing the de-gradation of MSD components.

d) To achieve the room temperature require for solder paste after removal from refrigerator, Pokayoke has been installed.

e) SPI has been installed to enhance the preventive technique for PCB Manufacturing process with the addition of 3D Solder Paste Inspection for eliminating soldering defects before electronic component placement.

f) After Components placements, In-Circuit Testing (ICT) added to check OSC Sequence of Complete electronic circuitry with all electronic Components.

g) Robotic based soldering is introduced for sustaining the product quality which reduce the manual soldering handling of PCBA.

h) CNC Based Routing Machine has been installed for automatic separation of PCBs from the PCB Panel with bottom level suction for sustaining the specified tolerance of product.

k) CNC Glass cutting machine has been installed for higher productivity & lesser rejections.

l) Three Steps folding mirror has been made, which helps to export the product in Indonesia for enhancing the export business.

(ii) Benefits Derived as a result of the above efforts, like product improvement, cost reduction, product development, import substitution etc.:

a) Controlled environment helps in upgrading the product life as well as improved quality of product.

c) Enhanced technological competency is a major strength for business development, especially in export market.

e) Implementing the VA-VE ideas at Initial Development helps in avoiding quality issue at later stage.

f) Over all improved product quality and enhanced customer satisfaction.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year 2016-17), following information:

a) the details of technology imported;

b) the year of import;

c) Whether the technology been fully absorbed;

d) If not fully absorbed, area where absorption has not taken place, and the reasons thereof.

Above information not applicable, as no specific imported technology. In general, Company keep importing the latest machines from other countries and keep abreast with latest manufacturing and technology development world over and keep developing in-house technology. Company imported LED SMT machines and automatic assembly lines with latest technology from time to time and also keep importing robots and machines with latest technology for various processes. The technology keep absorbing during production as well as improvement is continuous process.

Further, Company has signed a 'Technology License & Assistance Agreement' with Aisan Industry Co., Ltd. Japan in Sept, 2016 for Canister. The technology is being imported.

(iv) RESEARCH & DEVELOPMENT (R&D)

Research & Development is main source of technology absorption, new product development, new technology development and improvement in products and technology. Making the product more useful and advancement is also driven by Research & Development. In our business segments, LED has become most important and company is among frontrunners in developing the LED based Automotive Lighting, General Lighting and Integrated Passenger Information Systems (IPIS). Company has robust R&D capabilities and strengthening these year-by-year. The Company had set-up its in-house R&D Unit at Rai Plant which is recognized by the Govt. of India, Ministry of Science and Technology, Department of Science and Industrial Research with the following objectives:

1) To carryout research for developing state-of-the-art technology and products for automotive lighting, rear view mirrors and other automotive components in compliance of latest international standards and to fulfill the requirement of Indian and Global OEMs.

2) To enhance and improve our R&D capabilities for designing and development of new and innovative products in:

   (i) Automotive lighting, rear view mirrors and other automotive components;

   (ii) LED Luminaires for indoor and outdoor applications;

   (iii) LED Integrated Passenger Information and Display Systems for Indian Railways and other transport vehicles.

3) To develop new and innovative LED general lighting products and technology with low carbon emission, low power consumption and high efficiency, with an endeavor to contribute towards solution of lighting and energy requirements of future India.

4) To disseminate knowledge acquired from R&D activities to train the manpower in our industry.

5) To develop futuristic ultra-compact lamps using advanced technology on lens and reflector designs using LED.

A BRIEF ON THE R&D ACTIVITIES OF THE COMPANY IS AS UNDER.

(a) Specific Areas in which R&D carried out by the Company:

i) World's most compact LED BI-FUNCTION - Projector LED head light designed and developed in-house using 'Advanced Technology' optical collimators and extended for various regulations like Class B, Class C, class D.

ii) In-house design and development of LED MFR Head Light, with twin LED OPTICAL FILTER parking lamp for two wheeler market meeting the niche aesthetic factors.

iii) In-house design and development of LED head light with optimal current for two wheeler motor cycles without heat sinks.

iv) Introduced High heat dissipation (up to 7 W/mK) MCPCBs for ultra-compact LED head lights by efforts of in-house R&D..

v) In-house design of LED Tail light using optical filter for two wheeler bikes.

vi) In-house design and development of Ultra compact DRL (Daytime Running Light) for Indian customers to meet the newly launched automotive regulations of AHO.

vii) In-house design and development of Free Form Surface Reflectors (FFR) for LED Head Lights.

viii) High compact Bi-function LED projector lamps dipped beam and passing beam is generated by means of the high-performing single lens system by efforts of in-house R&D.

ix) Compact High flexibility Multi-function Rear Lamp for 4 wheeler market designed and developed using LED (Stop lamp, Tail lamp, Indicator lamp). Various function can be obtained by changing the driver board only. Rest of the parts will remain same. All in in-house R&D.

x) In-house design & development of programmable Passenger Information system for Railways developed.

xi) Advanced Optical collimators technology used for developing the Projector LED Based head lamp to archive world most compact LED BI function.

xii) Bi function LED headlamp with single LED position lamp (with low power LED and without heat sink) for two-wheeler market developed by in-house R&D.

xiii) Compact and stylish Bi-function LED Head Lamp launched and homologated in India for two-wheeler market

xiv) Bi-function LED headlamp with two side LED position lamp (without heat sink) designed and developed by in-house R&D.

xv) Collimator type 5 LED DRL (4.5 watt) launched in India with ECE and CMVR homologated

xvi) DRL with 6 LEDs with micro reflector optics (4.5watt) launched and AIS, ECE homologated.

xvii) License lamp with 2 low power LED (1watt) launched in India and FMVSS, AIS and ECE cat 1 and cat 2 homologated.

xviii) Collimator type inner lens with multi surface reflector Single LED front winker combined with position lamp (5.5 watt) successful launched in India and FMVSS, AIS and ECE requirements homologation.

xix) Introduced 2.5 watt tail lamp with diffuser lens for tail function and 6 nos. LEDs for stop function.

(b) Benefits derived as a result of R&D:

i) Because of Company's in-house R&D capabilities and prowess in LED technology, Company has been able to introduce LED Head lamp in two-wheeler in India. Because of these capabilities, Company is a preferred choice vendor for LED Automotive lighting for prestigious two-wheeler OEMs.

ii) Company has developed first Free form surface reflector technology for the compact LED projector lighting system.

iii) LEAD head light designed for Modular type, where in provided higher degree flexibility to use the lamp in different countries meeting their respective regulations.

iv) Heat sink less, LED head lights extended to the high end models, meeting the Class C and Class D regulations which is mandatory for higher cc bikes and scooters.

v) Introduced High Performance Lens system resulted in developing the most compact BI-Function projector lamp for the passing and dipped beam functions together.

vi) In house design & development of LED Tail Lamp with optimization of LEDs which meets ECE and AIS regulations, resulted cost saving.

vii) In house design & development of License Lamp with optimization of LEDs which meets ECE, FMVSS and AIS regulations, resulted cost saving for two wheeler high and motor cycle segment.

viii) Light Bar optical system is made by using compact and unique LEDs in Tail lamp for two-wheeler higher end motor cycle segment.

ix) In house Design & Development of LED based Day Running Lamp for two wheeler segment.

(c) Future Plan of action

i) Research on Diffuser polymer optical lens to be used for position lamps

ii) Introduction of LEDs using Free form surface shapes Direction Indicator lamps for High end bikes direction indicator lamps.

iii) Introduction of miniature heat sinks using advance air craft Aluminium materials for Ultra speed heat dissipation.

iv) Further strengthening and improving the existing R&D infrastructure and facilities for complete designing of the products from conceptualization to production covering product design, laboratory testing, optical simulation etc.

v) Development to be carried out on more cost-effective LED Head lights without heat sinks for low end two-wheeler segments.

vi) Carry out research on contoured shape LED head light in compact sizes for high end bikes.

vii) Research on using the Extruded Aspherical lens for LED head lights.

viii) Introduction of BI-Function low power LED Head Lights with High reliability for Agricultural vehicles

ix) Introduction of High efficiency LED Driving module with low cost.

x) Introduction of low cost flexible PCB solutions to reduce interconnection wires and electrical losses.

xi) Research on Highly thermal conductive material of PCB and Heat sinks for more thermally stable design in lesser space.

xii) Continuously research on achieving the LED placement accuracy to provide stable optical performance.

xiii) Introduction of sequence Direction Indicators lamps and dimming function on various kind of lamps.

xiv) Research on 3D optical design lamps for signaling devices.

(d) Expenditure on R&D:

To achieve the objective of R&D programme, well experienced and qualified engineers joined in R&D Unit of the Company and expenditure also incurred on software and equipments. The following expenses have been incurred by the company on its in-house Research & Development Unit:

Amount in (Rs.)

Particulars	2016-17	2015-16
Capital Expenditure:		
Capital Expenditure	6,753,516	1,11,20,964
Total (A)	6,753,516	1,11,20,964
Recurring/Revenue Expenditure:		
Raw Material Consumed	2,054,476	6,74,088
Employees Benefits	58,268,658	5,28,59,132
Other Expenses	5,840,572	61,62,137
Finance Cost	1,523	796
Depreciation & Amortization	4,923,458	27,83,841
Total (B)	71,088,688	6,24,79,995
Grand Total (A+B)	77,842,204	7,36,00,960

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details on foreign exchange earnings and outgo are as under:

i) Foreign Exchange Outgo

Amount (in Rs. lacs)

S. No.	Particulars	2016-17	2015-16
1.	Value of Import on CIF basis	8576.08	9341.25
2.	Finance Cost	172.44	92.44
3	Travelling expenses	70.38	97.37
4.	Consultancy Charges	1.36	2.49
5	Liasioning charges	-	16.58
6	Design/Testing Charges Paid	87.69	60.97
7	Salary o Staff	12.14	-
8.	Others	38.66	34.62
	TOTAL	8958.75	9645.72

ii) Earning in Foreign Exchange

Amount (in Rs. lacs)

S. No.	Particulars	2016-17	2015-16
1.	Export Sale on FOB Value	1877.14	1724.45
2.	Design/Testing/Modification Charges Received	239.88	206.10
3.	Sales of Moulds & Dies	-	17.21
4.	Other Income	-	0.38
	TOTAL	2117.02	1948.14

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR.)
Date : May 30, 2017

ANNEXURE–V

ANNUAL REPORT FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

S. No.	Particulars	Details
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken: Under Corporate Social Responsibility (CSR) as per Companies Act, 2013, we have selected 'healthcare' as one of the areas of intervention and way of serving the humanity. Further, we have kept the mind open to support any project / event, which is for the betterment of life of underprivileged. To conduct the CSR programme in a structured and systematic manner, the Company has set up a dedicated trust, namely 'Fiem Foundation' for undertaking CSR programme as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Company whole-heartedly supported the CSR provisions and remained compliant with the statutory requirements. Under its major CSR project, Company is giving financial support to needy / poor cancer and other life threatening diseases patients for getting their treatment done in 'All India Institute of Medical Sciences', New Delhi (AIIMS). Company has collaborated with Social Welfare Unit of AIIMS, New Delhi and disburses the financial assistance as and when they recommend the poor and needy patients suffering from Cancer and other life threatening diseases for getting their treatment done in AIIMS. All this work is being done through Company's CSR Vehicle 'Fiem Foundation.' Company also does various other social welfare programme like free eye operation and arranging mass marriages of poor girls and other activities to help underprivileged. Company also providing financial support to 'Kutch Vikas Trust' which organizing eye and dental operation camps for poor patients. As permitted under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had set up a registered trust namely 'Fiem Foundation' exclusively for undertaking CSR activities and transferred the CSR fund (equal to 2% of average profits of Company for last 3 years) in the corpus of the Trust for more planned utilization in the CSR programs. During the Financial Year 2016-17, 'Fiem Foundation' has extended financial assistance of more than Rs. 76 Lac to around 57 poor patients for helping them to get their treatment done in AIIMS, New Delhi.	
1(a)	The Web link to the CSR Policy and projects or programs	www.fiemindustries.com/CSR%20Policy_FIEM%20(F).pdf
2	Composition of CSR Committee	Mr. Rahul Jain - Whole-time Director – Chairman Mr. K. R. Yadav - Whole-time Director – Member Mr. V. K. Malhotra - Independent Director – Member
3	Average Net Profit of the Company for last 3 financial years	64,20,83,274
4	Prescribed CSR Expenditure (2% of amount as in item 3 above)	1,28,41,665
5	Details of CSR Spent during the financial year:	
a)	Total amount to be spent for the year:	1,28,42,000/-
b)	Amount unspent, if any:	N.A.

c) Manner in which the amount spent during the financial year:

1	2	3	4	5	6		7	8
			Projects or programmes		Amount Spent in the Projects of Programs		Amount Spent	
S. No.	CSR Project or Activities identified	Sector in which project is covered	1. Local Area or Other 2.Specify the state and district where projects of program where undertaken	Amount Outlay (Budget) project or program wise	Direct expenditure on projects or programs	Overheads	Cumulative Expenditure upto the reporting period	Direct or through Implementing agency* (Give Details of Implementing Agency)
1			Kutch, Gujarat	Rs. 10,00,000/-	Rs. 10,00,000/-	Nil	Rs. 10,00,000/-	Implementing Agency (Kutch Vikas Trust Regn No. E-644, Add: Raidhanpar Village, Nagor PO, Bhuj-370001, Kutch, Gujarat)
2	TRANSFER TO CORPUS of 'FIEM FOUNDATION'						1,18,42,000/-	-
	Total						1,28,42,000/-	–

6	In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	Not Applicable, please refer point 5(c) above.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The Committee hereby affirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of
Fiem Industries Limited

-Sd-
Rahul Jain
Chairman CSR Committee
(DIN: 00013566)

-Sd-
J. K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR.)
Date : May 30, 2017

ANNEXURE–VI

THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS IN TERMS OF SUB-SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Sr No.	Requirements	Disclosures
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Please refer below 'Table-A'.
II.	The percentage increase in remuneration of each director, CFO, CS in the financial year	Please refer below 'Table-A'.
III.	The percentage increase in the median remuneration of employees in the financial year	Please refer below 'Table-A'.
IV.	The number of permanent employees in the financial year	There were 1854 direct employees on the rolls of the Company at the end of Financial Year 2016-17.
V.	Average percentile increase already made in the salaries of employees over the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase during the year 2016-17 in the salaries of employees (excluding managerial persons) was 13.11%. Average percentile increase during the year 2016-17 in managerial remuneration was 10.98%. For other information, please refer below 'Table-A'.
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed that the remuneration is as per the Remuneration Policy of the company

TABLE-A

Sr. No.	Name & Designation of Directors and KMPs	Remuneration FY 16-17 (Rs.)	% increase	Ratio with Median Remuneration
	Median Remuneration of Employees	2,85,066	18.01%	
1	Mr. J.K. Jain, Chairman & Managing Director	1,24,80,000	-	43.78
2	Mr. Rahul Jain, Whole-time Director	48,00,000	23.08%	16.84
3	Mrs. Seema Jain, Whole-time Director	48,00,000	14.29%	16.84
4	Mr. J.S.S Rao, Whole-time Director	96,00,000	14.29%	33.68
5	Ms. Aanchal Jain, Whole-time Director	42,00,000	16.67%	14.73
6	Mr. K. R. Yadav, Whole-time Director	91,44,864	7.02%	32.08
7	Mr. O.P. Gupta, Chief Financial Officer	48,00,000	9.59%	NA
8	Mr. A.K. Chauhan, Company Secretary	54,35,000	26.69%	NA
	Total Managerial Remuneration	5,52,59,864	10.98%	

Notes:

1. The calculation of median remuneration of employees and increase therein is based on the employees of the company who were at company's roll at the beginning as well as at the end of the financial year.
2. Company's Performance for FY 2016-17: Please refer initial paras in Directors Report.

Management discussion and analysis

Global economic overview

Global growth reduced to 3.1% in 2016 and recovered to 3.4% in 2017. The estimate was revised by 0.1% for 2017 as compared to the April 2016 projection. This reflected a subdued outlook following the Brexit referendum and weak growth in the US. However, long-term prospects of emerging market economies improved because of a visible lowering of interest rates in advanced economies and firming commodity prices.

Asia in general and India in particular demonstrated robust growth while sub-Saharan Africa experienced a slowdown among advanced economies, activity rebounded strongly in the US with the economy approaching full employment. Long-term nominal and real interest rates rose in the UK and the US since November 2016. The currencies of advanced commodity exporters strengthened, reflecting the firming of commodity prices.

Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices could provide some respite for resource-rich economies in 2017, but the medium-term outlook continues to be bleak with growth weakening in terms of investment and labour supply. Businesses will need to prepare themselves adequately in order to address the challenges arising out of geopolitical tensions, policy uncertainties, financial market volatilities and rapid changes in technology. They can do so by leveraging qualitative sources of growth and boosting their technological quotients and business productivity ratios. (Source: www.conference-board.org)

Indian economy

Overview

India's GDP grew at 7.1% in FY17 versus a revised 8% (7.9% as per previous estimate) in FY16. India's GDP growth in the January-March quarter was lower than China's 6.9% for this period. Demonetisation had a pronounced broad-based impact on the economy in the fourth quarter. Despite a sequential slowdown, agriculture and mining sectors held up with consumption being robust. Manufacturing, construction and major services were hit by the currency squeeze, pulling down real gross domestic product (GDP) growth in Q4FY17 to 6.1% from 7%. (Source: CSO)

The lower-than-expected real GDP growth in Q4FY17 was also due to the firming of commodity prices, which hardened WPI. The GVA (Growth Value Added) growth in Q4FY17 was pegged at just 5.6%, as an unfavourable base also impacted the estimate (GVA grew a robust 8.7% in Q4FY16). The GVA expansion slipped sharply to 6.6% in FY17 from 7.9% in FY16.

Pertinently, although growth in real term slipped in FY17, nominal GDP expansion touched 11% in the year against 9.9% in FY16, owing to higher inflation, especially at the wholesale level. With good monsoon, the agricultural sector posted a huge jump in growth as it expanded by 4.9% during FY17, compared to a dismal 0.7% in the previous year.

	2013	2014	2015	2016	2017(E)
GDP (US$ trillion)	1.92	2.04	2.11	2.26	2.30
Real GDP growth (%)	6.6	7.2	7.6	7.6	7.1
Inflation (%)	10.9	6.4	5.9	5.0	4.9
Exchange rate against the dollar	58.6	61.0	64.1	67.2	64.6

(Source: Euromonitor and IMF)

Outlook

The growth estimate is contingent on the prediction of normal monsoon in this year, along with expectation of a boost in consumption demand, increased private sector and government spending. The nationwide roll-out of the GST (Goods and Services Tax) in the second quarter of FY18 is also expected to result in an increment of 0.25% to 0.5% to GDP growth. CARE Ratings expects the economy to grow 7.6-7.8% in FY18.

Indian auto components sector

Overview

The auto-components industry accounts for almost 7% of India's Gross Domestic Product (GDP) and employs as many as 19 million people directly and indirectly. Over the last decade, the automotive components industry trebled to US$ 39 billion in 2015-16 while exports grew faster to US$ 10.8 billion.

A stable government framework, increased purchasing power, large domestic market, and growing infrastructure development have made India a favourable investment destination. The cumulative Foreign Direct Investment (FDI) inflows in the Indian automobile industry between April 2000 and September 2016 were US$ 15.80 billion (Source: DIPP).

Private equity investment in the automobile component sector rose 607% to US$ 90.2 million in the first five months of 2017 over the same period in the previous year.

Sectoral reforms impact

Demonetisation impact: The growth in the two wheeler volumes in domestic market remained broad-based and strong at 16% during April–October 2016 but the demonetization by Government of India in November 2016 partially offset the positive growth trajectory, curtailing volume growth to 13.4% during April–November 2016. Total automobile sales in December 2016 plunged to a 16-year low; domestic auto sales declined 18.7% in December and domestic sales growth moderated to 9.4% in April–December 2016 period (two-wheelers registered a growth of 10% in the same period). The Indian auto industry produced a total of 19.2 million vehicle including passenger vehicles, commercial vehicles, three wheelers, two wheelers in April–December 2016 as against 17.9 million in April–December 2015, registering a growth of 7.3% over the same period last year.

However, the adverse impact likely to be a short-term in nature, a blip rather than a trend in itself. SIAM expects the growth in the auto industry to rebound to the pre-demonetisation level following a revival of the rural market and substantial increase in expenditure on infrastructure, which are two key factors responsible for the recent growth of the industry. The reduction in personal income tax should buoy demand for two-wheelers and small passenger vehicles.

BS-III vehicle ban: The Supreme Court of India banned the sales and registration of all BS-III vehicles from 1st April, 2017. Following the Supreme Court hearing, many dealers and auto makers were forced to clear their existing inventory and were offering huge discounts adding up to a loss of over Rs. 1,200 crore (US$185.1 million). This allowed two-wheeler makers to record increased sales; Indian automobile industry has witnessed 1.3% growth in its domestic sales for the month of March 2017 and stood at 1.9 million units, according to the data released by SIAM.

Where does India stand?

- Largest tractor manufacturer
- 2nd largest two wheeler manufacturer
- 3rd largest bus manufacturer
- 5th largest heavy truck manufacturer
- 6th largest car manufacturer
- 8th largest commercial vehicle manufacturer

(Source: ACMA)

Growth drivers

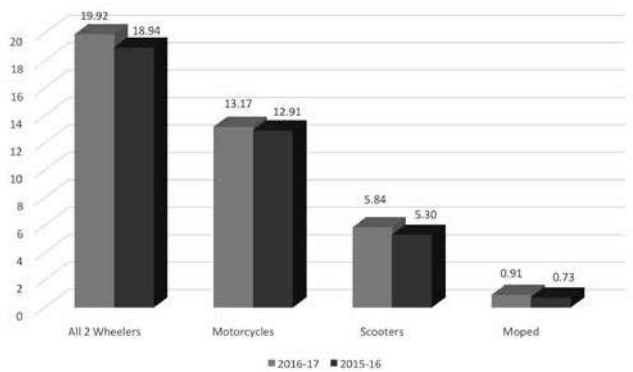
Increasing in the sale of vehicles: For the fiscal ended March 2017, domestic passenger vehicles (PV) sales were at 30,46,727 units against 27,89,208 in the previous year. During the year, utility vehicle sales were at 7,61,997 units against 5,86,576 units in the previous fiscal, a growth of 29.91%. Domestic car sales during the year grew 3.85% to 21,02,996 units from 20,25,097 units in the previous year. This was the lowest growth since 2014-15, when car sales rose 5.09%.

In two-wheelers segment, motorcycles sales in 2016-17 were at 1,10,94,543 units compared with 1,07,00,406 in the previous fiscal, up 3.68%. Scooter sales in 2016-17 were at 56,04,601 units in comparison to 50,31,678 in the previous fiscal, up 11.39%.

The continuous increase in vehicle sales over the years is likely to drive the demand for the auto components and equipment. *(Source: SIAM)*

As the major business of the Company is derived from two-wheeler segment, a detailed break-up of the two-wheeler segment is presented hereunder:

Indian Two-Wheeler Sales Data (Domestic + Exports) (Mn)

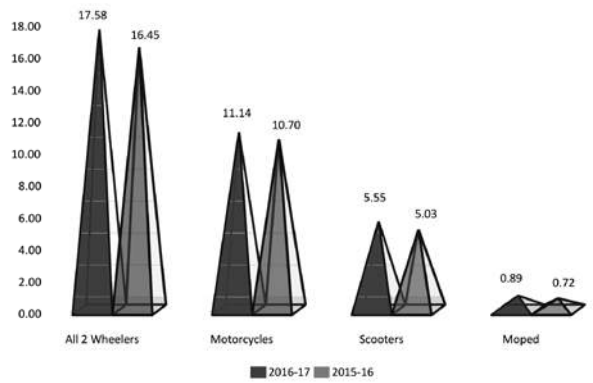


(Source: SIAM)

Motorcycles constitute 66% of the two-wheeler market (Domestic and exports), and grew by 2.1% from 12.91 million units in FY 2015-16 to 13.17 million units in FY 2016-17. Scooters have become a favorite mode of local commuting. Scooter sales grew by 10.1%, from 5.30 million units in FY 2015-16 to

5.84 million units in FY 2016-17 owing to rapid urbanization and preferred use by female commuters and school-going children. Moped sales increased by 24.4% (on a smaller base) from 0.73 million units in FY 2015-16 to 0.91 million units in FY 2016-17.

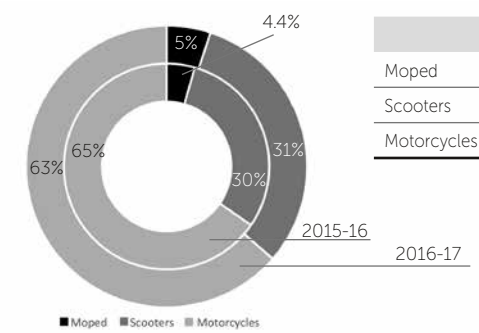
Indian Two-Wheeler Sales Data (Domestic) (Mn)



(Source: SIAM)

The domestic two-wheeler industry sales grew by 6.8% from 16.45 million units in FY 2015-16 to 17.58 million units in FY 2016-17. Motorcycle sales grew by 4.1%, from 10.70 million units in FY 2015-16 to 11.14 million units in FY 2016-17. Scooter sales registered a growth of 10.2%, from 5.03 million units in FY 2015-16 to 5.55 million units in FY 2016-17. Moped sales grew significantly by 24.2% (on a smaller base) from 0.72 million units in FY 2015-16 to 0.89 million units in FY 2016-17.

Two-Wheeler Market Share: Motorcycles Vs Scooters Vs Mopeds (%)



	2015-16	2016-17
Moped	4.4%	5.0%
Scooters	30.06%	31.05%
Motorcycles	65%	63.04%

(Source: SIAM)

Motorcycles continued to dominate the domestic two-wheeler industry with a 63.4% share. Scooter share in the overall industry grew by one percent from 30.6% in the FY 2015-16 to 31.5% in FY 2016-17, mainly taking away share from motorcycles.

Demographics advantage: India is the world's youngest nation with a median age of 26 years, compared to 44 in Germany, 41 in the UK, 37 in the US and 35 in China. Some 13 million people enter the urban workforce each year; it is projected that 141 million new candidates would be of employable age by 2018 compared to 43 million in China, 32 million in West Asia, 14 million in the US, minus 7 million in Japan and minus 15 million in Europe. The youth-driven economy has catalyzed the sales of vehicles in India, strengthening the automotive sector.

Cost-effective manufacturing hub: India is emerging as a global hub in auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others.

Favourable trade policy: Favorable trade policies with no restrictions on import-export have led to exports of auto components growing at a CAGR of 14% to US$ 10.8 billion in FY 2015-16 from US$ 3 billion FY 2005-06. The Indian automotive industry is likely to emerge among the three largest in the world in the area of engineering, manufacturing export of vehicles and components. (Source: Make in India)

Developing infrastructure: The Government reported a major focus in improving infrastructure by announcing Rs 97,000 crore for development of roads. Of this figure, Rs 55,000 crore has been earmarked for the development of roads and highways. This development is expected to strengthen the demand for commercial vehicles (CV) particular and other vehicles category in general.

Skill development: The Government announced its decision to increase skill centers tenfold, which could have a significant impact on automotive companies.

Government initiatives

Automotive Mission Plan: The Government of India's Automotive Mission Plan (AMP) 2006–16 has come a long way in ensuring sectoral growth. It was expected that this sector's contribution to the GDP would reach US$ 145 billion due to the government's special focus on the export of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has helped foreign companies make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016–26 envisages the creation of an additional 50

million jobs along with an ambitious target of increasing the value of the output of the sector to up to Rs 1,889,000 crore (US$ 282.65 billion).

Auto Policy 2002: Automatic approval for 100% foreign direct investment in auto components manufacturing facilities. Further, manufacturing and imports in this sector are exempt from licensing and approvals.

National Automotive Testing and R&D Infrastructure Project (NATRiP): The largest and one of the most significant initiatives in the automotive sector represents a unique joining of hands between the Government of India, a number of State Governments and Indian automotive industry to create a state-of-the-art testing, validation and R&D infrastructure in the country. The project aims at creating core global competencies in the automotive sector in India to facilitate seamless integration of the Indian automotive industry with the world, positioning the country prominently on the global automotive map.

National Electric Mobility Mission Plan 2020 (NEMMP): The National Mission for Electric Mobility 2020 was launched on 9 January 2013 towards the faster adoption of electrical vehicles (including hybrid vehicles) and their manufacture in India to encourage reliable, affordable and efficient electric vehicles that meet consumer performance and price expectations through government-industry collaborations for the promotion and development of indigenous manufacturing capabilities, required infrastructure, consumer awareness and technology. This can help India emerge as a leader in the electric vehicles two-wheeler and four-wheeler market in the world by 2020, with total anticipated sales of around 6-7 million units. It is estimated that there will be excellent demand in India for low-cost electrical vehicles suited for safe short-distance urban commutes (average 50-100 km/trip) and rugged enough to perform reliably through hot climatic conditions that also experience torrential monsoons for 3-4 months a year.

The Automatic Headlight On (AHO): According to a report, two-wheelers accounted for being the single category of vehicles to have suffered the highest number of fatal road crashes (32,524) in 2014. This subject is of increasing public importance; India has possibly the worst road safety record in the world; in 2015, there were 5,01,423 accidents on Indian roads with two-wheelers accounting for the largest share of 29% resulting in 1,46,133 deaths - 17 lives lost every hour.

The Automatic Headlamp On is expected to help reduce crashes involving two-wheelers; it would help others recognize one's vehicle position in foggy / dusty environment; vehicles in front would able to recognise one's vehicle through the reflection of the vehicle headlamp in the rear-view mirror.

Outlook

The fiscal 2017-18 augurs favorably for the Indian automotive sector, which is expected to grow 8-10% based on higher localisation by Original Equipment Manufacturers (OEM), higher domestic component content per vehicle and rising exports (Source: ICRA). The components industry is projected to clock US$ 50 billion in revenue by 2018-19, up from US$ 39 billion in 2016-17.

According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US$ 100 billion by 2020 backed by strong exports ranging between US$ 80 and100 billion by 2026, from the current US$ 11.2 billion (Source: Make in India).

Indian LED market overview

The Indian LED Lighting market was worth around US$ 3.7 billion in 2016, growing at a CAGR of around 17.5% during 2009-2016. LED lights have emerged as powerful sources for lighting over the past several years. Due to their numerous advantages over conventional lighting technology, they have gained prominence. Although the Indian LED lighting market is at a nascent stage, it offers innumerable opportunities for growth over the next few decades. As India represents one of the biggest lighting markets, it offers a lucrative option for LED manufacturers to set up facilities in the region. Skilled labor, ease of doing business and demographic advantages provide a sustainable growth environment for the industry.

There is another development that promises to enhance the visibility and offtake of LED luminaires in India. The Energy Efficiency Services Limited is one of the nodal Indian agencies actively propagating and implementing the replacement of conventional street lighting products with LED alternatives.

EESL seeks to unlock energy-efficiency, estimated to be a US$12 billion opportunity that can potentially result in energy savings up to 20 per cent of current consumption. EESL's programme are paving the roadmap for making energy-efficiency more accessible, affordable and safer for cities and dwellings.

EESL has evolved a service model to enable urban municipalities to replace conventional lights with LEDs at no upfront cost; the balance cost is recovered from municipalities through energy savings. The Street Lighting National Programme intends to replace 3.5 crore conventional street lights with smart and energy-efficient LED street lights by March 2019.

The programme is attractive for the savings it can generate: the total connected load of street lights across the country of around 3400 MW can be reduced to 1400 MW by replacing conventional lights with LED-based alternatives. These replacements can lead to savings of approximately 9 billion KWh of energy resulting in a cost savings of Rs. 5,500 crore to municipalities each year. Given this opportunity, there are a number of municipal corporations that are embracing the use of LED products in street lighting applications.

However, unhealthy and disruptive practices and predatory pricing have dampened the healthy growth of the industry and affected genuine players and stakeholders. Fragmented competition and low-entry barriers are proving to be an obstacle for serious players. This appears to be a short-term phenomenon as LED represents a large opportunity for India and realities should stabilize after short-term turbulence.

Operational review

The year under review could be referred as one of the most challenging years in recent times. The demonetization of high value currency notes of Rs. 500 and Rs. 1000 in the economy and the unexpected write-off of our LED street lighting order from EESL adversely affected our overall performance. At the end of the year, BS-IV and implementation of AHO changed the momentum towards a positive direction. Rather, now this overview reconciles two contrasting emotions – one is the optimism for our automotive business across the foreseeable future and positivity emerging from this business; the other is the disruption in LED luminaire business that impacted us adversely during the year under review.

On the automotive front, the outlook is promising as the impact of demonetization is behind us. New regulations of BS-IV and AHO are positive for the industry as well as for our Company. LED is being adopted rapidly in the automotive lighting applications, a positive development as the company is a frontrunner in the development of LED Head lamps on the strengths of its in-house R&D capabilities.

Keeping in view this growth prospective and capex needs, the company augmented its financial resources and raised Rs. 120 cores through a Qualified Institutions Placement (QIP) in September, 2016.

Further, during the year under review, the Company signed a Technology License and Assistance Agreement" (TAA) with Aisan Industry Co., Ltd., Japan, and Toyota Tsusho Corporation, Japan, for manufacturing a 'Canister' in India. 'Canister' is an Emission Control System Product. Under the TAA, the 'Canister' is manufactured by Fiem Industries Ltd. with the technical support of Aisan Industry Co., Ltd. for two-wheelers and three-wheelers in the Indian market.

A snapshot of investments made by the Company during the year is as under:

• During FY17, Company made an investment of Rs. 21 crore in a newly set-up facility in Gujarat. The total Investment as on 31st March 2017 for this unit was Rs 75 crores.

• During FY17, Company also made further investment of Rs. 23 crore in Tapukara plant (Rajasthan) in LED Lighting products facilities.

• The total capex by the Company for FY17 was Rs. 110 crore, including other capital expenditure.

• The Company is investing in LED head lamp manufacturing facilities as demand for the LED head lamp from its prestigious OEM customers was encouraging.

Financial review

During the third quarter of the year under review, the country, economy, automotive sector and the company were affected by the currency demonetization. This impact was most visibly reflected in the country's two-wheeler segment; this segment is largely influenced by cash purchases and negligible external financing, making its purchase pattern completely different from the rest of the automotive sector.

With consumption sentiment being extensively affected from November 2016 to February 2017, a number of intending two-wheeler buyers deferred their purchases. The result was that most prominent OEMs in the country decided to temporarily discontinue operations. The cascade impact of this affected all two-wheeler brands in the country, a number of them being our prominent buyers. As an extension, Fiem Industries was also affected by this slowdown.

A snapshot of the financial highlights of the Company during the year under review was as under:

• During FY17, net revenues of the automotive segment grew by 11% to Rs. 959.51 crore in FY17 compared to Rs. 867.81 crore in FY16.

• Net revenues of LED luminaries segment came down to Rs. 57.93 crore in FY17 compared to Rs. 119.17 crore in FY16.

• The EBIDTA margins for the LED luminaries segment was 5.43% during FY17 due to low revenues in Q4FY17 and an overall decline in the turnover of LED luminaries for the whole year.

• The company supplied 1,18,997 numbers of LED street

lights to EESL for the SDMC project in Delhi under the SITC contract with a comprehensive maintenance for seven years. After commissioning, the comprehensive maintenance is discontinued by EESL and a net amount of Rs. 14.19 crore was written-off as being non-recoverable from EESL (net of reversal of earlier provision of Rs. 5.28 crore).

• The company supplied 10.99 lac units of LED bulbs (value Rs. 9.81 crores) to PVVNL, Meerut, out of which Company may receive approximately 3.60 lac units of LED bulbs (value Rs. 3.10 crore) in the current financial year. The order is now short closed.

For the time being, the LED business is undergoing a difficult phase. Growth was adversely impacted due to disruptive practices and underpricing. However, the automotive business started picking up after demonetization and is showing good signs of recovery. New regulations of AHO positively impact the automotive lighting business as LED is being rapidly adopted in automotive applications.

An underperformance in the LED business has overshadowed the recovery in automotive business and overall profitability was impacted due to short closures of LED bulb orders and write-offs of around Rs. 19 Crore (Rs. 14 crore new amount after the provision of 5 crore) with respect to a street light order of EESL for SDMC. These realities pulled down the net profit of the Company.

The management feels that it will take some time the LED Business to stabilize.

Risk and concerns

The Company is committed to benchmarking operations around good governance, which promotes the long-term interests of all stakeholders, enhances accountability and reinforces public trust.

The Company believes that managing risks helps successfully maximizes returns. The Company's approach to addressing business risks is comprehensive and includes a periodic review of risks with a framework for mitigating, controls and a reporting mechanism. The risk management framework was reviewed periodically by the Board and the Audit Committee.

The Company is mitigating risks related to legislature compliance through a regular review of legal compliances carried out through internal and external compliance audits.

Emerging businesses, expansion, diversifications are growth drivers, where some risks are attached. However, as a strategy, the Company proceeds with caution, without compromising growth opportunities.

In India, LED adoption is still in the initial phases and it will take time for the market volatility and disruption to subside. The LED industry is at a nascent stage, facing fragmented competition, low entry barriers and lucrative for all. These factors could represent risks for serious players like our Company.

Human resources

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. The Company is committed to nurturing, enhancing and retaining top talent through superior learning and organizational development. This is a part of the HR function and a critical pillar to support the organization's growth and its sustainability in the long run. To enhance the engagement, retention and work-life balance of the employees, the Company has introduced progressive policies and programs like diverse reward and recognition program and other employee interaction programs.

At the close of the financial year under report, there were 1854 employees on the payroll of the Company.

Internal control system and their adequacy

A robust internal financial control system forms the backbone for our risk management and governance. In line with our commitment to provide sustainable returns to all our stakeholders, Company has systems and policies for timely addressing key business challenges and opportunities.

The Company has in place defined and adequate internal controls commensurate with the size of the Company and complexity of operations; these were operating effectively through the year. These controls were routinely tested and certified by statutory as well as internal auditors covering all offices, factories and key business areas.

Periodic Audits play a key role in providing comfort for internal controls.

During the financial year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedure for ensuring efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

Corporate Governance Report

(The Report on Corporate Governance forms part of the Directors' Report for the financial year ended March 31, 2017)

The Board of Directors of the Company present the Company's Report on Corporate Governance pursuant to the statutory compliances as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on preserving core beliefs of integrity, accountability and transparency during business conduct and maintaining a strong commitment to maximize long-term stakeholder value. Effective practices of corporate governance constitute the strong foundation for Company and vital for robustness and growth of the business of the Company.

We consider stakeholders as partners in our growth, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers and communities we work into. This approach of value creation emanates from our belief that Board is trustee for stakeholders and its prime duty is wealth creation, growth and serving the larger society.

2. BOARD OF DIRECTORS

The Board is broad-based and consists of personalities from diverse experience and background. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The composition of Board of Directors of the Company is governed by the relevant provisions of the Companies Act, 2013 and rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Articles of Association of the Company and in accordance with the best practices in Corporate Governance.

Independent Directors: The Companies Act, 2013 and the Listing Regulations define an 'Independent Director'. All our Independent Directors fulfill the conditions of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.fiemindustries.com.

a. As at March 31, 2017 in compliance with the Listing Regulations, the Company's Board comprises twelve (12) Directors, out of which six (6) are Independent Non-Executive Directors, which constitute 50% of the Board. Mr. J.K. Jain is Chairman & Managing Director and other 5 directors are Whole-time Directors including two (2) woman directors. None of the Independent Director of the Company serve as an Independent Director in more than seven (7) listed companies.

b. The Board also assisted through various Committees constituted to oversee specific areas. Overall direction and strategy, policy formulation, setting up of objectives, evaluation of performance and control functions vest with the Board. The Committees have specific area assigned to them by the Board through terms of reference. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the Meeting with the approval of the Chairman. In urgent cases, approval of the Board sought through resolution by circulation. This ensures timely and informed decisions by the Board.

c. The Board Committees play an important role in the overall management and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform duties as entrusted by the Board through terms of reference. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board has established five (5) Committees to discharge

its responsibilities, namely–

- Audit Committee,
- Nomination & Remuneration Committee,
- Stakeholders' Relationship Committee,
- Corporate Social Responsibility (CSR) Committee and
- Fund Raising Committee (FRC).

The Board is authorized to constitute additional functional committee, depending on business needs. Company Secretary of the Company act as the Secretary to all the Committees of the Board constituted and operated under the Companies Act, 2013 and the Listing Regulations. The Management works under direction of the Board. Overall operations and functioning of the Company are managed by Chairman & Managing Director with five (5) Whole–time Directors and a core group of senior level executives.

d. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year under review and at last Annual General Meeting, the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2017 are given herein below:

Sr. No.	Name of the Director	Designation	Category	Attendance at board meetings during the year 2016-17	Whether attended last AGM held on September 20, 2016	Number of directorship in other Boards/ Committees		
						Number of other Boards in which Director is a Member or Chairman*	Number of other Public Company's Board Committees in which Director is a Member or Chairman**	Shareholding in Fiem Industries Limited (No. of Shares as on 31.03.2017)
1.	Mr. J. K. Jain	Chairman & Managing Director	PED	6/6	Yes	NIL	NIL	2960000
2.	Mrs. Seema Jain	Whole–time Director	PED	6/6	Yes	NIL	NIL	2960000
3.	Mr. J.S.S. Rao	Whole–time Director	NPED	2/6	No	NIL	NIL	12
4.	Mr. K. R. Yadav	Whole–time Director	NPED	6/6	Yes	NIL	NIL	338
5.	Ms. Aanchal Jain	Whole–time Director	PED	6/6	Yes	NIL	NIL	800000
6.	Mr. Rahul Jain	Whole–time Director	PED	6/6	Yes	NIL	NIL	1552340
7.	Mr. Iqbal Singh	Independent Director	ID	6/6	Yes	NIL	NIL	20014
8.	Mr. Charoen Sachamuneewongse^	Independent Director	ID	1/4	No	NIL	NIL	NIL
9.	Mr. Vinod K. Malhotra	Independent Director	ID	6/6	Yes	NIL	NIL	NIL
10.	Mr. Subodh Kumar Jain	Independent Director	ID	6/6	No	NIL	NIL	NIL
11.	Mr. Mohan Bir Sahni	Independent Director	ID	6/6	No	1	NIL	NIL
12.	Mr. Abhishek Jain^	Independent Director	ID	3/3	NA	NIL	NIL	NIL
13.	Mr. Ashok Kumar Sharma#	Independent Director	ID	2/3	Yes	NIL	NIL	NIL
14	Mr. Jawahar Thakur#	Independent Director	ID	2/2	NA	NIL	NIL	NIL

PED (Promoter Executive Director), NPED (Non Promoter Executive Director), ID (Independent Director)

* Excludes directorship held in Private Companies, Section 8 Companies and Foreign Companies.

** As required under Regulation 26(1) of the Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholders' relationship committee in Indian public companies (listed and unlisted).

^ Mr. Abhishek Jain resigned from the directorship of the Company w.e.f. September 8, 2016.

Mr. Ashok Kumar Sharma was appointed on the Board as an Independent Director w.e.f. September 10, 2016.

^ Mr. Charoen Sachamuneewongse resigned from the directorship of the Company w.e.f. October 20, 2016.

Mr. Jawahar Thakur was appointed on the Board as an Independent Director w.e.f. November 12, 2016.

e. None of the Directors on the Board hold directorships in more than ten (10) public companies. Further none of them is a member of more than ten (10) committees or chairman of more than five (5) committees across all the public companies in which he is a Director.

f. Independent Directors are Non–Executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("the Act"). The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

g. The members of the Board have made the required disclosures to the Board regarding their direct or indirect concerns or interests in any contract or transaction with the Company.

h. Six (6) Board Meetings were held during the financial year under review and the gap between two consecutive meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

   April 7, 2016, May 30, 2016, August 13, 2016, September 10, 2016, November 12, 2016, February 13, 2017.

   The necessary quorum was present at all the meetings. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations.

   The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division. The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

   The Company has proper systems to enable the Board to review on a quarterly basis compliance reports of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances.

i. During the financial year under review one separate meeting of Independent Directors was also held on February 13, 2017 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting. The Independent Directors, inter–alia, reviewed the performance of Non–Independent Directors, Chairman of the Company and the Board as a whole.

j. Inter–se relation among Directors: Mr. J.K. Jain, Chairman & Managing Director is husband of Mrs. Seema Jain and father of Mr. Rahul Jain and Ms. Aanchal Jain, Whole–time Directors of the Company. Hence all four are related to each other. Further, these are promoters of the Company and promoters group hold 63.59% shares in the Company. Except these, none of other directors are related to each other.

k. The Company has not issued any convertible instruments.

l. The details of the familiarization programme of the Independent Directors are available on the website of the Company (www.fiemindustries.com). At the time of appointing an Independent Director, a formal letter of appointment is given to him, which inter-alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also briefed about his duties and compliance, disclosure requirement as well as Codes of Conduct he has to observe under Companies Act, 2013, the Listing Regulations and other various statutes. The Chairman & Managing Director also meet one-to-one with the newly appointed Director to familiarize him with the Company's operations. Periodic plant visits also facilitated to give them fist hand experience of manufacturing. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

3. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section

177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board of Directors.

3.1 Brief Description of Terms of Reference

The terms of reference of the Audit Committee includes the matters specified in Section 177 of the Companies Act, 2013, as well as Regulation 18 of the Listing Regulations. Further risk management is also under the scope of the Committee. The brief terms of reference of the Committee are as under:

a) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval,

e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

g) approval or any subsequent modification of transactions of the listed entity with related parties;

h) scrutiny of inter–corporate loans and investments;

i) To discuss guidelines and policies to govern risk assessment and risk management;

j) evaluation of internal financial controls and risk management systems;

k) To discuss the Company's major risk exposures and the steps Company's management has taken to monitor and control such exposures;

l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) discussion with internal auditors of any significant findings and follow up there on;

o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post–audit discussion to ascertain any area of concern;

q) to look into the reasons for substantial defaults in the payment to shareholders (in case of non–payment of declared dividends) and creditors;

r) to review the functioning of the whistle blower mechanism;

s) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

t) Review the management discussion and analysis of financial condition and results of operations;

u) Review the statement of significant related party transactions (as defined by the audit committee), submitted by management;

v) Review the management letters / letters of internal control weaknesses issued by the statutory auditors;

w) Review the internal audit reports relating to internal control weaknesses;

x) Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation 32(7).

3.2 Composition of Committee

The Audit Committee comprises of Three (3) members. All of them are Independent Directors. Mr. S.K. Jain is the Member Chairman and Mr. V.K. Malhotra and Mr. Iqbal Singh are the Members of the Committee.

The Company Secretary acts as the Secretary to the Committee. The Chief Finance Officer is permanent invitee to the Meetings of the Audit Committee. The Internal Auditor, Statutory Auditors and Cost Auditors are also invited to the meetings of the Audit Committee.

3.3 Meetings and Attendance

During the year, the Audit Committee met five (5) times on April 7, 2016; May 30, 2016; August 13, 2016; November 12, 2016; February 13, 2017 and all members of the Committee attended the aforesaid meetings. The maximum gap between any two consecutive meetings was less than one hundred and twenty days.

Due to acute fever, the Chairman of the Audit Committee could not attend the last Annual General Meeting held on September 20, 2016, however he authorized other member of Audit Committee to answer the queries of shareholders at Annual General Meeting.

4. NOMINATION & REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination & Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, besides other terms as referred by the Board of Directors.

4.1 Brief Description of Terms of Reference

a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b) formulation of criteria for evaluation of performance of independent directors and the board of directors;

c) devising a policy on diversity of board of directors;

d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4.2 Composition of Committee

The Nomination & Remuneration Committee comprises of Three (3) members. All of them are Independent Directors. Mr. S.K. Jain is the Member Chairman and Mr. V.K. Malhotra and Mr. Iqbal Singh are the Members of the Committee. The Company Secretary is the Secretary of the Committee.

4.3 Meetings and Attendance

During the year, the Nomination & Remuneration Committee met four (4) time on May 30, 2016, September 10, 2016; November 12, 2016 and February 13, 2017 and all members of the Committee attended the aforesaid meetings.

The necessary quorum was present at all the meetings.

Due to acute fever, the Chairman of the Nomination & Remuneration Committee could not attend the last Annual General Meeting held on September 20, 2016, however he authorized other member of Nomination & Remuneration Committee to answer the queries of shareholders at Annual General Meeting.

4.4 Performance Evaluation Criteria for Independent Directors:

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, Company has laid down criteria for performance evaluation of Directors, Chairman of Board, Board Committees and Board as a whole and also the evaluation of Independent Directors. Company has further aligned its Board Evaluation Framework in line with the Guidance Note on the Board Evaluation issued by SEBI vide circular dated January 05, 2017.

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, involvement and effectiveness in the meetings, articulating on the topics and presenting views. The performance evaluation of Independent Directors was done by the entire Board of Directors in its meeting with the absence of Director at the time when he was subject to evaluation.

Initially, Nomination & Remuneration Committee carry out the primary evaluation of every Director's performance which is subject to next level of evaluation by the Board and Independent Directors. As per Section 178(2) of the Act, the Committee is required to conduct the performance evaluation of every Individual Director. As per Performance Evaluation framework of the Company, the evaluation process consists of evaluation on the basis of filled questionaries' received from all directors and opinions, inputs from Nomination & Remuneration Committee members and any other information as may be required by the Committee.

The outcome of Committee in respect of Independent Directors is subject to final evaluation by the Board. Outcome of Committee in respect of Non-Independent Directors is subject to final evaluation by the Independent Directors. Performance evaluation of Board as a whole as well as Chairman of the Board is also conducted by the Independent Directors.

5. REMUNERATION POLICY

The Remuneration Policy as mandated under Section 178 of the Act has been formulated by the Company and the same has been enclosed with Directors' Report forming part of this

Annual Report.

5.1 There are no pecuniary relationships or transactions between Non–Executive Directors vis–a–vis the Company except payment of sitting fees and travelling expenses incurred for attending the Meetings.

5.2 The Non–Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors or separate meeting of Independent Directors attended by them. No other remuneration is paid to the non-executive directors.

5.3 The Company pays remuneration to Managing Director and to Whole-time Directors by way of salary, benefits, perquisites and allowances. Annual increments are decided by the Nomination & Remuneration Committee for the executive directors and are generally effective from the month of April of each year.

Details of Remuneration to all Directors

(a) Remuneration of Chairman & Managing Director and Whole–time Directors: (₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD						Total Amount
		Mr. J. K. Jain	Mrs. Seema Jain	Mr. J.S.S. Rao	Mr. K. R. Yadav	Ms. Aanchal Jain	Mr. Rahul Jain	
		(CMD)	(WTD)	(WTD)	(WTD)	(WTD)	(WTD)	
1	Gross Salary							
a.	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.00	48.00	96.00	90.00	42.00	48.00	447.00
b.	Value of perquisites u/s 17(2) of Income tax Act, 1961	1.80	0.00	0.00	0.00	0.00	0.00	1.80
c.	Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Others (Company Contribution towards PF, Medical Reimbursement)	0.00	0.00	0.00	1.45	0.00	0.00	1.45
	Total (1+2+3)	**124.80**	**48.00**	**96.00**	**91.45**	**42.00**	**48.00**	**450.25**

(b) Remuneration to other Directors (all Non–executive Directors are Independent Directors): (₹ in lacs)

Particulars of Remuneration Independent Director	Name of Directors								Total Amount
	Mr. Iqbal Singh	Mr. Charoen Sachamunee wongse	Mr. Vinod K. Malhotra	Mr. Subodh Kumar Jain	Mr. Mohan Bir Sahni	Mr. Abhishek Jain	Mr. A.K. Sharma	Mr. Jawahar Thakur	
Independent Directors									
Fee for attending Board/ Committee meetings	4.40	0.50	4.90	4.90	3.50	1.50	1.50	1.50	22.70
Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Particulars of Remuneration Independent Director	Name of Directors								Total Amount
	Mr. Iqbal Singh	Mr. Charoen Sachamunee wongse	Mr. Vinod K. Malhotra	Mr. Subodh Kumar Jain	Mr. Mohan Bir Sahni	Mr. Abhishek Jain	Mr. A.K. Sharma	Mr. Jawahar Thakur	
• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
• Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (1)	**4.40**	**0.50**	**4.90**	**4.90**	**3.50**	**1.50**	**1.50**	**1.50**	**22.70**

Notes:

(a) The Company does not have any Stock Option Scheme or performance–linked incentives for the Directors.

(b) The Nomination & Remuneration Committee considers and recommends the remuneration on appointment/re–appointment of Directors or any change in remuneration during the currency of tenure as per Remuneration Policy of the Company. The appointment and remuneration of all the Whole–time Directors and Managing Director are approved at the Board Meeting subject to approval of Members in the General Meeting and Central Government, wherever required. There are no provisions for notice period, service contract and severance fees for the Directors.

(c) Mr. Kashi Ram Yadav was elevated to the Board w.e.f. October 25, 2008. Prior to that he was working with the Company as regular employee of the Company. The above remuneration of Rs.91.45 lacs for Financial Year 2016-17 includes Rs 13,824 as Bonus and Rs 1,31,040 as employer's contribution towards Provident Fund. Except Mr. Kashi Ram Yadav, none of the other Directors are receiving these benefits.

(d) The above remuneration of Whole-time Directors does not include provisions for leave encashment and gratuity as the same is provided on actuarial basis for the Company as a whole. The amount pertaining to directors is not separately ascertainable and therefore not included above.

(e) The Company did not pay any amount to Directors by way of Commission as a percentage of profits.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer / transmission of shares, issue of duplicate shares, recording dematerialization/ dematerialization of shares and related matters. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

6.1 The Committee comprises of Mr. V. K. Malhotra, Independent Director, as the Member Chairman of the Committee and Mr. Rahul Jain and Mr. Kashi Ram Yadav, Whole–time Directors are the Members of the Committee.

6.2 The Committee met four (4) times during the year on May 30, 2016; August 13, 2016; November 12, 2016 and February 13, 2017.

All Four (4) meetings were attended by all members of the committee.

6.3 Name and designation of Compliance Officer: Mr. Arvind K. Chauhan, Company Secretary.

6.4 With reference to Regulation 46 of the Listing Regulations, Company has designated an exclusive e–mail ID as investor@fiemindustries.com for investors to register their grievances, if any. This has been initiated by the Company to resolve such investors' grievances, immediately. The Company has displayed the said e–mail ID on its website for the use of investors.

6.5 The Status and details of the Shareholder's complaint received during the Financial Year 2016–17 is as follows:

Particulars / Details	Opening Complaints	No. of Complaints received	No. of Complaint resolved	No. of Complaint not solved to the satisfaction of Shareholders	Pending Complaints
Received directly from shareholders	1	52	53	NIL	NIL
Received through BSE	NIL	1	1	NIL	NIL
Received through NSE	NIL	NIL	NIL	NIL	NIL
Received through SEBI	NIL	1	1	NIL	NIL
Total	**1**	**54**	**55**	**NIL**	**NIL**

7. Corporate Social Responsibility (CSR) Committee

7.1 The Committee oversees planning, implementation and operational aspects of Corporate Social Responsibility programs of the Company. This Committee also discharges the role under section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

7.2 The CSR Committee comprises of Mr. Rahul Jain, Whole-time Director as Member Chairman, Mr. Kashi Ram Yadav, Whole-time Director and Mr. V. K. Malhotra, Independent Director as members. The Company Secretary act as the Secretary to the Committee.

7.3 The Committee met once during the year on May 30, 2016. All the members attended the aforesaid meeting.

8. Fund Raising Committee (FRC):

8.1 The Board of Directors in their meeting held on May 30, 2016 decided to raise funds by way of Qualified Institutions Placement (QIP) and in the same meeting also constituted Fund Raising Committee (FRC) for doing and overseeing all work related to fund raising on behalf of the Board. During the month of September, 2016, Company successfully raised Rs. 120 Crore by way of QIP and all approvals etc. were provided by FRC.

8.2 Brief description of terms of reference is as under:

a) powers related to calling the Committee Meetings.

b) seeking the approval from shareholders by Postal Ballots, e-Voting etc. and authorizing one or more officers for all these works.

c) appointment of lead managers, depositories, registrars, bankers, lawyers, advisors and all such professionals / agencies as may be involved or concerned in such offerings of Equity shares and to remunerate them by way of fees etc.

d) to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such equity shares on the Stock Exchange(s),

e) approval of the preliminary and final placement document (including amending, varying or modifying the same),

f) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies),

g) to decide the date of opening of issue, decide the floor price and relevant date,

h) to decide the closure of issue, issue price etc.,

i) to issue the confirmation of allocation note and allotment of shares,

j) to authorize the utilization of proceeds as per objects and investment of proceeds in permitted instruments, pending utilization,

k) to authorize any director(s) or any officer(s) of the Company to sign for and on behalf of the Company any agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) etc.

8.3 The FRC Committee comprises of Mr. J.K. Jain, Chairman & Managing Director as Member Chairman, Mr. Rahul Jain, Whole-time Director and Mr. S.K. Jain, Independent Director as members. The Company Secretary act as the Secretary to the Committee.

8.4 The Committee met five (5) times during the year on July 23, 2016, September 12, 2016, September 15, 2016, September 16, 2016 and September 19, 2016. All the members attended the aforesaid meetings.

8.5 As the mandate of the Committee was accomplished, hence Board of Directors in their meeting held on May 30, 2017 dissolved the Fund Raising Committee.

9. GENERAL BODY MEETINGS

9.1 Details of the last three Annual General Meetings of FIEM are as follows:

Year	Date and Time	Venue	Details of Special resolutions passed
2015-16	September 20, 2016 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	None
2014–15	September 25, 2015 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	Adoption of New set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013.
2013–14	September 29, 2014 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	1. Re–appointment of Mr. Kashi Ram Yadav as Whole–time Director for a period of 3 years w.e.f. 25th October, 2014 at revised remuneration of Rs. 6,00,000/– per month.
			2. Re–appointment of Mr. J.S.S. Rao as Whole–time Director for a period of 3 years w.e.f. 1st December, 2014 at revised remuneration of Rs. 6,00,000/– per month

* No "Extra Ordinary General Meeting" was held during the last three years

9.2 Details of special resolution passed in the previous three Annual General Meetings:

Special resolutions as detailed above were moved and passed at the previous three Annual General Meeting.

9.3 Details of special resolution passed through postal ballot during last year, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year, one special resolution passed through Postal Ballot on September 1, 2016 enabling the issue of equity shares through Qualified Institutions Placement.

Details of voting pattern are as under:

Particulars	Number of Voters and Votes						Percentage
	Postal Ballot		E-Votes		Total		
	No of Voters	No. of votes	No of Voters	No. of votes	No of Voters	No. of votes	
Assent	29	745	41	9058071	70	9058816	99.27%
Dissent	0	0	3	66973	3	66973	0.73%
Invalid	0	0	0	0	0	0	0.00%
Total	**29**	**745**	**44**	**9125044**	**73**	**9125789**	**100.00%**

Mrs. Ranjana Gupta, proprietor of M/s. Ranjana Gupta & Associates, Practicing Company Secretaries, New Delhi was appointed as the Scrutinizer for overseeing the postal ballot voting process.

Company has complied with the procedures for the postal ballot as prescribed under Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations.

9.4 Details of special resolution proposed to be conducted through postal ballot and procedure for postal ballot:

The Company do not propose to pass any resolution through postal ballot at the ensuing Annual General Meeting of the Company. Hence, details for providing procedure for postal ballot not required. As and when company conduct the postal ballot, the Notice of Postal Ballot provides a detailed procedure thereof.

10. Means of communication

The Company provide adequate and timely information to its members inter–alia through the following means:

Quarterly Results are communicated through publishing in newspaper advertisement in prominent national and regional dailies like the Financial Express (English – National) and Jansatta (Hindi – Delhi). The financial results are also hosted on the Company's website (www.fiemindustries.com) in addition to submission to stock exchanges.

During the year, Company has not released any official press release.

Presentations made to the institutional investors and analysts are also hosted on the Company's website (www.fiemindustries.com) in addition to submission to the stock exchanges.

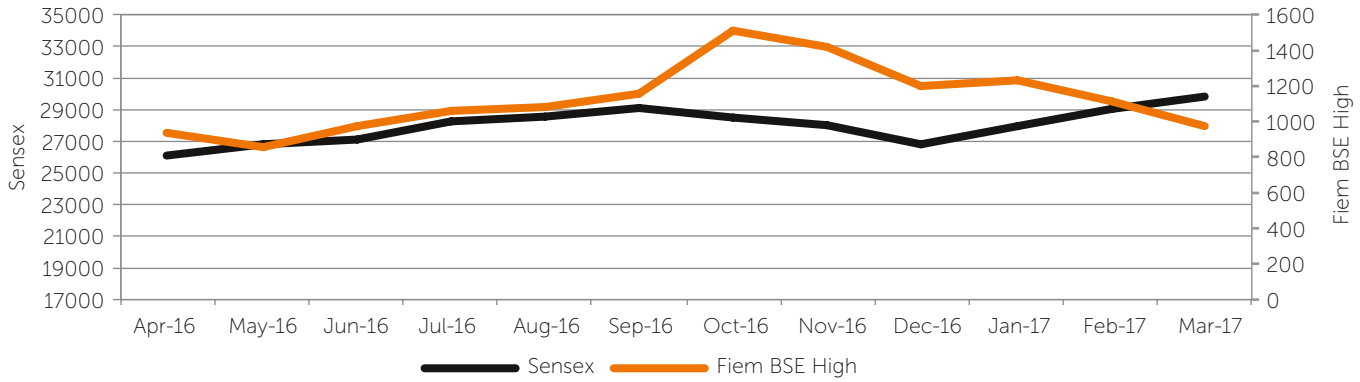
The disclosures and announcements filed by the Company from time to time to stock exchanges are also uploaded on the website of Company.

11. General Shareholder Information

a)	**Annual General Meeting for financial year 2016-17**	Day and Date: Monday, August 21, 2017
		Time: 10.00 AM
		Venue: Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036
b)	**Financial Year**	April to March
c)	**Date of Book Closure**	August 15, 2017 to August 21, 2017 (both days inclusive)
d)	**Dividend Payment Date**	the dividend, if declared, shall be paid/ credited on or before August 30, 2017
e)	**Listing on Stock Exchanges**	B S E Ltd.
		National Stock Exchange of India Ltd.
f)	**Stock Codes**	The Stock Codes are 532768 (BSE) and FIEMIND (NSE)
		Listing Fees as applicable for financial year 2016–17 have been paid.
g)	**Market Price Data**	High, Low (based on daily closing prices) in comparison to Sensex during each month in the financial year 2016-17 on NSE and BSE

Month	NSE		BSE		Sensex
	High Price	Low Price	High Price	Low Price	High
April 2016	934.95	802.20	936.00	799.00	26100.54
May 2016	853.00	733.60	854.00	735.55	26837.20
June 2016	976.00	780.00	974.00	778.00	27105.41
July 2016	1067.65	944.10	1062.00	945.00	28240.20
August 2016	1084.00	972.50	1079.85	972.85	28532.25
September 2016	1155.00	1015.35	1155.15	1011.00	29077.28
October 2016	1510.00	1107.65	1509.95	1106.00	28477.65
November 2016	1393.30	1021.00	1419.00	988.00	28029.80
December 2016	1187.95	1018.10	1200.00	1010.00	26803.76
January 2017	1238.55	1056.75	1229.30	1060.00	27980.39
February 2017	1122.80	933.20	1116.00	934.00	29065.31
March 2017	975.00	840.00	975.00	842.00	29824.62

h) Performance of the share price of the Company in comparison to the BSE Sensex:



i) Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor Naraina Industrial Area, Phase–I, New Delhi–110028
Ph: 011–41410592/93/94 | Fax No: 011–41410591

j) Share Transfer System

Application for Transfer of Shares held in Physical form is received at the office of RTA. All valid transfers are processed within 15 days from the date of lodgment. The Company Secretary, under the authority of the Board approves transfers which are noted at subsequent Stakeholder Relationship Committee / Board Meetings.

k) Distribution of shareholding as on March 31, 2017

Category code	Category of shareholder	Number of share holders	Total number of shares	As a % of Total Capital
(I)	(II)	(III)	(IV)	(V)
(A)	**Shareholding of Promoter Group**	6	8368278	63.5896
(B)	**Public Shareholding**			
(1)	Institutions			
	(a) Mutual Funds	1	536767	4.0788
	(b) Foreign Portfolio Investors	26	1911388	14.5244
	(c) Financial Institutions / Banks	2	2844	0.0216
	Insurance Companies	1	442431	3.3620
(2)	Non–Institutions			
	(a) Individuals	11967	1265294	9.6148
	(b) Any Other (specify)–			
	i. Hindu Undivided Family	384	115549	0.8780
	ii. Foreign Corporate Bodies	1	104051	0.7907
	iii. Non-Resident Indians	399	115785	0.8798
	iv. Clearing Members	283	147867	1.1236
	v. Bodies Corporate	244	148526	1.1286
	vi. Trusts	2	1050	0.0080
	Total Public Shareholding			
	TOTAL (A)+(B)	**13316**	**13159830**	**100.00**

l) Distribution by Size:

Sr. No.	Shareholding Range	No. of share holders	%age of Total Shareholders	Total Shares in the range	%age of Total capital
1	1 to 500	12794	96.0799	781744	5.9404
2	501 to 1000	273	2.0502	213906	1.6254
3	1001 to 2000	118	0.8862	171454	1.3029
4	2001 to 3000	41	0.3079	105171	0.7992
5	3001 to 4000	21	0.1577	75835	0.5763
6	4001 to 5000	14	0.1051	65737	0.4995
7	5001 to 10000	19	0.1427	127744	0.9707
8	10001 and above	36	0.2704	11618239	88.2856
	Total	**13316**	**100.00**	**13159830**	**100.00**

m) Dematerialization of shares and Liquidity status as on March 31, 2017

Sr. No.	Demat / physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	4239611	Free to trade	32.2163
2	CDSL	8815487	Free to trade	66.9879
3	Physical	104732	Free to trade	0.7958
	Total	**13159830**		**100.00**

n) Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/ Warrants or any Convertible Instruments till date.

o) Address for Correspondence:

Registered Office Address:
D-34, DSIDC Packaging Complex, Kirti Nagar,
New Delhi - 110015, India
Tel: +91-11-25927820, 25927919
Fax: +91-11-25927740
Email: investor@fiemindustries.com
Website: www.fiemindustries.com
CIN: L36999DL1989PLC034928

p) Address of Compliance Officer & Corporate Office:

Company Secretary
Plot No. 1915, Rai Industrial Estate, Phase-V,
Distt. Sonepat, Haryana, 131029, India
Tel: +91-130-2367905 to 10
Fax: +91-130-2367903
Email: investor@fiemindustries.com
Website: www.fiemindustries.com

12. OTHER DISCLOSURES:

12.1 **Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:**

There were no material significant related party transactions during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures have been made in notes to financial statements.

12.2 **Details of non–compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There was One (1) matter involving a Show Cause Notice (SCN) No. EAD3/DRK/JP/3226/2014 dated 28.01.2014 which has been finally adjudicated by SEBI vide Order NO. ISD/FIEM/AO/DRK–AKS/EAD3–681–684/06–09–2015 dated 03.02.2015 by imposing penalty of Rs. 1,00,000/– on the each Promoter of the Company (Total 4x1,00,000=4,00,000). A Letter No. CFD/DCR/SKD/256/2014 dated January 3, 2014 was also received from SEBI, which was replied to their satisfaction. The

referred SCN and Letter pertains to one transaction involving promoters inter–se share transfer held on April 30, 2013.

Except above there has been no instance of non–compliance by the Company for any matter related to capital markets during the last three years.

12.3 **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has implemented the Whistle Blower Policy and established the necessary vigil mechanism as defined under Regulation 22 of the Listing Regulations pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (defined in the Policy). This includes the mechanism adopted by the Company to encourage the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguard against victimization and also provides for access to the Chairman of the Audit Committee.

It is affirmed that no person has been denied access to Audit Committee.

The details of Whistle Blower Policy are available on the website of the Company (www.fiemindustries.com).

12.4 **Details of compliance with mandatory requirements and adoption of the non–mandatory requirements.**

The Company has complied with all applicable mandatory requirements prescribed under the Listing Regulations.

12.5 **Web link where policy on for determining 'material' subsidiary & dealing with related party transactions is disclosed:**

The Web link is – http://www.fiemindustries.com/RPT%20Policy%20v2.pdf

12.6 **Disclosure of commodity price risk and commodity hedging activities:**

Major turnover of the company come from Auto components supply to Original Equipment Manufacturers (OEMs) for which company has suitable arrangements for commodity price variations. For other sales, company suitably adjust the prices as per commodity prices movement and most of the payments are advance or spot in case of imported material. Company doesn't have much foreign exchange exposure in comparison to the size of its operations and turnover on account of imports and exports. Company takes external commercial borrowings, which are hedged against risk of foreign exchange rate movement.

13 **The Company has complied with all requirements of corporate governance report of sub–para (2) to (10) of Schedule V read with Regulation 34(3) of the Listing Regulations.**

14 **The Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:**

A. Modified opinion(s) in audit report: Company endeavored to move towards a regime of financial statements with unmodified audit opinion.

B. Reporting of Internal Auditors: The Internal Auditor also reports to the Audit Committee while submitting internal audit report.

15 **Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Regulations 17 to 27 and clause (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations to the extent as applicable.**

16 **The members of the senior management have made disclosure to the Board relating to all material financial and other transactions, if any, stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.**

17 **The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and has not adopted a treatment different from that prescribed in Accounting Standards.**

18. **The Chairman & Managing Director and Chief Financial Officer of the Company have certified about financial statements, internal control and accounting policies etc. for Financial Year 2016-17 to the Board under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.**

19 **The Management Discussion & Analysis Report form part of this Annual Report.**

20 **Code of Conduct**

The Board of Directors has amended the Code of Conduct for the Board of Directors and Senior Management to align with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The

Confirmation from the Chairman & Managing Director regarding compliance with the Code by all the Directors and Senior Management Personnel forms part of this Report. The Code of Conduct is available on the website of the Company (www.fiemindustries.com).

21. **Code of Conduct for Prevention of Insider Trading**
Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, following Codes have been approved and adopted by the Company:

    1. Code of Conduct to Regulate, Monitor and Report Trading by Insiders in compliance with the said Regulations.
    2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with the said Regulations.

22. **Brief profile of the Directors retiring by rotation and eligible for re–appointment is attached to the notice convening Annual General Meeting.**

23. **Disclosure about transfer of unpaid dividend to Investor Education and Protection Fund**

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the year mentioned below will be transferred to IEPF on respective due dates, if the dividend remains unclaimed for seven years. Further the corresponding shares will also be transferred to IEPF, if dividend remains unclaimed for seven consecutive years on those shares.

Year	Type of Dividend	Dividend per share	Date of Declaration	Tentative due date of transfer to IEPF
2009-10	Final	2.50	September 30, 2010	November 29, 2017
2010-11	Final	2.50	September 30, 2011	November 29, 2018
2011-12	Final	3.00	September 29, 2012	November 28, 2019
2012-13	Final	4.00	September 23, 2013	November 22, 2020
2013-14	Final	6.00	September 29, 2014	December 4, 2021
2014-15	Final	7.00	September 25, 2015	November 29, 2022
2015-16	Interim	5.00	March 12, 2016	May 17, 2023
2015-16	Final	3.00	September 20, 2016	November 26, 2023

The Company sends periodic intimation to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF following the procedure prescribed in the Rules. All unclaimed/unpaid Dividend for the Financial Year 2008-09 has been transferred to the IEPF established by the Central Government. No claim lies with the Company for the funds transferred to Investor Education and Protection Fund.

24. **Disclosure under Regulation 39 read with Schedule VI of the Listing Regulations**
As per Regulation 39 read with Schedule VI of the Listing Regulations, the Information and Disclosure for securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and/or are lying in the escrow account, are as under:

It is hereby informed that no Shares of the Company were left unclaimed in Escrow Account, therefore, requirement of opening a Demat Suspense Account, related disclosures, manner of dealing to such shares, as mandated under Schedule VI of the Listing Regulations are not applicable on the Company.

25. **Plant locations**

Unit 1: Kundli, Sonepat, Haryana
Unit 2,3&5: Hosur, Tamil Nadu
Unit 4: Mysuru, Karnataka
Unit 6: Nalagarh, Himachal Pradesh
Unit 7: Rai, Sonepat, Haryana
Unit 8: Tapukara, Rajasthan
Unit 9: Karsan Pura, Ahmedabad, Gujarat

Compliance with Code of Conduct

(pursuant to Regulation 26(3) read with Para D of Schedule V of the Listing Regulations)

I, J.K. Jain, Chairman & Managing Director of the Company hereby certify that as required under Regulation 26(3) read with Schedule V(D) of the Listing Regulations, all the Directors and the Senior Management Personnel of the Company have affirmed compliance of the Code of Conduct of the company for the financial year ended March 31, 2017.

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR)
Date : May 30, 2017

Certification by Managing Director and CFO

FOR FINANCIAL YEAR 2016-17

(pursuant to Regulation 17(8) read with Part B of Schedule II of the Listing Regulations)

To
The Board of Directors
Fiem Industries Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Fiem Industries Limited ("the Company") to the best of our knowledge and belief certify that:

A. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
   i. these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee
   i. significant changes in internal control over financial reporting during the year;
   ii. significant changes in accounting policies during the financial year and that the same have been disclosed in the Notes to the Financial Statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
J.K. Jain
Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonepat (HR)
Date : May 30, 2017

LIGHT UP THE WORLD

Certificate of Compliance of Conditions of Corporate Governance

(pursuant to Regulation 34(3) read with Para E of Schedule V of the Listing Regulations)

To
The Members,
Fiem Industries Limited

I have examined the compliance of conditions of Corporate Governance by Fiem Industries Limited, for the year ended March 31, 2017, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ranjana Gupta & Associates,
Company Secretaries

Sd/-
Ranjana Gupta
Proprietor
FCS No. - 8613
CP No. - 9920

Place: Delhi
Date: May 30, 2017

Independent Auditor's Report

To The Members of
FIEM INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of FIEM INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, Cash Flow Statement of the Company for the year then ended, 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 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 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 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 accounting policies used and the reasonableness of the accounting estimates made by management, 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 at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A", a statement on the matters specified in the paragraph 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 appears from our examination of those books.

   c. the Balance Sheet, the statement of Profit and Loss, and 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.

   e. On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 B" and

   g. With respect to the other matters 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 31(A) to the financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.- Refer Note 54 to the financial Statements

For Anil S. Gupta & Associates
Chartered Accountants
Firm Registration Number 004061N

Sd/-
Anil Kumar Gupta
Proprietor
Membership No.:- 083159

Place: Rai, Sonepat (HR.)
Dated:May 30, 2017

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended on 31.03.17, we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) As explained to us, the company has a planned programme for physically verifying all fixed assets once in three years which in our opinion, is reasonable having regard to the size and nature of assets. During the year, the fixed assets have been physically verified by the management in accordance with the programme and no material discrepancies were identified on such verification.

   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 except for freehold land situated in Ahmedabad, Gujarat, acquired during the previous year for ₹18,23,276, wherein final registration is pending as disclosed in Note11 on fixed assets to the financial statements.

2. The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable and there were no material discrepancies noticed on physical verification of the inventory as compared to the book of accounts.

3. In our opinion and according to information and explanations given to us, during the year the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. However the company had advanced unsecured loan to a wholly owned foreign subsidiary amount to JPY 40,00,000 in earlier years before applicability of Companies Act 2013, Accordingly, paragraph 3(iii) of the order is not applicable to the Company. The outstanding balance as on 31.03.17 for the same is ₹23,18,400.

4. In our Opinion and as per information and explanation given to us , the company has complied the provisions of section 185, section 186 of the companies act 2013.

5. The company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, no detailed examination of the same has been carried out by us.

7. a) According to the records of the company and also the information and explanations given to us, the company is generally regular in depositing with appropriate authorities all undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.

   According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as at the year end for a period of more than six months from the date they became payable.

   b) According to the records of the Company, the dues outstanding of income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise and cess on account of any dispute are as follows

S. No.	Name of Statue	Nature of Due	Period to which it Pertains	Amount Involved	Amount deposited	Net Amount	Forum where dispute is Pending
1	The Central Excise Act, 1944	Custom Duty demand on sale of Moulds	Financial Year 2007-08	57,87,370	14,46,843	43,40,527	CESTAT, Chennai
2	The Central Excise Act, 1944	Excise duty demand on sales tax subsidy received from Rajasthan Sales Tax, Department.	November 2012 to September 2015	36,37,210	1,93,330	34,43,880	Commissioner Appeal, Jaipur
3	The Central Excise Act, 1944	Disallowance of CENVAT Credit of Service Tax prior to registration under Excise and Service tax law in respect of Service Tax Period on Building construction related services and penalty thereon	March 11 to August 2012	87,67,488	3,28,781	84,38,707	Commissioner Appeal, Jaipur
4	Haryana Value Added Tax 2003	Sales tax Assessment Dues	FY 2010-11	23,75,072	3,75,072	20,00,000	Sales tax Tribunal
5	Tamil Nadu VAT Act 2006	Sales tax demand on reversal of input tax credit pertaining to CST Sales	F.Y. 2014-15	1,50,07,022	-	1,50,07,022	High court, Chennai
6	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Assessment Years 2011-12, 2012-13, 2013-14	7,27,53,359	See Note *	7,27,53,359	ITAT, New Delhi
			Total	**10,83,27,521**	**23,44,026**	**10,59,83,495**	

Note:- No demand is outstanding as on the reporting date as the matter has been decided in favour of the company by the CIT(Appeal). However the issue has been challenged in ITAT by the income tax department.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.

9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. Further the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

10. According to the information and explanations given to us, no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and as per our verification of records of the Company, the Company has issued shares to the Qualified Institutional Buyers on a private placement basis on September 20, 2016 and requirement of the section 42 of the Act have been complied with. The Company had raised the funds from the private placement for the purpose of future growth requirements, investments in joint ventures, expanding capacities in the existing plants, for setting-up new facilities and general corporate purposes. As informed to us by the management of the Company, the company has partially utilized the funds for the purpose received and pending utilisation, the balance of ₹83,86,59,712 have been temporarily invested in Mutual Funds and Fixed deposits with Banks.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the company.

For Anil S. Gupta & Associates
Chartered Accountants
Firm Registration Number 004061N

Sd/-
Anil Kumar Gupta
Proprietor
Membership No.:- 083159

Place: Rai, Sonepat (HR.)
Dated:May 30, 2017

LIGHT UP THE WORLD

Annexure-B to the Independent Auditors' Report of even date on the Standalone Financial Statements of Fiem Industries Limited

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 FIEM INDUSTRIES LIMITED ("the Company") as of March 31, 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 (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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 March 31, 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 Anil S. Gupta & Associates
Chartered Accountants
Firm Registration Number 004061N

Sd/-
Anil Kumar Gupta
Proprietor
Membership No.:- 083159

Place: Rai, Sonepat (HR.)
Dated:May 30, 2017

LIGHT UP THE WORLD

Balance Sheet as at 31.03.2017

(Amount in ₹)

	Note No.	AS AT 31.03.2017		AS AT 31.03.2016	
EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
a) Share Capital	2	13,15,98,300		11,96,22,260	
b) Reserves & Surplus	3	4,10,18,47,344		2,61,06,36,936	
			4,23,34,45,644		**2,73,02,59,196**
2 NON CURRENT LIABILITIES					
a) Long term borrowings	4	1,19,47,01,600		90,85,21,700	
b) Deferred Tax Liabilities (net)	39	39,57,56,176		29,65,38,578	
c) Other Long Term Liabilities	5	2,89,45,001		18,31,167	
d) Long Term Provisions	6	2,66,96,703		8,46,34,435	
			1,64,60,99,480		**1,29,15,25,880**
3 CURRENT LIABILITIES					
a) Short term borrowings	7	64,15,16,422		18,29,82,187	
b) Trade Payables	8				
- Micro and Small Enterprises		1,11,85,996		89,70,474	
-Other than Micro and Small enterprises		1,49,29,57,024		1,49,88,15,082	
		1,50,41,43,019		1,50,77,85,556	
c) Other Current Liabilities	9	83,55,83,912		78,97,93,401	
d) Short Term Provisions	10	3,79,00,620		8,23,82,741	
			3,01,91,43,973		**2,56,29,43,886**
TOTAL			**8,89,86,89,097**		**6,58,47,28,962**
ASSETS					
1 NON CURRENT ASSETS					
a) Fixed Assets					
i) Tangible assets	11	4,92,06,23,505		4,15,31,01,811	
ii) Intangible assets	11	68,24,666		44,86,414	
iii) Capital work-in-progress	11	5,62,66,511		11,59,01,422	
iv) Intangible assets under development		-		-	
b) Non-current investments	12	65,64,140		65,64,140	
c) Long term Loans and Advances	13	24,94,10,427		11,62,71,410	
d) Other non current assets	14	12,54,88,259		8,68,73,182	
			5,36,51,77,508		**4,48,31,98,380**
2 CURRENT ASSETS					
a) Current Investments	15	83,32,70,871		-	
b) Inventories	16	1,02,42,48,672		66,12,87,445	
c) Trade receivables	17	1,18,81,65,495		1,18,60,48,227	
d) Cash and Bank Balances	18	22,83,59,262		3,68,04,880	
e) Short term Loans and Advances	19	22,50,49,918		20,77,85,238	
f) Other current assets	20	3,44,17,372		96,04,792	
			3,53,35,11,589		**2,10,15,30,582**
TOTAL			**8,89,86,89,097**		**6,58,47,28,962**
Significant Accounting Policies and Notes to financial Statements.	1 to 58				

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

Statement of Profit and Loss for the year ended 31st March 2017

(Amount in ₹)

	Note No.	Current Year 2016-17		Previous Year 2015-16	
I. INCOME					
Gross Sales	21	11,24,39,81,099		10,82,30,94,518	
Less :- Excise Duty		1,16,71,20,183		1,04,85,15,087	
a) Net Sales			10,07,68,60,916		9,77,45,79,431
b) Operating Income	22		9,75,45,698		9,52,10,307
Revenue from Operations			10,17,44,06,614		9,86,97,89,738
c) Other Income	23		4,70,89,625		96,72,122
TOTAL REVENUE (A)			**10,22,14,96,239**		**9,87,94,61,860**
II. EXPENSES					
a) Cost of Raw Materials and Components Consumed	24		5,75,99,99,847		5,53,35,41,230
b) Purchase of Stock-in-Trade	25		31,14,41,682		25,49,18,007
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	26		(20,43,15,444)		(6,69,05,307)
d) Employees benefits Expenses	27		1,45,59,98,695		1,26,87,23,973
e) Finance Costs	28		23,24,16,622		15,76,83,974
f) Depreciation and amortization Expense	11		39,22,52,432		33,03,49,310
g) Other Expenses	29		1,67,68,42,348		1,60,95,77,952
TOTAL EXPENSES (B)			**9,62,46,36,181**		**9,08,78,89,138**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (A-B)			**59,68,60,057**		**79,15,72,722**
Exceptional Item	30		14,18,86,494		-
PROFIT FOR THE YEAR BEFORE TAX			**45,49,73,564**		**79,15,72,722**
TAX EXPENSES					
Current Tax (Mat Payable)		9,75,90,276		19,93,00,000	
Less : MAT Credit Entitlement		7,07,99,345		-	
a) Current Tax Expense		2,67,90,931		19,93,00,000	
b) Deferred Tax Liability/ (Assets)		9,92,17,598		2,04,26,126	
			12,60,08,529		**21,97,26,126**
PROFIT AFTER TAX FOR THE YEAR			**32,89,65,035**		**57,18,46,596**
Basic and Diluted Weighted Earning per Equity Share (Nominal value ₹10 per share)	44		**26.12**		**47.80**
Significant Accounting Policies and Notes to financial Statements.	1 to 58				

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

Cash Flow Statement for the year 2016-17

(Amount in ₹)

		2016-17		2015-16	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit Before Tax As Per Statement of Profit and Loss		45,49,73,564		79,15,72,722
	Adjustments for				
	Depreciation & Amortization	39,22,52,432		33,03,49,310	
	Loss (Profit) on sale/discarded of Fixed Assets	(1,57,709)		(6,68,159)	
	Adjustment of Income Tax for Earlier Year	2,83,177		5,04,820	
	Unrealised Foreign Exchange (Gain)/Loss	12,21,861		(6,28,319)	
	Provision for Bad & Doubtful Debts	22,97,775		19,68,367	
	Variation in Excise Duty of FG	61,79,904		66,09,221	
	Bad Debt written-off	20,05,906		19,15,318	
	Exceptional Item	14,18,86,494		-	
	Interest/Income on Fixed Deposit & Current Investment	(4,32,52,398)		(73,77,077)	
	Finance Costs	23,24,16,622	73,51,34,064	15,76,83,974	49,03,57,455
	Operating Profit before Working Capital Changes		1,19,01,07,628		1,28,19,30,177
	Adjustment for (Increase)/decrease in Operating Assets				
	Inventories	(36,29,61,227)		(14,74,06,833)	
	Trade and Other Receivables	(14,83,26,655)		(32,30,16,826)	
	Other Current Assets & Loan and Advances	(9,40,10,960)	(60,52,98,842)	(19,43,45,381)	(66,47,69,040)
	Adjustment for Increase/(decrease) in Operating Liabilities				
	Trade Payable & Other Current Liabilities and Provisions	(5,24,21,104)	(5,24,21,104)	79,06,28,482	79,06,28,482
	Cash Generated from Operating Activities		53,23,87,682		1,40,77,89,619
	Income Tax Paid (Including Tax Deducted at Source)	(15,00,88,613)	(15,00,88,613)	(19,25,61,549)	(19,25,61,549)
	Net Cash From Operating Activities		**38,22,99,069**		**1,21,52,28,070**
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Fixed Assets (Including Capital Advances)	(1,15,94,19,102)		(1,09,38,95,758)	
	Sale of Fixed Assets	9,71,161		48,72,921	
	Investment in Subsidiary, Joint Venture etc.	-		(27,86,500)	
	Investment in Mutual Fund (Net of Redemption)	(83,32,70,871)		-	
	Interest Received on Deposits & Current Investment	4,32,52,398		73,77,077	
	Net Cash (Used) in Investing Activities		**(1,94,84,66,414)**		**(1,08,44,32,260)**
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	Issue of Share Capital	1,19,76,040		-	
	Increase in Securities Premium Account (Net of Share Issue Expenses)	1,16,23,04,993		-	
	Dividend Paid	(3,58,86,678)		(14,35,46,712)	
	Corporate Dividend Distribution Tax Paid	(73,05,684)		(2,92,22,695)	
	Finance Costs Paid	(24,85,05,154)		(18,12,95,395)	
	Exchange (Loss)/gain on Repayment of Foreign Currency Loan	-		8,86,616	
	Proceeds from Long-Term Borrowings	72,60,10,000		70,53,27,880	
	Repayment of Long-Term Borrowings	(30,92,41,831)		(31,88,94,143)	
	Increase/(Decrease) in Short-Term Borrowing	45,85,34,235		(16,04,22,566)	
	Net Cash (used)/from Financing Activities		**1,75,78,85,921**		**(12,71,67,015)**

Cash Flow Statement for the year 2016-17

(Amount in ₹)

	2016-17		2015-16	
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**19,17,18,576**		**36,28,795**
Opening Balance of Cash & Cash Equivalents		3,68,04,880		3,31,85,311
Effect of Exchange Rate Change (Loss)		(1,64,194)		(9,226)
Closing Balance of Cash & Cash Equivalents		**22,83,59,262**		**3,68,04,880**
Components of Cash and Bank Balance				
Cash in Hand		38,84,644		36,70,544
Balances with Banks on Current Account		71,83,226		43,01,546
Deposit with Banks having maturity less than three months		20,37,08,329		29,35,805
Remittance Money in transit		1,22,88,042		-
Deposit with original maturity more than 3 month but less than 12 month		9,49,315		2,50,38,390
Unpaid Dividend Accounts		3,45,706		8,58,595
Cash and Bank Balances (Refer Note No.-18)		**22,83,59,262**		**3,68,04,880**
Less:-Deposit with original maturity more than 3 month but less than 12 month		9,49,315		2,50,38,390
Cash and Cash Equivalent in Cash Flow Statement		**22,74,09,947**		**1,17,66,490**

Note:- Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Notes on Financial Statements for the year ended 31st March 2017

1. Significant Accounting Policies Followed by The Company

Company Background

Fiem Industries Limited (referred to as "The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's registered office is at New Delhi and it has several manufacturing plants and depots across the country. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. It has one wholly owned foreign subsidiary-Fiem Industries Japan Co., Limited located in Japan. The Company also has entered into a 50:50 Joint Venture with Horustech Lighting SRL Italy and incorporated a Joint Venture, namely 'Centro Ricerche Fiem Horustech SRL' which has been set-up at Italy as a design centre. The Company has research and development facilities located at Rai, Sonepat, Haryana which has been approved by Department of Science & Industrial Research, Ministry of Science & Technology. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

Significant Accounting Policies

The Accounting Policies have been consistently applied by the Company and are consistent with those applied in previous year. However the changes as required by a change or revision to an existing Accounting Standard are dealt in the appropriate paras in the notes forming part of the financial statements.

A. Basis of Preparation

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013, as applicable, other pronouncements of the Institute of Chartered Accountants of India, and guidelines issued by the Securities and Exchange Board of India. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention except for certain revalued fixed assets which has been stated at revalued amount.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and the reported amount of the income and expenses during the year. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized. Example of such estimates includes provision for doubtful receivables, employee benefits, provision for warranty expenses, provision for income taxes, the useful life of depreciable fixed assets etc. The estimates are based upon management knowledge of current events and economic circumstances.

C. Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or;

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for a least 12 months after the reporting date

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or;

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating Cycle

Based on the nature of products/activities of the Company and the normal time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities

D. Tangible and Intangible Fixed Assets

(i) Tangible fixed assets except for certain fixed assets, which have been stated at revalued amounts are valued at the historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and/or impairment loss, if any . Cost of an item of tangible fixed asset comprises its purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing cost during the period of construction or installation of fixed assets which take substantial period of time to get ready for its intended use up to the date of commencement of commercial production is added to the cost of respective tangible assets. Profit or loss on disposal on tangible assets is recognised in the Statement of Profit & Loss .

(ii) Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(iii) Intangible assets are shown at the consideration paid for acquisition less accumulated amortization.

(iv) Own manufactured tangible assets are capitalized at cost including an appropriate proportion of manufacturing overheads based on normal operating capacities.

(v) Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date.

(vi) Advances given towards acqusition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances

(vii) In respect of accounting periods commencing on or after 7th December, 2006, exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of the long-term foreign currency borrowings attributable to the acquisition of a depreciable fixed assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the fixed asset.

E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of Investment is made only if such a decline is other than temporary in the opinion of management.

Notes on Financial Statements for the year ended 31st March 2017

F. Inventory

(i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, First in First Out method (FIFO) is used.

(ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity. Finished stocks lying in the factory premises, branches, Depots are valued inclusive of excise duty.

(iii) Manufactured and bought out moulds, block & dies for sale are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a First in First Out basis (FIFO).

(iv) Inventories of non-reusable waste say scrap for which facilities for reprocessing do not exist have been valued at net realizable value.

(iv) Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(v) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(vi) Goods in transit are stated as a component of inventories if the significant risk and rewards of ownership have passed to the company and valued at actual cost incurred up to the date of Balance Sheet.

G. Depreciation and Amortisation

(i) Depreciation on tangible fixed assets acquired on or after April 1, 2014 is charged to the Statement of Profit & Loss as per 'Straight Line Method' in accordance with the useful life specified in Part "C" of Schedule II of the Companies Act 2013.

(ii) Depreciation on tangible fixed assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is charged to the Statement of Profit & Loss over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013.

(iii) Leasehold land is amortised over the primary period of lease

(iv) Depreciation on assets purchased during the year has been charged from the date of purchase.

(v) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates up to the date of sale, discarded or demolished.

(vi) Intangible assets are amortised over their estimated useful life as follows.

(a) Computer software is amortised over a period of 3 years

(b) Trademark & Technical knowhow over a period of 5 years.

(vii) Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

(viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss as specified in Schedule II of the Companies Act 2013.

H. Revenue Recognition

(i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the company, which can be reliably measured.

(ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns and discounts. Sales is shown net of excise duty. The excise duty on sales is disclosed separately. The excise duty related to difference between the closing stock and opening stock of finished goods is recognized seperetarly as part of 'variation in excise duty on finished goods' under the head "Other Expenses".

(iii) Service income is recognised (net of service tax, as applicable) as per the terms of contracts/arrangements when related services are performed.

(iv) Inter-unit/warehouse transfer has not been considered as part of "Turnover".

(v) Insurance claims lodged with insurance companies are accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(vi) Dividend income is recognized when the right to receive the dividend is established at the Balance Sheet date.

(vii) Interest income is accounted on the time proportion basis.

I. **Government Grants, Subsidies and Export Incentives**

(i) Government grants and subsidies are recognised in the statement of profit and loss in accordance with related schemes and when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

(ii) Duty drawback is recognised in the statement of profit and loss at the time of exports subject to the right to entitlement has been established.

J. **Foreign Currency Transactions**

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of Foreign Currency Monetary Items at the Balance Sheet date

(i) Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

(ii) Foreign currency non monetary items are carried at cost.

Treatment of Exchange Differences

(i) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

(ii) The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such items do not relate to acquisition of depreciable fixed assets, the difference is accumulated as "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term foreign currency monetary items but not beyond 31st March, 2020."

K. **Research and Development**

Research expenses are charged to Statement of Profit & Loss as and when incurred. Development expenses are capitalized when the Company is certain to recover the development cost from future economic benefits in accordance with AS-26. Fixed Assets utilized for research and development are capitalized and amortised in accordance with the policies stated for tangible and intangible fixed assets.

Notes on Financial Statements for the year ended 31st March 2017

L. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post Employment Benefits:

(i) Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Leave encashment is applicable to all permanent and full time employees of the company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method.

(iii) Gratuity is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The Liability as at the year-end represents the difference between the actuarial valuation of the future gratuity liability of the continuing employees and the fair value of plan assets with Exide Life Insurance Company as at the end of the year.

(iv) Actuarial gains/losses are immediately taken to the statement of profit and loss.

M. Pre-operative Expenditure Pending Allocation

Expenditure during the construction period of new units/substantial expansion has been debited to fixed assets (expenditure during the construction pending allocation has been debited to capital work in progress account) which are specifically attributable to construction of project or to the acquisition of a fixed assets or bringing it to its working condition and other expenditure during the construction period which are not specifically attributable to construction of projects or to the acquisition of a fixed assets or bringing to its working condition are recognized as an expenses when it is incurred.

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the Notes on financial statement. A contingent assets is neither recognised nor disclosed in the financial statements.

O. Provision for Taxation

(i) Provision for Current Tax is made for the current accounting period on the basis of the taxable profits computed accordance with the Income Tax Act, 1961.

(ii) Minimum Alternate Tax (MAT) is paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability. It is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the assets can be measured reliably. The said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the

effect that Company will pay normal Income Tax during the specified period.

(iii) Deferred Tax charge or credit are recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognized subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates as per tax Laws that have been enacted or substantially enacted as on the Balance Sheet date.

(iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.

(v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

(i) Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. The Company is applying Para 46-A of AS-11, and also following the clarification issued by the Ministry of Corporate Affairs, Government of India through circular no. 25/2012 dated 09.08.12. Pursuant to this, exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, insofar as they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of asset and are depreciated over the balance life of the asset. In other cases it is accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the such long term asset/liability but not beyond 31st March 2020.

(ii) Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

(iii) Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

(iv) Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Q. Excise Duty

The Excise duty has been accounted on finished goods on the basis of both payments made in respect of goods cleared as also goods lying in warehouse/factory. The company makes provision for liability of unpaid excise duty on finished stock lying in factory or warehouse. The estimate of such liability has been made at the rates in force on the balance sheet date. On stock meant for exports, no excise duty provision has been made since excise duty is not leviable on goods meant for exports.

R. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing Value in use, the estimated future cash flows is discounted to their present value based on an appropriate discount factor.

Notes on Financial Statements for the year ended 31st March 2017

S. **Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash in hand, bank balances and demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

T. **Cash Flow Statement**

Cash flow statement are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

U. **Derivatives Instruments and Hedge Accounting**

The Company enters into derivatives contracts in the nature of foreign currency swaps, currency options, forward contracts etc. to hedge its exposure to movements in foreign exchange rates. The use of these contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculative purposes.

With effect from 01.04.2016, the company has adopted the recommendations as laid down in the Guidance Note on ' Accounting for Derivative Contracts' wherein all derivative contracts are recognized & measured at fair value. The Company uses cross currency interest rates swap derivative to hedge its interest rate liability. Therefore, as per Guidance Note foreign currency loans are fair valued as on balance sheet date and corresponding derivative liability/assets is recognized separately.

V. **Segment Reporting**

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and service provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segment is based on the areas in which major operating division of the Company operates.

Unallocated Cost

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for prepairing and presenting the financial statements of the Company as a whole.

W. **Operating Lease**

Leases other than finance lease, are operating leases, and the such assets are not recognized on the Company's balance sheet. Payments under operating leases are recognized in statement of operations on a straight-line-basis over the term of the lease.

X. **Share Issue Expenses**

Share issue expenses have been debited to Securities Premium Account as per the provision of section 52 (2) of Companies Act, 2013

Y. **Earnings Per Share**

The Basic and Diulated Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split, if any.

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity shares of ₹10 each	30,00,00,000	30,00,00,000
Issued, Subscribed and Paid-up		
1,31,59,830 (Prv. Year 1,19,62,226) Equity Shares		
of ₹10/- each fully paid up	13,15,98,300	11,96,22,260
TOTAL	**13,15,98,300**	**11,96,22,260**

a) **Terms/rights attached to equity shares**

The company has only one class of shares referred to as equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders.

b) **The Details of shareholder holding more than 5% shares in the company (Equity share of ₹10 each fully paid up)**

Name of the Shareholder	AS AT 31.03.2017		AS AT 31.03.2016	
	No of shares	% held	No of shares	% held
1) J.K. Jain	29,60,000	22.49%	29,60,000	24.74%
2) Seema Jain	29,60,000	22.49%	29,60,000	24.74%
3) Rahul Jain	15,52,340	11.80%	15,52,340	12.98%
4) Aanchal Jain	8,00,000	6.08%	8,00,000	6.69%

c) **Reconciliation of Number of Shares**

Equity shares	AS AT 31.03.2017		AS AT 31.03.2016	
	No of shares	Amount	No of shares	Amount
Opening Balance	1,19,62,226	11,96,22,260	1,19,62,226	11,96,22,260
Issued During the Year *	11,97,604	1,19,76,040	-	-
Closing balance	1,31,59,830	13,15,98,300	1,19,62,226	11,96,22,260

*The Company has issued and allotted 11,97,604 equity shares on private placement basis to Qualified Institutional Buyers on September 20,2016

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
3 RESERVES & SURPLUS				
CAPITAL RESERVE				
a) Land Revaluation Reserve	11,74,77,278		11,74,77,278	
b) Building Revaluation Reserve	2,07,73,148		2,07,73,148	
Total (a+b)		13,82,50,426		13,82,50,426
SECURITIES PREMIUM RESERVE				
As Per Last Balance Sheet	50,99,72,343		50,99,72,343	
Add:- Addition during the Year- Premium of ₹992 on issue of 11,97,604 equity shares	1,18,80,23,168		-	
Less :- Expenses incurred on issue of share	(2,57,18,175)		-	
Closing balance		1,67,22,77,336		50,99,72,343
GENERAL RESERVE				
As Per Last Balance Sheet	24,10,00,000		18,35,00,000	
Add :- Transferred from Surplus in the statement of Profit and Loss	3,50,00,000		5,75,00,000	
Closing balance		27,60,00,000		24,10,00,000
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT				
As Per Last Balance Sheet	1,06,496		(1,44,880)	
Add :- Addition/deduction during the year	(59,624)		2,51,376	
Closing balance		46,872		1,06,496
SURPLUS -OPENING BALANCE	1,72,13,07,676		1,32,21,40,665	
Add:- Net profit after tax transferred from Statement of Profit and Loss	32,89,65,035		57,18,46,596	
Amount Available for Appropriation	2,05,02,72,710		1,89,39,87,261	
Less :- Appropriations				
i) Interim Dividend paid	-		5,98,11,130	
ii) Corporate Dividend Tax Paid on Interim Dividend	-		1,21,76,098	
iii) Proposed Final Dividend	-		3,58,86,678	
iv) Corporate Dividend Tax on Final Dividend	-		73,05,684	
v) Transfer to General Reserve	3,50,00,000		5,75,00,000	
	3,50,00,000		17,26,79,590	
SURPLUS -CLOSING BALANCE		2,01,52,72,710		1,72,13,07,671
TOTAL		**4,10,18,47,344**		**2,61,06,36,936**

(Amount in ₹)

Particulars	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2017	AS AT 31.03.2016
4 LONG TERM BORROWINGS				
(A) SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	14,62,50,000	26,20,50,000	11,58,00,000	14,55,32,715
b) Foreign Currency Loan	1,03,29,99,105	61,41,87,500	28,17,55,189	14,36,81,250
	1,17,92,49,105	**87,62,37,500**	**39,75,55,189**	**28,92,13,965**
2) VEHICLE LOANS				
a) from Banks	61,23,667	1,51,99,464	1,07,94,857	1,25,56,467
b) from Others	93,28,828	1,70,84,736	77,55,908	70,15,460
	1,54,52,495	**3,22,84,200**	**1,85,50,765**	**1,95,71,927**
TOTAL	**1,19,47,01,600**	**90,85,21,700**	**41,61,05,953**	**30,87,85,891**

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

a) From Citibank :- Loan outstanding as at 31.03.17 ₹NIL (Previous year ₹97,32,715) had tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest was payable on monthly basis . The loan carried fixed interest rate of 12% p.a. and was secured against exclusive charge on all movable assets procured out of the term loan. This loan has been fully repaid during the year

b) From State bank of Patiala :- Loan outstanding as on 31.03.17 NIL (Previous Year ₹4,00,00,000/-). The loan was for 7 years with 24 quarterly repayment beginning from the end of 15 months from the drawdown. Interest was monthly payable. The interest rate was 10.30% p.a. The Loan was Secured against First Pari Passu charge alongwith Axis Bank and HSBC over movable and Immovable fixed assets of Rai Unit (Present and future) including equitable mortgage of Factory Land and Building at Rai, Sonepat and First charge on movable fixed assets of Hosur unit- III (tamilnadu) and First Charge on movable fixed assets of Mysore unit -IV Karnataka and First charge on entire fixed assets of Unit- VI Nalagarh Unit. This loan has been fully repaid during the year

c) From Axis Bank :- Loan outstanding as on 31.03.17 ₹5,08,00,000/- (Previous year ₹10,16,00,000) :- The loan is for 7 years and has quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The current interest rate is 10.10% p.a. The Loan is secured against First Pari Passu charge with State Bank of Patiala and HSBC bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit and secured against First Pari Passu Charge on movable fixed assets of kundli unit and Unit -2 at Hosur with Citibank FCNR-II term loan.

d) HSBC Bank:- Loan -1 Outstanding as on 31.03.17 ₹3,12,50,000/- (Previous Year ₹5,62,50,000) The Loan is for 5 year and has quarterly equal repayment beginning after moratorium period of 1 year. Interest is monthly payable. The loan carries fixed interest rate of 10% p.a. The Loan is Secured against First Pari Passu charge with Axis Bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit.

e) HSBC Bank:- Loan -2 Outstanding as on 31.03.17 ₹18,00,00,000/- (Previous Year ₹20,00,00,000) The Loan is for 6 year and has 20 quarterly equal repayment beginning after moratorium period of 15 months . Interest is monthly payable. The loan carries fixed interest rate of 9.50% p.a. The Loan is Secured against First Pari-Passu charge with HSBC -Mauritius and with CITIBANK FCNR TERM LOAN -3 by way of equitable mortgage on land and building and hypothecation of Plant and machinery at project in Gujarat(Survey no 151-153, village karsanpur, Taluka mandal, Distt Ahmedabad) and secured against first pari passu charge by way of equitable mortgage on Land and Building and hypothecation of Plant and Machinery at Tapukara Rajasthan along with ,HSBC Mauritius, CITIBANK FCNR TERM LOAN -3 and STANDARD CHARTERD BANK ECB-3 LOAN.

Notes on Financial Statements for the year ended 31st March 2017

4 LONG TERM BORROWINGS (contd.)

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) From Citibank :- FCNR Term Loan -1 outstanding as on 31.03.17 -₹3,04,69,267 (Previous Year ₹5,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, tamilnadu.

b) From Citibank :- FCNR Term Loan -2 outstanding as on 31.03.17- ₹14,42,60,639 (Previous Year ₹18,75,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 12 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.25% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and is secured against First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with working capital Lenders viz. Citibank, Standard Chartered Bank, HDFC bank and Indusind Bank Guarantee limit and term lender Axis Bank. The Loan is also secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, tamilnadu.

c) From Citibank :- FCNR Term Loan -3 outstanding as on 31.03.17- ₹33,76,46,713 (Previous Year- ₹NIL) has tenor of 6 years with 20 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 9% p.a. The Loan is secured against First pari-passu charge on the fixed assets of the company including land and building and plant and machinery at Rajasthan unit with other lender viz. HSBC India, HSBC Mauritius and SCB 5.50 Million USD ECB LOAN and is secured against first pari-passu charge on all the fixed assets including land and building and plant and machinery of Gujarat unit shared with other lenders viz. HSBC India, HSBC Mauritius .

d) From Standard Chartered Bank ECB -2 :- Loan outstanding as on 31.03.17 - NIL (Previous year ₹2,76,18,750). The loan was for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest was quarterly payable. The loan carried fully hedged interest cost of 8.50% p.a. The Loan was secured against Equitable mortgage on land and building and Pant and machinery at Tapukara, Rajasthan Unit with HSBC India and HSBC Mauritius. This loan has been fully repaid during the year

e) From Standard Chartered Bank ECB -3 for 5.50 Million USD :- Loan outstanding as on 31.03.17 - ₹35,66,12,300 (Previous year ₹NIL). The loan is for 6 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest is quarterly payable. The loan carries fully hedged interest cost of 8.90% p.a. The Loan is secured on first pari passu charge basis with HSBC INDIA, HSBC Mauritius and CITIBNK FCNR TERM LOAN-3 on all assets of Tapukara plant (Present and future)

f) From HSBC Mauritius ECB :- Loan outstanding as on 31.03.17- ₹44,57,65,375 (Previous year ₹49,27,50,000). The loan is for 6 years with 20 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest is quarterly payable. The loan carries fully hedged interest cost of 8.99% p.a. The Loan is secured against Equitable Mortgage with CITIBANK FCNR TERM LOAN-3 (1st Pari Passu with HSBC, India) on Land and Building and Hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) located at Ahmedabad, Gujarat and secured against equitable mortgage on Land and Building with (1st pari- Passu with HSBC, India) and hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) along with CITIBANK FCNR TERM LOAN -3 AND STANDARD CHARTERED BANK ECB-3 at Tapukara Rajasthan.

VEHICLE LOANS FROM BANKS AND OTHERS

Vehicle loan from banks and others outstanding as on 31.03.17 are ₹3,40,03,260 (Previous year ₹5,18,56,127) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 9.50% to 11.00%.

	1-2 years	2-3 years	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	34,76,29,613	31,80,94,512	27,61,09,703	25,28,67,772

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
5 OTHER LONG TERM LIABILITIES				
1) Retention Money		31,55,856		18,31,167
2) Derivative Liability -Long term		2,57,89,145		-
		2,89,45,001		**18,31,167**
6 LONG TERM PROVISIONS				
Provision for Retirement Benefits				
a) Leave Encashment	2,66,96,703		2,31,15,805	
b) Gratuity	-		10,95,581	
		2,66,96,703		2,42,11,386
Provision for Warranties (Note -10)		-		6,04,23,049
TOTAL		**2,66,96,703**		**8,46,34,435**
7 SHORT TERM BORROWINGS				
Cash Credit/Working Capital Loans repayable on demand from Banks				
Indian Rupee Loan		64,15,16,422		18,29,82,187
TOTAL		**64,15,16,422**		**18,29,82,187**

Indian Rupee Loan includes

a) From Citibank NA :- Loan outstanding as at 31st March 2017 ₹22,20,20,679 (Previous Year ₹1,04,42,870) Interest is payable with monthly rest on the last date of each month in each year or at such other rest as determined by the bank. The rate of interest is based on relevant circumstances, including market conditions which currently is 9.5% p.a. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan , Indusind Bank Bank Guarantee Limit and secured against First Pari Passu charge on all the fixed assets of the company (excluding assets specifically purchased out of the term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Standard Chartered Bank, HDFC Bank, Indusind Bank and Citibank FCNR-2 Loan.

b) From Standard Chartered Bank :- Loan outstanding as at 31st March 2017 is ₹27,17,79,954 (Previous year ₹7,28,01,367/-) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 9.50% p.a. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan , Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank , HDFC Bank, Indusind Bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank , HDFC Bank, Indusind bank and Citibank FCNR-2 Loan.

c) From HDFC BANK :- Loan outstanding as at 31st March 2017 is ₹14,77,15,789 (Previous year ₹9,97,37,950/-) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 9.00% p.a. The loan is secured against First Pari Passu charge on all present and future receivables, stocks/Inventories with

Notes on Financial Statements for the year ended 31st March 2017

7 SHORT TERM BORROWINGS

Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on all fixed assets of the company (excluding assets specifically purchased out of term loan from term loan lenders) with Citibank, Standard Chartered Bank, Indusind Bank including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank, Standard Chartered Bank, Indusind Bank and Citibank FCNR-2 Loan.

d) Indusind Bank Bank Guarantee Limit:- The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, HDFC bank Cash Credit Loan Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, Standard Chartered Bank, HDFC bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank, Standard Chartered Bank, HDFC bank and Citibank FCNR-2 Loan. Bank Guarantee charges is 0.60% p.a. plus applicable service tax.

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
8 TRADE PAYABLES				
- Micro and Small enterprises	1,11,85,996		89,70,474	
- Other than Micro and Small enterprises	1,49,29,57,024		1,49,88,15,082	
		1,50,41,43,019		1,50,77,85,556
TOTAL		**1,50,41,43,019**		**1,50,77,85,556**

Considering the company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on basis of intimations received, from the vendors who have communicated their status with regards to vendors registration under the said Act on requests made by the company,

	9 OTHER CURRENT LIABILITIES				
a)	Current Maturity of Long- term debt (See Note 4)	41,61,05,953		30,87,85,891	
	Less Derivative liability Short Term	(25,20,939)		-	
			41,35,85,015		30,87,85,891
b)	Interest accrued but not due on borrowings		56,97,824		60,51,267
c)	Interest accrued and due on borrowings		22,98,571		42,55,116
d)	Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		3,45,706		8,58,595
e)	Advances from Customers		10,08,90,289		12,06,48,538
f)	Security Deposits Received		2,16,24,813		1,94,47,266
g)	Creditors for Capital Expenditure		10,70,91,552		16,84,35,781
h)	Liabilities for Expenses		11,50,59,991		10,17,20,332
i)	Statutory Dues payable		6,89,90,152		5,95,90,615
TOTAL			**83,55,83,912**		**78,97,93,401**

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
10 SHORT TERM PROVISIONS				
1) Provision for Retirement Benefits				
a) Leave Encashment	73,00,287		63,95,471	
b) For Gratuity	58,50,861		49,37,883	
		1,31,51,148		1,13,33,354
2) Other Provisions				
a) Provision for Taxation				
I. Income tax (net of advance tax)	-		96,71,513	
II. Corporate Dividend Tax	-		73,05,684	
		-		1,69,77,197
b) Proposed Final Dividend		-		3,58,86,678
c) Provision for Warranties		45,51,950		41,67,894
d) Excise Duty		2,01,97,522		1,40,17,618
TOTAL		**3,79,00,620**		**8,23,82,741**

Provision for Warranties

The company gives warranties on certain products and services, undertaking to repair and replace the items that fails to perform satisfactorily during the warranty period. Provision made as at 31.03.17 represents the amount of the expected cost of meeting such obligation of rectification or replacement. The timing of the outflow is expected to be within warranty period.

(Amount in ₹)

Particulars	31.03.2017		31.03.2016	
Opening Balance		6,45,90,943		49,25,568
Addition		45,51,950		6,45,90,943
Utilization		1,16,96,788		23,50,502
Reversal		5,28,94,155		25,75,066
Closing Balance		45,51,950		6,45,90,943
Current Portion		45,51,950		41,67,894
Non Current Portion		-		6,04,23,049

Notes on Financial Statements for the year ended 31st March 2017

11. FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
Nature of Assets	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the Year	Deductions	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
1. Tangible Assets										
Land Free hold	31,59,05,048	12,84,23,000	-	44,43,28,048	-	-		-	44,43,28,048	31,59,05,048
Land Lease hold	18,43,43,264	-		18,43,43,264	1,36,34,312	25,01,704		1,61,36,016	16,82,07,248	17,07,08,952
Buildings	1,36,46,38,899	37,56,57,807		1,74,02,96,706	20,42,43,217	4,60,98,464		25,03,41,682	1,48,99,55,025	1,16,03,95,682
Plant & Equipment	2,84,61,53,503	50,07,16,804	5,23,687	3,34,63,46,619	90,74,20,969	20,76,39,598	-	1,11,50,60,566	2,23,12,86,053	1,93,87,32,534
Furniture & Fixtures	15,35,40,626	3,83,19,669		19,18,60,295	5,45,29,372	1,58,71,275		7,04,00,648	12,14,59,647	9,90,11,254
Vehicles	17,62,81,165	49,44,286	25,33,699	17,86,91,752	6,68,81,911	1,94,24,952	22,90,380	8,40,16,483	9,46,75,270	10,93,99,254
Office Equipment	4,40,94,734	79,28,819		5,20,23,553	2,82,87,065	49,93,235		3,32,80,300	1,87,43,253	1,58,07,669
Mould, Block & Dies	53,75,84,333	6,49,73,564		60,25,57,897	32,68,36,805	6,21,14,551		38,89,51,356	21,36,06,542	21,07,47,528
Tools & Equipments	7,94,72,992	1,33,10,738		9,27,83,730	4,74,81,585	87,10,602		5,61,92,186	3,65,91,544	3,19,91,407
Electrical Installations	16,18,05,295	1,67,63,177		17,85,68,472	7,13,38,643	1,52,31,576		8,65,70,219	9,19,98,252	9,04,66,652
Computers	4,92,75,010	51,78,447	81,113	5,43,72,343	3,93,39,180	52,95,207	34,667	4,45,99,720	97,72,624	99,35,831
Total	**5,91,30,94,870**	**1,15,62,16,310**	**31,38,499**	**7,06,61,72,680**	**1,75,99,93,059**	**38,78,81,163**	**23,25,047**	**2,14,55,49,174**	**4,92,06,23,505**	**4,15,31,01,811**
Previous Year	4,77,73,19,032	1,14,80,69,757	1,22,93,919	5,91,30,94,870	1,44,04,23,486	32,76,58,730	80,89,157	1,75,99,93,059	4,15,31,01,811	
2. Intangible Assets										
Computer Software	1,80,04,206	67,09,518	-	2,47,13,724	1,47,75,377	37,42,474	-	1,85,17,851	61,95,873	32,28,829
Technical Know-how	31,11,557	-	-	31,11,557	18,66,933	6,22,311		24,89,244	6,22,313	12,44,624
Trademarks	32,400	-	-	32,400	19,440	6,480		25,920	6,480	12,960
Total	**2,11,48,163**	**67,09,518**	**-**	**2,78,57,681**	**1,66,61,750**	**43,71,265**	**-**	**2,10,33,015**	**68,24,666**	**44,86,414**
Previous Year	1,87,30,674	24,17,489	-	2,11,48,163	1,39,71,170	26,90,580	-	1,66,61,750	44,86,414	-
3. Capital Work-in-Progress									5,62,66,511	11,59,01,422
Grand Total (1+2)	**5,93,42,43,032**	**1,16,29,25,827**	**31,38,499**	**7,09,40,30,361**	**1,77,66,54,809**	**39,22,52,432**	**23,25,047**	**2,16,65,82,189**	**4,92,74,48,171**	**4,15,75,88,225**
Previous Year	4,79,60,49,705	1,15,04,87,246	1,22,93,919	5,93,42,43,032	1,45,43,94,657	33,03,49,310	80,89,157	1,77,66,54,809	4,15,75,88,225	-

NOTES:

1. Gross Block of Land free hold includes ₹11,74,77,278 and gross block of Buildings includes ₹2,97,01,382 on account of revaluation carried out in the past years based on reports issued by Government approved valuers.
2. Gross block to land free hold includes an amount of ₹18,23,276 for purchase of factory land, the registration of which is still pending in the name of Company
3. Additions of fixed assets includes ₹nil (Previous Year-₹21,97,292) on account of Foreign Exchange Adjustment on ECB Loan as per option exercised under para 46-A of AS-11.
4. Capital Work in progress includes:

(Amount in ₹)

Nature of Assets	Current Year	Previous Year
i. Civil-work in progress	5,01,45,154	6,44,54,697
ii. Fixed assets under installation	-	5,14,46,725
iii. Fixed assets in transit	61,21,358	-
Total	**5,62,66,511**	**11,59,01,422**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
12 NON-CURRENT INVESTMENTS				
A) TRADE INVESMENTS (At cost)in Equity (unquoted)				
1 in Subsidiaries				
Equity Shares in wholly owned foreign Subsidiary company				
FIEM INDUSTRIES JAPAN CO., LTD.				
100 (Previous Year- 100) fully Paid Equity shares of 50,000 JPY each		29,48,540		29,48,540
2 in Joint Venture (JV)				
Centro Ricerche FIEM HorustecH S.r.l. a Limited Responsibility Company incorporated in Italy on 50:50 basis with Horustech Lighting S.r.l. Italy. Amount invested 40,000 Euros. (Previous Year 40,000 Euros)		33,15,600		33,15,600
3 in Others				
a) M/s Shivalik Solid Waste Management Ltd.				
20,000 (P. Y. 20,000) equity shares of ₹10 each fully paid up	2,00,000		2,00,000	
b) Elcina Electronic Manufacturing (p) Ltd.				
10,000 (P. Y. 10,000) equity shares of ₹10 each fully paid up	1,00,000		1,00,000	
		3,00,000		3,00,000
TOTAL		**65,64,140**		**65,64,140**

13 LONG TERM LOANS AND ADVANCES (unsecured but considered good)				
a) Capital Advances		6,15,11,117		5,29,48,619
b) Loan to Subsidiary Company		23,18,400		23,62,400
c) MAT credit entitlement		7,07,99,345		-
d) Advance tax (Net of Provision for Tax)		4,25,43,652		-
e) Security Deposits		6,72,19,759		5,42,82,218
f) Prepaid Expenses		20,68,853		29,08,904
g) Loan to Employees		29,49,301		37,69,269
TOTAL		**24,94,10,427**		**11,62,71,410**

14 OTHER NON CURRENT ASSETS				
a) Margin Money deposit with original maturity for more than 12 months		1,98,38,045		45,730
b) Retention money with Customers (Unsecured but considered good)		10,56,50,214		8,68,27,452
TOTAL		**12,54,88,259**		**8,68,73,182**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars		AS AT 31.03.2017		AS AT 31.03.2016	
15	CURRENT INVESTMENTS (Valued at lower of cost and fair value)				
	INVESTMENT IN LIQUID MUTUAL FUNDS (QUOTED)				
1	HDFC BANKING AND PSU DEBT FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(1,18,15,675.463 units previous year Nil of face Value of ₹10 each)				
2	KOTAK INCOME OPPORTUNITIES-REGULAR PLAN (GROWTH)		25,00,00,000		-
	(1,44,58,875.76 units previous year Nil of face Value of ₹10 each)				
3	RELIANCE SHORT TERM FUND (GROWTH)		13,06,59,712		-
	(43,93,001.50 units previous year Nil of face Value of ₹10 each)				
4	SBI SAVING FUND -REGULAR PLAN (GROWTH)		26,11,159		-
	(1,06,808.52 units previous year Nil of face Value of ₹10 each)				
5	SBI SHORT TERM DEBT FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(82,54,457.41 units previous year Nil of face Value of ₹10 each)				
6	SBI DYNAMIC BOND FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(73,42,994.97 units previous year Nil of face Value of ₹10 each)				
	TOTAL		**83,32,70,871**		**-**
	Aggregate amount of Quoted investments		83,32,70,871		-
	Market Value of quoted investments		86,09,47,113		-
	Aggregate amount of Unquoted investments		-		-

16	INVENTORIES (As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value)				
a)	Raw Materials and Components	51,42,90,438		35,40,33,793	
b)	Raw Materials and Components in transit	1,23,20,250		1,62,95,790	
c)	Work in Progress	29,02,69,330		8,21,20,326	
d)	Finished Goods	18,04,80,330		15,37,78,471	
e)	Stock in trade (Mould, Tools and Dies)	-		2,93,34,465	
f)	Stock in trade (Others)	22,09,907		34,10,861	
g)	Stores and Spares (including Packing Material)	2,41,32,582		2,18,93,136	
h)	Stores and Spares (including Packing Material) in transit	5,45,836		4,20,603	
			1,02,42,48,672		66,12,87,445
TOTAL			**1,02,42,48,672**		**66,12,87,445**

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
17 TRADE RECEIVABLES (unsecured but considered good)				
Debt Outstanding for a period exceeding Six Months				
a) Considered Good	4,48,17,046		1,23,63,198	
b) Considered Doubtful	64,24,811		41,27,036	
Other Debts :- Considered Good	1,14,33,48,449		1,17,36,85,029	
		1,19,45,90,306		1,19,01,75,263
Less:- Provision for Doubtful Debts		64,24,811		41,27,036
TOTAL		**1,18,81,65,495**		**1,18,60,48,227**

Trade Receivables includes dues from subsidiary company- Fiem Industries Japan Co., Ltd ₹19,52,035/- (Previous year ₹77,73,517/-)

18 CASH AND BANK BALANCES				
1) Cash and Cash Equivalents				
a) Balances with Banks in current account	71,83,226		43,01,546	
b) Deposits with original maturity of less than three months	20,37,08,329		29,35,805	
		21,08,91,555		72,37,351
2) Cash on Hand		38,84,644		36,70,544
3) Remittance Money In Transit		1,22,88,042		-
4) Other bank balances				
a) Unpaid Dividend Account	3,45,706		8,58,595	
b) Margin money deposit with original maturity for more than 3 months but less than 12 months	9,49,315		2,50,38,390	
		12,95,021		2,58,96,985
TOTAL		**22,83,59,262**		**3,68,04,880**

19 SHORT TERM LOANS AND ADVANCES (unsecured but considered good)				
a) Prepaid Expenses		1,06,69,851		1,22,14,138
b) Loan to Employees		30,04,288		25,90,093
c) Advances for Goods other than Capital Goods		5,96,78,287		6,98,04,067
d) Balance with Customs, Excise Department		14,14,09,847		11,25,07,635
e) Balance with Sales Tax Department		44,33,943		56,17,186
f) Security deposits		18,69,220		8,57,210
g) Other Advances recoverable		39,84,483		41,94,908
TOTAL		**22,50,49,918**		**20,77,85,238**

(Other advances recoverable includes Receivable from Fiem Industries Japan Co, Ltd.₹NIL (Previous year-1,97,216))

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
20 OTHER CURRENT ASSETS				
a) Income accrued on deposits and Investments		3,07,07,196		34,66,452
b) Subsidy Receivables		28,02,044		58,13,540
c) Export Incentive Receivables		9,08,131		3,24,800
TOTAL		**3,44,17,372**		**96,04,792**

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
21 GROSS SALES				
Manufactured Goods				
1) Automotive Lamps, Signalling Equipment and Parts	7,01,57,35,900		6,19,12,32,703	
2) Rear View Mirrors and Parts	1,50,19,74,729		1,34,54,01,869	
3) Plastic Moulded Parts	1,26,82,72,082		1,36,45,56,374	
4) Moulds and Dies	3,61,64,750		3,85,78,441	
5) LED Luminaries	48,73,88,737		1,21,73,15,244	
6) LED Integrated Passenger information system	9,22,35,176		2,49,11,923	
7) Others	31,15,74,287		29,17,95,979	
	10,71,33,45,661		10,47,37,92,534	
Traded Goods				
1) Mould and Dies	45,93,97,228		28,23,06,072	
2) LED Integrated Passenger information system	1,21,03,841		71,49,002	
3) Others	5,91,34,369		5,98,46,910	
	53,06,35,438		34,93,01,984	
		11,24,39,81,099		10,82,30,94,518
TOTAL		**11,24,39,81,099**		**10,82,30,94,518**

22 OPERATING INCOME				
1) Scrap sales		3,95,43,540		4,11,24,007
2) Testing charges Received		2,48,46,691		1,40,43,166
3) Distribution income Received (bulb)		1,21,41,703		-
4) Mould, Dies and Tool Design and development charges		97,24,125		1,56,57,153
5) Government subsidy received		53,00,578		1,75,11,227
6) Duty Drawback Received		37,89,173		30,54,965
7) Rebate and Discount Received		25,04,599		29,02,800
8) Difference in foreign exchange		(6,13,657)		3,68,945
9) Segregation, Packing and Forwarding charges Received		3,08,946		5,48,044
TOTAL		**9,75,45,698**		**9,52,10,307**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
23 OTHER INCOME				
1) Income accrued On Current Investment		2,76,76,243		-
2) Interest income on Fixed Deposits and others Deposits		1,23,05,284		73,77,077
3) Income on Redemption of Mutual fund		32,70,871		-
4) Sundry Creditors written back		32,36,793		22,18,534
5) Other Non Operating Income		6,00,434		76,511
TOTAL		**4,70,89,625**		**96,72,122**
24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED				
Opening Stock		35,40,33,793		28,40,66,532
Add : Purchases		5,92,02,56,492		5,60,35,08,491
Less :- Inventories at the end of the year		51,42,90,438		35,40,33,793
TOTAL		**5,75,99,99,847**		**5,53,35,41,230**
Particulars of Raw material and components consumed				
Plastic Powder	2,11,87,68,558		1,90,86,37,297	
Bulb	57,28,72,083		51,66,92,190	
Wiring harness	51,82,34,263		48,80,00,361	
Others	2,55,01,24,943		2,62,02,11,382	
		5,75,99,99,847		**5,53,35,41,230**
25 PURCHASE OF STOCK IN TRADE				
a) Purchase of Traded Goods		5,47,20,394		5,02,59,065
b) Purchase of Traded Moulds, Dies and Tools		25,67,21,288		20,46,58,942
TOTAL		**31,14,41,682**		**25,49,18,007**
Detail of Purchase of Traded Goods				
Bulb		1,84,25,138		1,74,97,747
Mould Dies and Tools		25,67,21,288		20,46,58,942
Others		3,62,95,256		3,27,61,318
		31,14,41,682		**25,49,18,007**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE				
Inventories at the end of the year				
a) Finished Goods	18,04,80,330		15,37,78,471	
b) Work -in- Progress	29,02,69,330		8,21,20,326	
c) Traded Goods - (Mould, Tools and Dies)	-		2,93,34,465	
d) Traded Goods - (Others)	22,09,907		34,10,861	
		47,29,59,567		26,86,44,123
Inventories at the beginning of the year				
a) Finished Goods	15,37,78,471		9,85,54,941	
b) Work -in- Progress	8,21,20,326		8,96,77,129	
c) Traded Goods - (Mould, Tools and Dies)	2,93,34,465		60,80,688	
d) Traded Goods - (Others)	34,10,861		74,26,058	
		26,86,44,123		20,17,38,815
		(20,43,15,444)		**(6,69,05,307)**
Finished Goods				
a) Automotive Goods	12,60,04,355		15,27,38,187	
b) LED Luminaries and Integrated Passenger information system	5,44,75,975		10,40,284	
		18,04,80,330		15,37,78,471
Work in Progress				
a) Automotive Goods	23,49,98,749		8,05,73,662	
b) LED Luminaries and Integrated Passenger information system	5,52,70,581		15,46,664	
		29,02,69,330		8,21,20,326

27 EMPLOYEES BENEFITS EXPENSES				
Salaries, Wages and Bonus to employees		1,35,13,57,798		1,16,91,72,813
Contribution to Provident and other Funds		2,76,12,248		2,35,54,329
Staff Welfare Expenses		5,70,03,524		5,45,42,972
Gratuity Expenses		1,40,18,842		1,45,11,054
Earned Leave to staff		60,06,282		69,42,805
TOTAL		**1,45,59,98,695**		**1,26,87,23,973**

28 FINANCE COSTS				
Interest Expenses		22,16,11,000		14,81,24,326
Other Borrowing Costs		1,08,05,623		95,59,648
TOTAL		**23,24,16,622**		**15,76,83,974**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
29 OTHER EXPENSES				
Manufacturing Expenses				
1) Job Charges	1,84,02,421		61,30,494	
2) Machinery running and Maintenance				
a) Machinery Repair and Service charges	70,91,981		68,05,247	
b) Machinery Spares	8,79,34,308		7,00,89,708	
3) Consumption of Stores and Spare parts	17,56,25,930		17,76,54,046	
4) Packing Expenses	25,97,32,693		24,75,79,800	
5) Power and Fuel	41,56,35,537		37,87,62,323	
6) Variation in Excise duty of FG	61,79,904		66,09,221	
7) Repair - Dies	1,78,16,255		1,81,66,320	
8) Factory / Godown Rent	60,19,614		50,27,124	
9) Installation expenses for LED Streetlights	31,62,957		1,93,40,200	
10) Distribution Charges (Bulb) paid	1,21,41,703		-	
11) Freight, Cartage & Octroi	8,83,98,658		7,79,10,322	
12) Testing and Design Fees	2,56,81,330		1,42,04,827	
13) Segregation Charges Paid	5,73,807		5,73,899	
		1,12,43,97,098		1,02,88,53,531
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Exp.	1,26,17,867		1,65,00,003	
2) Payment to Auditors	76,56,576		54,00,000	
3) Donation	17,69,283		26,61,646	
4) Rates and taxes	1,64,95,532		1,43,05,843	
5) Insurance	45,63,761		48,37,481	
6) Bad debt written off	20,05,906		19,15,318	
7) Provision for Bad and Doubtful Debt	22,97,775		19,68,367	
8) Rent	2,53,51,726		2,04,74,771	
9) Repair & Maintenance- Building	38,20,161		45,72,662	
10) Repair & Maintenance- Other	1,90,16,450		2,02,86,367	
11) Royalty	50,00,000		50,34,158	
12) (Profit)/Loss on sale of Fixed Assets	-		(6,68,159)	
13) Selling & Distribution Expenses	20,84,17,660		23,48,14,208	
14) Cash Discount on sales	1,59,59,685		1,62,59,490	
15) Travelling and Conveyance Expenses	5,02,72,891		5,05,21,900	
16) Contribution toward CSR (Note-52)	1,28,42,000		1,01,20,000	
17) Prior Period Expenses	13,21,506		25,14,736	
18) Other Office Expenses	16,30,36,470		16,92,05,629	
		55,24,45,249		58,07,24,420
TOTAL		**1,67,68,42,348**		**1,60,95,77,952**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
30 EXCEPTIONAL ITEM				
Bad Debt Written off	19,47,80,649		-	
Less - Provision for Warranty Written Back (Maintenance)	(5,28,94,155)		-	
		14,18,86,494		-
		14,18,86,494		**-**

Note - During the year, a net amount of ₹14,18,86,494 has been written off, being non recoverable amount from a customer (net of reversal of provision for maintenance given to service suppliers).

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
31 CONTINGENT LIABILITIES		
(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)		
(i) Income Tax		
(a) Case decided in the Company's favour by Appellate Authorities and for which the department has filed further appeals	7,27,53,359	8,27,27,121
(ii) Custom Duty		
(a) Import Duty Demand towards imported capital goods which were sold to the customer in relation to nil import duty being paid at the time of import of said capital goods as a 100% EOU unit for which the company has filed an appeal with Commissioner of Central Excise, Chennai (Net of deposit)	43,40,527	43,40,527
(iii) Excise Duty & Service Tax		
(a) Excise Duty Demand on Modvat Credit taken on raw material for which the Company has filed an appeal with CESTAT, New Delhi (Net of deposit)	-	24,57,076
(b) Excise Duty Demand on Sales Tax Subsidy received from Sales tax Department Rajasthan for the period 01.11.2012 to 30.09.2015, for which the Company has filed an appeal with Commissioner of Central Excise (Appeals)-Jaipur (Net of deposit)	34,43,880	20,04,257
(c) Excise Duty Demand on disallowance of CENVAT Credit of Excise Duty and Service Tax prior to registration under excise & service tax law, for which the Company has filed an appeal with Commissioner of Central Excise (Appeals)-Jaipur (Net of deposit)	84,38,707	87,67,488
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	-	5,95,315
(b) Sales Tax Demand for F.Y. 2014-15 on Central Sales Tax Reversal under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai	1,50,07,022	1,88,33,290
(c) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	20,00,000	20,00,000

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	27,47,59,914	30,71,44,265
(b) Liability in respect of levy of compensation charges towards Harmonics dumping by the Tamilnadu Electricity Department (TANGEDCO) for the period from 30.12.2014 to 01.09.2015, for which the matter is pending with High Court of Chennai, for which the court has granted interim stay on demand.	44,36,688	-

Note:-1- Based on the advice taken by the company, the company believes that it has good case in respect of all the items under (i) to (iv) above and hence no provision is considered necessary against the same.

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
32 CAPITAL & OTHER COMMITMENTS		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	7,25,67,963	17,04,32,866
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided,(net of advances)	11,04,94,972	5,31,49,003
(iii) Bank Guarantee Charges payable to Banks	1,49,92,590	1,43,96,894
(iv) Lease Commitments (non-cancellable in nature) (See Note-40)	-	50,29,516

(Amount in ₹)

Particulars	2016-17	2015-16
33 EARNING IN FOREIGN EXCHANGE		
(i) FOB Value of Exports	18,77,13,906	17,24,45,424
(ii) Design/Testing/Modification Charges Received	2,39,88,544	2,06,10,551
(iii) Sales of Moulds & Dies	-	17,20,873
(iv) Others	-	37,512
Total	**21,17,02,450**	**19,48,14,360**

Note:- FOB value of exports excludes export sales in Indian Rupee. (Indirect Exports)

(Amount in ₹)

Particulars	2016-17	2015-16
34 EXPENDITURE IN FOREIGN CURRENCY		
(i) Finance Cost	1,72,44,279	92,44,031
(ii) Travelling Expenses	70,37,434	97,37,688
(iii) Design/Testing Charges Paid	87,68,655	60,97,310
(iv) Liasioning Charges Paid	-	16,57,800
(v) Professional & Consultancy Charges	1,36,068	2,49,301
(vi) Salary to Staff	12,14,136	-
(vii) Others	38,66,326	34,61,799
Total	**3,82,66,898**	**3,04,47,929**

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	2016-17	2015-16
35 VALUE OF IMPORTS CALCULATED ON CIF BASIS		
(i) Raw Materials	40,49,50,449	56,56,11,843
(ii) Capital Goods	19,64,53,279	17,50,68,996
(iii) Trading Goods	24,64,31,486	18,82,26,846
(iv) Components & Spare parts	88,83,527	40,27,942
(v) Consumable Store	8,89,553	11,89,403
Total	**85,76,08,294**	**93,41,25,030**

(Amount in ₹)

Particulars	2016-17		2015-16	
	₹	%	₹	%
36 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED				
Raw Material				
Imported	42,72,85,372	7.42%	53,35,43,374	9.64%
Indigenous	5,33,27,14,475	92.58%	4,99,99,97,856	90.36%
Total	**5,75,99,99,847**	**100.00%**	**5,53,35,41,230**	**100.00%**
Stores and Spare Parts				
Imported	97,10,780	3.68%	53,96,785	2.18%
Indigenous	25,38,49,458	96.32%	24,23,46,969	97.82%
Total	**26,35,60,238**	**100.00%**	**24,77,43,754**	**100.00%**

(Amount in ₹)

Particulars	Paid during 2016-17	Paid during 2015-16
37 DIVIDEND TO NON-RESIDENT		
Type of Dividend	**Final**	**Final**
Number of Non Resident Shareholder	1	1
Number of Equity Share held by them	1,04,051	1,04,051
Amount of Dividend Paid (In ₹)	3,12,153	7,28,357
Rate of Exchange Rate (USD)	67.87	66.54
Amount of Dividend Paid (In USD)	4,599	10,946
Year to which dividend relates	2015-16	2014-15
Type of Dividend	**Interim**	**Interim**
Number of Non Resident Shareholder	-	1
Number of Equity Share held by them	-	1,04,051
Amount of Dividend Paid (In ₹)	-	5,20,255
Rate of Exchange Rate (USD)	-	67.94
Amount of Dividend Paid (In USD)	-	7,658
Year to which dividend relates	-	2015-16

(Amount in ₹)

Particulars	2016-17	2015-16
38		
(a) Statutory Auditor's Remuneration (Excluding service tax)		
For Statutory Audit	38,00,000	33,00,000
For Tax Audit	4,00,000	4,00,000
For Limited Review	7,00,000	7,00,000
For Other Services*	35,00,000	10,00,000
Total (a)	**84,00,000**	**54,00,000**
(b) Cost Auditor's Remuneration (Excluding service tax)		
For Cost Audit Fees	2,50,000	-
For Other Services	-	1,20,000
For Reimbursement of Travelling and Out-of-Pocket Expenses	6,576	5,837
Total (b)	**2,56,576**	**1,25,837**
Total (a+b)	**86,56,576**	**55,25,837**

*Includes ₹10,00,000 (P.Y.-Nil) relating to the issue of shares to the Qualified Institutional Placement (QIP) during the year.(charged to Securities Premium Account)

39 DEFERRED TAX LIABILITIES (NET)

The components of deferred tax liability (net) recognized in the financial statements and deferred tax recognized in the statement of profit & loss are as under-

(Amount in ₹)

Particulars	31.03.2017	Adjustment during the year	31.03.2016
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	41,00,78,173	7,18,25,581	33,82,52,592
Others (Unrealised gain on investment in liquid mutual fund etc.)	97,29,646	97,29,646	-
Total (a)	**41,98,07,819**	**8,15,55,227**	**33,82,52,592**
Deferred Tax Assets			
Provision for Bad & Doubtful	22,23,627	7,95,342	14,28,285
Provision for Leave Encashment	1,17,66,358	15,53,095	1,02,13,263
Provision for Gratuity	20,24,984	(63,078)	20,88,062
Provision for Bonus	64,30,529	8,33,202	55,97,327
Provision for Warranty	15,75,431	(2,07,78,203)	2,23,53,634
Welfare Fund	30,713	(2,729)	33,442
Total (b)	**2,40,51,642**	**(1,76,62,371)**	**4,17,14,013**
Net Deferred Tax Liability (a-b)	**39,57,56,176**	**9,92,17,598**	**29,65,38,578**
Previous Year	29,65,38,578	2,04,26,126	27,61,12,452

Notes on Financial Statements for the year ended 31st March 2017

40 LEASE TRANSACTION

The company has taken commercial premises under non-cancellable operating lease. Minimum lease payments in respect of assets taken on non-cancellable operating lease are as follows:-

(Amount in ₹)

Particulars	2016-17	2015-16
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	-	50,29,516
Later than one year and not later than five years	-	-
Total	**-**	**50,29,516**
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	3,13,71,340	2,55,01,895
Lease Rental recognized in Pre-operative Expenditure	-	4,27,500
Total	**3,13,71,340**	**2,59,29,395**

(Amount in ₹)

Particulars	2016-17	2015-16
41 BORROWING COST CAPITALIZED		
Borrowing Cost Capitalized to Qualifying Assets	1,37,78,544	2,72,85,805

(Amount in ₹)

Particulars	2016-17	2015-16
42 EXCHANGE DIFFERENCES ON ACCOUNT OF FLUCTUATION IN FOREIGN CURRENCY RATES		
Exchange Differences recognized in the Statement of Profit & Loss		
(i) Exchange Gain /(Loss) Relating to Export during the year as a part of "Sales"	16,22,879	20,84,394
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	43,15,718	(11,60,561)
(iii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock-in-Trade"	27,67,698	35,73,670
(iv) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	(6,13,657)	3,68,945
Exchange Differences recognized in the Fixed Assets		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	33,08,452	17,59,966
(ii) Foreign Exchange Adjustment Gain/(Loss) on Long Term Foreign Currency Loan taken for acquisition of fixed assets (Consequent to notification, issued by Ministry of Corporate Affairs, amending the AS-11)	-	(21,97,292)

(Amount in ₹)

Particulars	2016-17	2015-16
43 FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT		
Opening Balance	(1,06,496)	1,44,880
Exchange loss/(gain) during the year	44,000	(2,78,000)
Less:-Amortization of Exchange Fluctuation for the year	15,624	26,624
Closing Balance	(46,872)	(1,06,496)

(Amount in ₹)

Particulars	2016-17	2015-16
44 EARNING PER SHARE		
Net Profit after tax attributable to equity shareholders	32,89,65,035	57,18,46,596
Weighted average number of equity shares outstanding during the year (Nos)	1,25,95,480	1,19,62,226
Basic/diluted earning per share* (In ₹)	26.12	47.80
Face value per equity share (In ₹)	10	10

*There are no dilutive instruments issued by the Company.

(Amount in ₹)

Particulars	2016-17	2015-16
45 GOVERNMENT GRANT		
Duty Drawback on Export	37,89,173	30,54,965
Investment Subsidy Under Investment Promotion Scheme	53,00,578	1,75,11,227
Total	**90,89,751**	**2,05,66,192**

46 SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17 "Segment Reporting" (specified under section 133 of Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014).

Segments Reporting Policies

(a) Identification of Segments:

Primary-Business Segments

The Company has identified two reportable business segments viz. Automotive and LED Luminaries Segment on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:-

(i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, and sheet metal components for motorised vehicles and others parts for automotive.

(ii) LED Luminaries Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.

(b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated"

Notes on Financial Statements for the year ended 31st March 2017

46 SEGMENT REPORTING (contd.)

(c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/ liabilities, borrowings, investment in mutual funds, deferred tax liabilities (Net) and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

(i) Primary-Business Segments (Amount in ₹)

Particulars	2016-17			2015-16		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
A. Revenue						
Segment Revenue						
External Sales	9,51,98,52,737	55,70,08,179	10,07,68,60,916	8,59,45,38,294	1,18,00,41,137	9,77,45,79,431
Operating Income	7,52,52,650	2,22,93,048	9,75,45,698	8,35,28,808	1,16,81,499	9,52,10,307
Inter-Segment Sales	-	-	-	-	-	-
Total	**9,59,51,05,387**	**57,93,01,227**	**10,17,44,06,614**	**8,67,80,67,102**	**1,19,17,22,636**	**9,86,97,89,738**
Results						
Earning Before Interest, Depreciation & Tax (EBIDTA)	1,14,38,54,208	3,02,51,175	1,17,41,05,383	1,07,33,18,480	19,66,15,404	1,26,99,33,884
Segment Results (Earning Before Interest & Tax) before Exceptional item	94,97,12,403	(53,54,991)	94,43,57,412	89,29,35,037	17,99,62,128	1,07,28,97,165
Exceptional item (See Note-30)	-	14,18,86,494	14,18,86,494	-	-	-
Segment Results (Earning Before Interest & Tax)	94,97,12,403	(14,72,41,485)	80,24,70,918	89,29,35,037	17,99,62,128	1,07,28,97,165
Unallocated corporate expenses			16,21,70,357			13,33,12,591
Other Income			4,70,89,625	-	-	96,72,122
Operating Profit			**68,73,90,186**			**94,92,56,696**
Cost of Finance			23,24,16,622			15,76,83,974
Profit before tax			45,49,73,564			79,15,72,722
Tax expense			12,60,08,529			21,97,26,126
Profit after tax (PAT)			**32,89,65,035**			**57,18,46,596**
B. Other Information						
Segment Assets	6,32,41,45,515	1,39,43,89,054	7,71,85,34,569	5,11,14,99,900	1,47,32,29,062	6,58,47,28,962
Unallocated Corporate Assets			1,18,01,54,528	-	-	-
Total Assets	**6,32,41,45,515**	**1,39,43,89,054**	**8,89,86,89,097**	**5,11,14,99,900**	**1,47,32,29,062**	**6,58,47,28,962**
B. Other Information						
Segment Liabilities	1,87,66,48,869	8,95,58,680	1,96,62,07,549	1,82,97,37,610	26,38,74,946	2,09,36,12,556
Unallocated Corporate Liabilities			2,69,90,35,904			1,76,08,57,210
Total Liabilities	**1,87,66,48,869**	**8,95,58,680**	**4,66,52,43,453**	**1,82,97,37,610**	**26,38,74,946**	**3,85,44,69,766**
Capital Expenditure During the year (Net of CWIP)	**87,63,76,168**	**22,69,14,748**	**1,10,32,90,916**	**73,99,26,563**	**48,02,10,933**	**1,22,01,37,496**
Depreciation & Amortization	**35,66,46,265**	**3,56,06,167**	**39,22,52,432**	**31,36,96,034**	**1,66,53,276**	**33,03,49,310**
Non-cash expenses other than depreciation	**1,92,18,153**	**78,29,094**	**2,70,47,247**	**1,63,70,784**	**6,42,06,144**	**8,05,76,928**

46 SEGMENT REPORTING (contd.)

(ii) Secondary-Geographical Segments:-

The analysis of geographical segments is based on geographical location of the customers

The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced

(Amount in ₹)

Particulars	2016-17	2015-16
Segment Revenue		
India	9,72,42,85,546	9,46,31,14,180
Outside India	35,25,75,370	31,14,65,251
Total	**10,07,68,60,916**	**9,77,45,79,431**
Segment Trade Receivables	**31.03.2017**	**31.03.2016**
India	1,14,82,77,459	1,13,97,00,154
Outside India	3,98,88,036	4,63,48,073
Total	**1,18,81,65,495**	**1,18,60,48,227**

1. Sales Revenue by geographical market Outside India includes indirect export.
2. The segment trade receivables outside India includes receivables on account of indirect exports.
3. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

47 RELATED PARTY DISCLOSURES

Name of Related Parties, Transactions and Balances at Reporting date are as follows

Name of Related Party

(i) Key Management Personnel

Jagjeevan Kumar Jain	Chairman and Managing Director
Seema Jain	Whole Time Director
Aanchal Jain	Whole Time Director
Rahul Jain	Whole Time Director
JSS Rao	Whole Time Director
Kashi Ram Yadav	Whole Time Director
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary

(ii) Related Parties Controlled by Key Management personnel

Fiem Auto Private Limited	Entity Controlled by Key Management Personnel
Jagjeevan Kumar Jain (HUF)	Entity Controlled by Key Management Personnel
Fiem Auto & Electrical Industries	Entity Controlled by Key Management Personnel
Fiem Foundation	Entity Controlled by Key Management Personnel

(iii) Subsidiary Company

Fiem Industries Japan Co., Ltd	100% Subsidiary Company incorporated in Japan

(iv) Joint Venture

Centro Ricerche Fiem Horustech SRL	JV incorporated in Italy, 50% ownership interest held by the company

Notes on Financial Statements for the year ended 31st March 2017

47 RELATED PARTY DISCLOSURES (contd.)

(Amount in ₹)

Particulars	Transaction during the year		Outstanding amount carried at Balance Sheet	
	2016-17	2015-16	31.03.2017	31.03.2016
(i) Key Management Personnel				
Remuneration				
Jagjeevan Kumar Jain	1,24,80,000	1,24,80,000	13,92,918	5,51,803
Seema Jain	48,00,000	42,00,000	7,77,723	4,46,198
Rahul Jain	48,00,000	39,00,000	4,58,040	7,62,642
Aanchal Jain	42,00,000	36,00,000	7,65,665	4,16,275
JSS Rao	96,00,000	84,00,000	5,49,601	4,79,601
Kashi Ram Yadav	91,44,864	85,44,864	5,41,920	5,15,030
OP Gupta	48,00,000	43,80,000	3,17,670	2,96,938
Arvind Kumar Chauhan	54,35,000	42,90,000	3,71,960	2,81,376
Dividend				
Jagjeevan Kumar Jain	88,80,000	3,55,20,000	-	-
Seema Jain	88,80,000	3,55,20,000	-	-
Aanchal Jain	24,00,000	96,00,000	-	-
Rahul Jain	46,57,020	1,86,28,080	-	-
JSS Rao	36	144	-	-
Kashi Ram Yadav	1,014	4,056	-	-
Purchase of Free-hold Land				
Rahul Jain	12,00,00,000	-	-	-
Rent Paid				
Aanchal Jain	1,09,35,000	97,78,300	-	-
Rahul Jain	52,65,000	43,87,500	-	-
Security Deposit Receivables Agst Rent				
Aanchal Jain	-	14,72,700	54,67,500	54,67,500
Rahul Jain	-	26,32,500	26,32,500	26,32,500
(ii) Related Parties Controlled by Key Management personnel				
Corporate Social Responsibility Activities				
Contribution to Fiem Foundation	1,18,42,000	88,70,000	-	-
Brand Royalty				
Fiem Auto & Electrical Industries	50,00,000	50,00,000	13,12,500	13,06,250
Dividend				
Jagjeevan Kumar Jain (HUF)	34,614	1,38,456	-	-
Fiem Auto Private Limited	2,53,200	10,12,800	-	-

47 RELATED PARTY DISCLOSURES (contd.)

(Amount in ₹)

Particulars	Transaction during the year		Outstanding amount carried at Balance Sheet	
	2016-17	2015-16	31.03.2017	31.03.2016
(iii) Subsidiary Company				
Fiem Industries Japan Co. Limited				
Sales of Goods	72,01,586	54,32,880		
Sales of Services	82,09,187	41,00,400		
Liasioning Charges Paid	-	16,57,800		
Expenses	-	2,00,635		
With-holding Tax	12,37,417	-		
Investment in Equity Shares	-	26,86,500		
Outstanding Amount Carried at Balance Sheet				
Receivables	19,52,035	79,70,733		
Payables	20,57,580	20,96,630		
Long Term Loan Given	23,18,400	23,62,400		
Investment in Equity Shares	29,48,540	29,48,540		
With-holding Tax Payable	12,37,417	-		
(iv) Joint Venture Company				
Centro Ricerche Fiem Horustech SRL				
Design Fee Paid	71,28,092	39,26,812		
Advance Agst. Design Fee	8,55,574	-		
Reimbursement of Expenses	1,07,385	-		
Outstanding Amount Carried at Balance Sheet				
Payables	19,13,239	10,58,726		
Advance Agst. Design Fee	7,79,894	-		
Investment in Equity shares	33,15,600	33,15,600		

48 POST EMPLOYMENT BENEFITS PLAN

Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

(Amount in ₹)

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	2,17,06,581	1,85,18,024
Employer's Contribution to ESI Fund	56,53,181	47,81,937
Employer's Contribution to Wages Welfare Fund	2,52,486	2,54,368
Total	**2,76,12,248**	**2,35,54,329**
Add:-Employer's Contribution to Provident Fund recognized in Pre-operative expenses	-	40,340
Total	**2,76,12,248**	**2,35,94,669**

Notes on Financial Statements for the year ended 31st March 2017

48 POST EMPLOYMENT BENEFITS PLAN (contd.)

Defined Benefit Plans

(a) Gratuity

The Company operates a defined benefit plan of Gratuity for its employees under the Gratuity plan, every employee who has completed five years of services gets a gratuity on departure @ 15 days of last drawn basic salary including dearness allowance if any, of each completed year of service subject to maximum amount of ₹10,00,000/-. Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited in the form of qualifying insurance policy.

(b) Leave Encashment

The Present value obligation of Leave Encashment is determined based on actuarial valuation using projected unit credit method.

Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.17 are as follows:

(i) Net Employees Benefits Expenses Recognized in the Employee Cost (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
1. Current Service Cost	1,51,12,678	1,36,93,303	99,95,041	95,19,087
2. Interest cost on benefit obligation	43,21,230	34,53,749	23,00,079	18,43,790
3. Expected return on plan assets (Gain)	(40,59,801)	(36,93,481)	-	-
4. Acturial (Gain)/Loss	(13,55,265)	10,57,482	(62,88,838)	(44,20,072)
5. Net Benefit Expenses	1,40,18,842	1,45,11,054	60,06,282	69,42,805

(ii) Net Liability/(Assets) As Shown in Balance Sheet Date Under "Short Term/Long Term Provisions (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Present value of Defined benefit obligation	7,01,50,932	5,69,41,747	3,39,96,990	2,95,11,276
2. Fair value of plan assets	6,43,00,071	5,09,08,283	-	-
3. Net Liability/(Assets) recognized in the Balance Sheet	58,50,861	60,33,464	3,39,96,990	2,95,11,276

(iii) Change in Present Value of the Defined Benefits Obligation (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Opening present value of defined benefit plan				
Current	49,37,883	38,65,688	63,95,471	34,53,234
Non-Current	5,20,03,864	4,05,36,457	2,31,15,805	2,00,73,055
2. Interest cost	43,21,230	34,53,749	23,00,079	18,43,790
3. Current service cost	1,51,12,678	1,36,93,303	99,95,041	95,19,087
4. Actuarial (gains)/losses on obligation	(3,71,979)	(21,46,889)	(62,88,838)	(44,20,072)
5. Benefits Paid	(58,52,744)	(24,60,561)	(15,20,569)	(9,57,818)
6. Closing defined benefit plan	7,01,50,932	5,69,41,747	3,39,96,990	2,95,11,276
Current	60,82,676	49,37,883	73,00,287	63,95,471
Non-Current	6,40,68,256	5,20,03,864	2,66,96,703	2,31,15,805

48 POST EMPLOYMENT BENEFITS PLAN (contd.)

(iv) Change in Fair value of Plan Assets

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Opening fair value of plan assets	5,09,08,283	4,19,17,842	-	-
2. Expected return	40,59,801	36,93,481	-	-
3. Contribution made by employer	1,42,01,445	1,09,61,893	-	-
4. Actuarial gains/(losses) on obligation	9,83,286	(32,04,372)	-	-
5. Benefits Paid	(58,52,744)	(24,60,561)	-	-
6. Closing fair value of plan assets	6,43,00,071	5,09,08,283	-	-

(v) Actuarial Assumptions

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Interest & Discount Rate	7.37%	8.00%	7.37%	8.00%
2. Estimated Rate of Return on Plan Assets	7.37%	8.00%	0.00%	0.00%
3. Attrition Rate	2.00%	2.00%	2.00%	2.00%
4. Retirement Age	58	58	58	58
5. Salary cost increase rate	8.00%	8.00%	8.00%	8.00%

(vi) Categories of Plan Assets

(Amount in ₹)

Particulars	Gratuity	
	2016-17	2015-16
1. Investment with insurer	100%	100%

(vii) Experience Adjustment

(Amount in ₹)

Particulars	Gratuity				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
1. Defined Benefit Obligation	7,01,50,932	5,69,41,747	4,44,02,145	3,04,67,238	2,39,09,631
2. Plan Assets	6,43,00,071	5,09,08,283	4,19,17,842	3,04,78,523	2,25,77,087
3. Surplus/(deficit)	(58,50,861)	(60,33,464)	(24,84,303)	11,286	(13,32,545)
4. Exp. Adj. On Plan Liabilities	(3,71,979)	(21,46,889)	8,76,704	(1,24,682)	(76,162)
5. Exp. Adj. On Plan Assets	(9,83,286)	32,04,372	28,13,275	1,14,467	(53,174)

1. 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.

2. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes on Financial Statements for the year ended 31st March 2017

49 EXPOSURES IN FOREIGN CURRENCY

The year end foreign currency exposures as follows:

(Amount in ₹)

Particulars	31/03/17			31/03/16		
	Foreign Currency (Amount In FC)	Exchange Rate	Rupees (Amount In INR)	Foreign Currency (Amount In FC)	Exchange Rate	Rupees (Amount In INR)
I. Assets						
Receivables (Export Debtors)						
USD	1,80,034	64.84	1,16,73,153	1,93,488	66.33	1,28,34,620
JPY	33,67,900	0.5796	19,52,035	1,31,62,068	0.5906	77,73,517
EURO	28,210	69.25	19,53,475	6,067	75.10	4,55,604
Other Monetary Assets (Loans, bank accounts etc.)						
USD	35,601	64.84	23,08,313	1,080	66.33	71,640
JPY	2,52,00,900	0.5796	1,46,06,442	56,47,313	0.5906	33,35,303
EURO	1,465	69.25	1,01,448	-	-	-
Total Receivables (A)	**-**		**3,25,94,865**	**-**		**2,44,70,685**
Less:-Hedges by derivative contracts (B)	-	-	-	-	-	-
Unhedged Receivables (C=A-B)	**-**	**-**	**3,25,94,865**	**-**	**-**	**2,44,70,685**
II. Liabilities						
Payables (Trade & other)						
USD	4,43,123	64.84	2,87,31,475	2,44,457	66.33	1,62,15,542
JPY	1,06,48,150	0.5796	61,71,668	35,50,000	0.5906	20,96,630
EURO	28,482	69.25	19,72,310	15,792	75.10	11,85,908
Total (D)			**3,68,75,453**			**1,94,98,080**
Borrowings (Foreign Currency Loans taken)						
USD	2,02,77,339	64.84	1,31,47,54,272	1,20,36,330	66.33	79,84,04,674
Total (E)			**1,31,47,54,272**			**79,84,04,674**
Total Payables (F=D+E)			**1,35,16,29,725**			**81,79,02,754**
Less:-Hedges by derivative contracts (G)			**1,31,47,54,272**			**79,84,04,674**
Unhedged Payables (H=F-G)			**3,68,75,453**			**1,94,98,080**
III. Contingent Liabilities & Commitments						
Commitments						
USD	17,62,913	64.84	11,43,04,811	7,67,775	66.33	5,09,28,742
JPY	48,00,000	0.5796	27,82,080	-	-	-
EURO	26,278	69.25	18,19,688	32,800	75.10	24,63,132
Total Commitments (I)			**11,89,06,579**			**5,33,91,875**
Less:-Hedges by derivative contracts (J)	-		-	-		-
Unhedged Commitments (K=I-J)			**11,89,06,579**			**5,33,91,875**
Total Unhedged Foreign Currency Exposure (C+H+K)						
USD	24,21,671	64.84	15,70,17,751	12,06,800	66.33	8,00,50,544
JPY	4,40,16,950	0.5796	2,55,12,224	2,23,59,381	0.5906	1,32,05,450
EURO	84,435	69.25	58,46,921	54,659	75.10	41,04,645

50 RESEARCH AND DEVELOPMENT EXPENSES

The Company has incurred following expenses on its Research and Development Unit situated at Rai, Sonepat, Haryana (India).

(Amount in ₹)

Particulars	2016-17	2015-16
Capital Expenditure		
Capital Expenditure	67,53,516	1,11,20,964
Total (A)	**67,53,516**	**1,11,20,964**
Revenue Expenditure		
Raw Material Consumed	20,54,476	6,74,088
Employee Benefits	5,82,68,658	5,28,59,132
Other Expenses	58,40,572	61,62,137
Finance Cost	1,523	796
Depreciation & Amortization	49,23,458	27,83,841
Total (B)	**7,10,88,688**	**6,24,79,995**
Grand Total (A+B)	**7,78,42,204**	**7,36,00,960**

51 EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure During Construction Period pending capitalization in Gujarat Unit (Included in capital work in progress)

(Amount in ₹)

Particulars	2016-17	2015-16
Opening Balance	-	78,52,836
Pre-operative Expenses		
Employee Benefits	-	1,13,75,674
Other Expenses	-	1,09,40,104
Finance Cost	-	2,01,42,941
Total	**-**	**4,24,58,719**
Less:- Capitalized to Fixed Assets Account	-	5,03,11,555
Closing Balance	-	-

52 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As required by section 135 of the Companies Act, 2013, CSR committee has been formed by the company. The company has formed Fiem Foundation Trust as on dated 2nd March, 2015 with an object to undertake CSR projects, programs and activities in India as listed under Schedule VII of the Act. The company has no outstanding commitment as on 31st March, 2017 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

(Amount in ₹)

Particulars	2016-17	2015-16
Gross amount required to be spent during the year	1,28,41,665	1,01,18,051
Amount spent during the year :-		
Contribution to the Fiem Foundation	1,18,42,000	88,70,000
Amount spent by the company	10,00,000	12,50,000
	1,28,42,000	**1,01,20,000**

Notes on Financial Statements for the year ended 31st March 2017

53 JOINT VENTURE COMPANY

The Company has entered into a joint venture agreement with 'Horustech Lighting SRL Italy' on 2nd December 2013 for forming a joint venture company to set-up a design centre at Italy. Accordingly, a company 'Centro Ricerche Fiem Horustech SRL.' a jointly controlled Entity has been formed on 12th December 2013. The company has invested a sum of ₹33,15,600/-(Euro 40,000) towards capital contribution in said Joint Venture Company as on the date of balance sheet.

The company's interest in joint venture is reported as Non Current Investment (Refer Note 12) and is stated at cost.

(a) Pursuant to Accounting Standard-27, "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended) disclosure in respect of the said Joint Venture are given below:

Name of joint Venture	Centro Ricerche Fiem Horustech SRL
Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2017	50%

(b) In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows-

(Amount in ₹)

Particulars	2016-17	2015-16
Non Current Assets	12,18,584	19,23,623
Current Assets	58,98,511	33,41,109
Non Current Liabilities	11,21,049	6,02,566
Current Liabilities	34,54,709	19,71,069
Revenue	90,21,342	92,09,416
Expenses	90,42,167	97,64,492
Contingent Liabilities	-	-
Capital Commitments	-	-

54 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. (308E), dated March 31, 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 ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	76,93,500	15,77,172	92,70,672
Add:- Permitted receipts	-	46,07,512	46,07,512
Less:-Permitted payments	-	(45,42,614)	(45,42,614)
Less:-Amount deposited in banks	(76,93,500)	(65,779)	(77,59,279)
Closing cash in hand as on 30.12.2016	-	15,76,291	15,76,291

*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 SO 3407E, dated November 8, 2016.

Notes on Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Outstanding Balance at year end		Maximum Amount Outstanding in the year	
	31.03.2017	31.03.2016	2016-17	2015-16
55 DISCLOSURE UNDER SEBI REGULATION				
Fiem Industries Japan Co., Limited	23,18,400	23,62,400	23,62,400	23,62,400

56

During the financial year 2016-17, on dated 20th September, 2016, the Company has issued and allotted 11,97,604 equity shares of ₹10 each at a premium of ₹992 per equity share by way of Qualified Institution Placement (QIP).

The utilization of QIP proceeds as on 31.03.2017 are as follows:-

(Amount in ₹)

Particulars	2016-17
Gross Proceeds of QIP Issue	1,19,99,99,208
Less: Amount utilized for the purpose Received	36,13,39,496
Balance Amount As on 31.03.2017	83,86,59,712
Temporarily invested in Mutual Funds	83,06,59,712
Temporarily invested in Fixed Deposits with Banks	80,00,000

57 PROPOSED DIVIDEND

The Company has recommended the final dividend of ₹8 per equity share (80% of nominal value of ₹10 per share) for the financial year ended 31st March, 2017 for amounting to ₹10,52,78,640/- on equity share capital of the company. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM).

58

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

LIGHT UP THE WORLD

Independent Auditor's Report on Consolidated Financial Statements

To The Members of
FIEM INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of FIEM INDUSTRIES LIMITED ("the Company"), its subsidiary and jointly controlled entity (the company, its subsidiary and jointly controlled entity constitute "the Group") , which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The 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 Group including its Subsidiary and Jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and of its subsidiary and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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

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 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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated 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. 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Other Matter

We did not audit the financial statement of an overseas 50:50 Joint Venture, Centro Ricerche Fiem Horustech Srl (CRFH), whose financial information included in the accompanying

consolidated financial statements, reflects Total Assets of ₹71,17,094 as at 31.03.17 as well as total Revenue of ₹90,21,342 for the year ended on that date. Such financial information has not been audited and has been approved by the Board of directors of Centro Ricerche Fiem Horustech Srl (CRFH). The management of the company has converted this financial statement as per accounting principle generally accepted in India, and certified this financial statements for the purpose of preparation of consolidated financial statement under Indian GAAP. Our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

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 aforesaid consolidated financial statements.

   b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Company so far as appears from our examination of those books and the reports of other auditor.

   c. the Consolidated Balance Sheet, the Consolidated statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant the 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.

   e. On the basis of 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 and the report of the statutory auditor of its subsidiary company , none of the directors of the Holding Company 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" and

   g. With respect to the other matters 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31(A) to the consolidated financial statements

      ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

      iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 48 to the financial Statements.

For Anil S. Gupta & Associates
Chartered Accountants
Firm Registration Number 004061N

Sd/-
Anil Kumar Gupta
Proprietor
Membership No.:- 083159

Place: Rai, Sonepat (HR.)
Dated:May 30, 2017

Annexure-A to the Independent Auditors' Report of even date on the consolidated Financial Statements of Fiem Industries Limited

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 March 31, 2017, We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company").

There is no subsidiary company or jointly controlled company, which are companies incorporated in India as of 31.03.17, therefore reporting on internal financial controls over financial reporting is given only in respect of the Holding Company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the of the Holding company 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 (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 the respective 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") issued by the ICAI and the Standards on Auditing, issued by ICAI 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Holding 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 March 31, 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 Anil S. Gupta & Associates
Chartered Accountants
Firm Registration Number 004061N

Sd/-
Anil Kumar Gupta
Proprietor
Membership No.:- 083159

Place: Rai, Sonepat (HR.)
Dated:May 30, 2017

Consolidated Balance Sheet as at 31.03.2017

(Amount in ₹)

	Note No.	AS AT 31.03.2017		AS AT 31.03.2016	
EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
a) Share Capital	2	13,15,98,300		11,96,22,260	
b) Reserves & Surplus	3	4,10,48,55,598		2,61,17,81,062	
			4,23,64,53,898		**2,73,14,03,322**
2 NON CURRENT LIABILITIES					
a) Long term borrowings	4	1,19,47,01,600		90,85,21,700	
b) Deferred Tax Liabilities (net)	34	39,57,56,176		29,65,38,578	
c) Other Long Term Liabilities	5	3,00,35,235		22,84,819	
d) Long Term Provisions	6	2,67,27,518		8,47,83,349	
			1,64,72,20,529		**1,29,21,28,446**
3 CURRENT LIABILITIES					
a) Short term borrowings	7	64,15,16,422		18,29,82,187	
b) Trade Payables	8				
- Micro and Small Enterprises		1,11,85,996		89,70,474	
-Other than Micro and Small enterprises		1,49,05,13,112		1,49,87,57,325	
		1,50,16,99,107		1,50,77,27,799	
c) Other Current Liabilities	9	84,04,41,903		79,03,12,399	
d) Short Term Provisions	10	3,82,71,216		8,30,64,926	
			3,02,19,28,649		**2,56,40,87,310**
TOTAL			**8,90,56,03,076**		**6,58,76,19,078**
ASSETS					
1 NON CURRENT ASSETS					
a) Fixed Assets					
i) Tangible assets	11	4,92,06,98,744		4,15,32,11,228	
ii) Intangible assets	11	79,22,915		61,89,120	
iii) Capital work-in-progress	11	5,62,66,511		11,59,01,422	
iv) Intangible assets under development		-		-	
b) Non-current investments	12	3,00,000		3,00,000	
c) Long term Loans and Advances	13	24,70,92,027		11,39,09,010	
d) Other non current assets	14	12,55,96,770		8,70,62,047	
			5,35,78,76,966		**4,47,65,72,828**
2 CURRENT ASSETS					
a) Current Investments	15	83,32,70,871		-	
b) Inventories	16	1,02,42,48,672		66,13,04,121	
c) Trade receivables	17	1,19,80,78,567		1,18,60,36,694	
d) Cash and Bank Balances	18	23,14,51,837		4,52,24,952	
e) Short term Loans and Advances	19	22,62,58,791		20,88,75,691	
f) Other current assets	20	3,44,17,372		96,04,792	
			3,54,77,26,110		**2,11,10,46,251**
TOTAL			**8,90,56,03,076**		**6,58,76,19,078**
Significant Accounting Policies and Notes to financial Statements.	1 to 52				

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

Consolidated Statement of Profit and Loss for the year ended 31st March 2017

(Amount in ₹)

	Note No.	Current Year 2016-17		Previous Year 2015-16	
I. INCOME					
Gross Sales	21	11,26,58,78,536		10,83,90,12,971	
Less :- Excise Duty		1,16,71,20,183		1,04,85,15,087	
a) Net Sales			10,09,87,58,353		9,79,04,97,884
b) Operating Income	22		8,95,75,533		9,10,95,820
Revenue from Operations			10,18,83,33,885		9,88,15,93,704
c) Other Income	23		4,70,89,951		97,06,401
TOTAL REVENUE (A)			**10,23,54,23,837**		**9,89,13,00,105**
II. EXPENSES					
a) Cost of Raw Materials and Components Consumed	24		5,75,99,99,847		5,53,35,41,230
b) Purchase of Stock-in-Trade	25		31,32,45,300		25,58,47,692
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	26		(20,42,98,769)		(6,69,14,217)
d) Employees benefits Expenses	27		1,46,12,21,452		1,27,34,86,546
e) Finance Costs	28		23,26,57,543		15,78,08,791
f) Depreciation and amortization Expense	11		39,28,91,067		33,12,01,126
g) Other Expenses	29		1,68,02,70,707		1,61,26,31,729
TOTAL EXPENSES (B)			**9,63,59,87,147**		**9,09,76,02,898**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (A-B)			**59,94,36,690**		**79,36,97,207**
Exceptional Item	30		14,18,86,494		-
PROFIT FOR THE YEAR BEFORE TAX			**45,75,50,196**		**79,36,97,207**
TAX EXPENSES					
Current Tax (Mat Payable)		9,78,77,808		19,99,40,991	
Less : MAT Credit Entitlement		7,07,99,345		-	
a) Current Tax Expense		2,70,78,463		19,99,40,991	
b) Deferred Tax Liability/ (Assets)		9,92,17,598		2,04,26,126	
			12,62,96,061		**22,03,67,117**
PROFIT AFTER TAX FOR THE YEAR			**33,12,54,135**		**57,33,30,090**
Basic and Diluted Weighted Earning per Equity Share (Nominal value ₹10 per share)	38		**26.30**		**47.93**
Significant Accounting Policies and Notes to financial Statements.	1 to 52				

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

Consolidated Cash Flow Statement for the year 2016-17

(Amount in ₹)

		2016-17		2015-16	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit Before Tax As Per Statement of Profit and Loss		45,75,50,196		79,36,97,207
	Adjustments for				
	Depreciation & Amortization	39,28,91,067		33,12,01,126	
	Loss (Profit) on sale/discarded of Fixed Assets	(1,57,709)		(6,68,159)	
	Adjustment of Income Tax for Earlier Year	2,83,177		5,04,820	
	Unrealised Foreign Exchange (Gain)/Loss	10,05,994		(5,79,013)	
	Provision for Bad & Doubtful Debts	22,97,775		19,68,367	
	Variation in Excise Duty of FG	61,79,904		66,09,221	
	Bad Debt written-off	20,76,112		20,40,640	
	Interest Income	(4,32,52,488)		(73,77,319)	
	Exceptional Item	14,18,86,494		-	
	Finance Costs	23,26,57,543	73,58,67,869	15,78,08,791	49,15,08,474
	Operating Profit before Working Capital Changes		1,19,34,18,065		1,28,52,05,681
	Adjustment for (Increase)/decrease in Operating Assets				
	Inventories	(36,29,44,551)		(14,74,15,744)	
	Trade and Other Receivables	(15,83,31,777)		(32,25,35,637)	
	Other Current Assets & Loan and Advances	(9,40,11,186)	(61,52,87,514)	(19,50,55,624)	(66,50,07,005)
	Adjustment for Increase/(decrease) in Operating Liabilities				
	Trade Payable & Other Current Liabilities and Provisions	(4,97,46,985)	(4,97,46,985)	79,14,07,511	79,14,07,511
	Cash Generated from Operating Activities		52,83,83,566		1,41,16,06,187
	Income Tax Paid (Including Tax Deducted at Source)	(15,06,86,571)	(15,06,86,571)	(19,24,63,725)	(19,24,63,725)
	Net Cash From Operating Activities		**37,76,96,995**		**1,21,91,42,462**
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Fixed Assets (Including Capital Advances)	(1,15,94,19,102)		(1,09,43,11,902)	
	Investment	-		(1,00,000)	
	Investment in Mutual Fund (Net of Redemption)	(83,32,70,871)		-	
	Sale of Fixed Assets	9,71,161		56,05,102	
	Interest Received on Deposits	4,32,52,488		73,77,319	
	Net Cash (Used) in Investing Activities		**(1,94,84,66,324)**		**(1,08,14,29,481)**
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	Issue of Share Capital	1,19,76,040		-	
	Increase in Securities Premium Account (Net of Share Issue Expenses)	1,16,23,04,993		-	
	Dividend Paid	(3,58,86,678)		(14,35,46,712)	
	Corporate Dividend Distribution Tax Paid	(73,05,684)		(2,92,22,695)	
	Finance Costs Paid	(24,87,46,075)		(18,14,20,212)	
	Exchange Loss on Repayment of Foreign Currency Loan	-		8,86,616	
	Proceeds from Long-Term Borrowings	72,60,10,000		70,53,27,880	
	Repayment of Long-Term Borrowings	(30,92,41,831)		(31,88,94,143)	
	Increase/(Decrease) in Short-Term Borrowing	45,85,34,235		(16,04,22,566)	
	Net Cash (used)/from Financing Activities		**1,75,76,45,000**		**(12,72,91,832)**

Consolidated Cash Flow Statement for the year 2016-17

(Amount in ₹)

	2016-17		2015-16	
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**18,68,75,671**		**1,04,21,149**
Opening Balance of Cash & Cash Equivalents		4,52,24,952		3,43,79,775
Effect of Exchange Rate Change		(1,64,194)		(9,226)
Effect of Foreign Currency Translation Reserve		(4,84,592)		4,33,255
Closing Balance of Cash & Cash Equivalents		**23,14,51,837**		**4,52,24,952**
Components of Cash and Bank Balance				
Cash in Hand		38,87,185		37,41,411
Balances with Banks on Current Account		1,02,73,260		1,26,50,752
Remittance Money in Transit		1,22,88,042		-
Deposit with Banks having maturity less than three months		20,37,08,329		29,35,805
Deposit with original maturity more than 3 month but less than 12 month		9,49,315		2,50,38,390
Unpaid Dividend Accounts		3,45,706		8,58,595
Cash and Bank Balances (Refer Note No.-18)		**23,14,51,837**		**4,52,24,952**
Less:-Deposit with original maturity more than 3 month but less than 12 month		9,49,315		2,50,38,390
Cash and Cash Equivalent in Cash Flow Statement		**23,05,02,522**		**2,01,86,562**

Note:- Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

Notes on Consolidated Financial Statements for the year ended 31st March 2017

1. Significant Accounting Policies Followed by The Company

Company Background

Fiem Industries Limited (referred to as "The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's registered office is at New Delhi and it has several manufacturing plants and depots across the country. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. It has one wholly owned foreign subsidiary-Fiem Industries Japan Co., Limited located in Japan. The Company also has entered into a 50:50 Joint Venture with Horustech Lighting SRL Italy and incorporated a Joint Venture, namely 'Centro Ricerche Fiem Horustech SRL' which has been set-up at Italy as a design centre. The Company has research and development facilities located at Rai, Sonepat, Haryana which has been approved by Department of Science & Industrial Research, Ministry of Science & Technology. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

Significant Accounting Policies

The Accounting Policies have been consistently applied by the Company and are consistent with those applied in previous year. However the changes as required by a change or revision to an existing Accounting Standard are dealt in the appropriate paras in the notes forming part of the financial statements.

A. Basis of Preparation

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013, as applicable, other pronouncements of the Institute of Chartered Accountants of India, and guidelines issued by the Securities and Exchange Board of India. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention except for certain revalued fixed assets which has been stated at revalued amount.

Aa. Principal of Consolidation

(i) The financial statements of the Parent Company, its Subsidiary have been consolidated 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 and the unrealized profits/losses on intra-group transactions, as in accordance with Accounting Standard (AS) -21 "Consolidated Financial Statements".

(ii) In accordance with Accounting Standard 27 " Financial Reporting on Interest in Joint Venture" issued under Companies (Accounting Standards) Rules 2006, the financial statement of the joint venture are consolidated using proportionate consolidation method by adding book value like items of assets, liabilities, incomes and expenditure of jointly controlled entity after eliminating intra-group balances/transactions and unrealised profits to the extent of the company's proportionate share.

(iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(iv) In case of foreign subsidiaries and foreign joint venture, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Translation reserve.

(v) The company has one wholly owned foreign subsidiary i.e. Fiem Industries Japan Co. Ltd. incorporated in Japan and one jointly controlled entity i.e. Centro Ricerche Fiem Horustech SRL incorporated in Italy which have been considered for consolidation.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and the reported amount of the income and expenses during the year. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized. Example of such estimates includes provision for doubtful receivables, employee benefits, provision for warranty expenses, provision for income taxes, the useful life of depreciable fixed assets etc. The estimates are based upon management knowledge of current events and economic circumstances.

C. Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or;

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for a least 12 months after the reporting date

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or;

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating Cycle

Based on the nature of products/activities of the Company and the normal time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities

D. Tangible and Intangible Fixed Assets

(i) Tangible fixed assets except for certain fixed assets, which have been stated at revalued amounts are valued at the historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and/or impairment loss, if any . Cost of an item of tangible fixed asset comprises its purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing cost during the period of construction or installation of fixed assets which take substantial period of time to get ready for its intended use up to the date of commencement of commercial production is added to the cost of respective tangible assets. Profit or loss on disposal on tangible assets is recognised in the Statement of Profit & Loss .

(ii) Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(iii) Intangible assets are shown at the consideration paid for acquisition less accumulated amortization.

(iv) Own manufactured tangible assets are capitalized at cost including an appropriate proportion of manufacturing overheads based on normal operating capacities.

(v) Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date.

(vi) Advances given towards acqusition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances

(vii) In respect of accounting periods commencing on or after 7th December, 2006, exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of the long-term foreign currency borrowings attributable to the acquisition of a depreciable fixed assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the fixed asset..

E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of Investment is made only if such a decline is other than temporary in the opinion of management.

F. Inventory

(i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, First in First Out method (FIFO) is used.

(ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity. Finished stocks lying in the factory premises, branches, Depots are valued inclusive of excise duty.

(iii) Manufactured and bought out moulds, block & dies for sale are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a First in First Out basis (FIFO).

(iv) Inventories of non-reusable waste say scrap for which facilities for reprocessing do not exist have been valued at net realizable value.

(iv) Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(v) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(vi) Goods in transit are stated as a component of inventories if the significant risk and rewards of ownership have passed to the company and valued at actual cost incurred up to the date of Balance Sheet.

G. Depreciation and Amortisation

(i) Depreciation on tangible fixed assets acquired on or after April 1, 2014 is charged to the Statement of Profit & Loss as per 'Straight Line Method' in accordance with the useful life specified in Part "C" of Schedule II of the Companies Act 2013.

(ii) Depreciation on tangible fixed assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is charged to the Statement of Profit & Loss over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013.

(iii) Leasehold land is amortised over the primary period of lease

(iv) Depreciation on assets purchased during the year has been charged from the date of purchase.

(iv) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates up to the date of sale, discarded or demolished.

(v) Intangible assets are amortised over their estimated useful life as follows.

(a) Computer software is amortised over a period of 3 years

(b) Trademark & Technical knowhow over a period of 5 years.

(vii) Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

(viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss as specified in Schedule II of the Companies Act 2013.

H. Revenue Recognition

(i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the company, which can be reliably measured.

(ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns and discounts. Sales is shown net of excise duty. The excise duty on sales is disclosed separately. The excise duty related to difference between the closing stock and opening stock of finished goods is recognized seperetarly as part of 'variation in excise duty on finished goods' under the head "Other Expenses".

(iii) Service income is recognised (net of service tax, as applicable) as per the terms of contracts/arrangements when related services are performed.

(iv) Inter-unit/warehouse transfer has not been considered as part of "Turnover".

(v) Insurance claims lodged with insurance companies are accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

(vi) Dividend income is recognized when the right to receive the dividend is established at the Balance Sheet date.

(vii) Interest income is accounted on the time proportion basis.

I. Government Grants, Subsidies and Export Incentives

(i) Government grants and subsidies are recognised in the statement of profit and loss in accordance with related schemes and when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

(ii) Duty drawback is recognised in the statement of profit and loss at the time of exports subject to the right to entitlement has been established.

J. Foreign Currency Transactions

Initial Recognition

'Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of Foreign Currency Monetary Items at the Balance Sheet date

(i) Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

(ii) Foreign currency non monetary items are carried at cost.

Treatment of Exchange Differences

(i) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

(ii) The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such items do not relate to acquisition of depreciable fixed assets, the difference is accumulated as "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term foreign currency monetary items but not beyond 31st March, 2020.

K. Research and Development

Research expenses are charged to Statement of Profit & Loss as and when incurred. Development expenses are capitalized when the Company is certain to recover the development cost from future economic benefits in accordance with AS-26. Fixed Assets utilized for research and development are capitalized and amortised in accordance with the policies stated for tangible and intangible fixed assets.

L. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post Employment Benefits:

(i) Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

(ii) Leave encashment is applicable to all permanent and full time employees of the company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method.

(iii) Gratuity is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The Liability as at the year-end represents the difference between the actuarial valuation of the future gratuity liability of the continuing employees and the fair value of plan assets with Exide Life Insurance Company as at the end of the year.

(iv) Actuarial gains/losses are immediately taken to the statement of profit and loss.

M. Pre-operative Expenditure Pending Allocation

Expenditure during the construction period of new units/substantial expansion has been debited to fixed assets (expenditure during the construction pending allocation has been debited to capital work in progress account) which are specifically attributable to construction of project or to the acquisition of a fixed assets or bringing it to its working condition and other expenditure during the construction period which are not specifically attributable to construction of projects or to the acquisition of a fixed assets or bringing to its working condition are recognized as an expenses when it is incurred.

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the Notes on financial statement. A contingent assets is neither recognised nor disclosed in the financial statements.

O. Provision for Taxation

(i) Provision for Current Tax is made for the current accounting period on the basis of the taxable profits computed accordance with the Income Tax Act, 1961.

(ii) Minimum Alternate Tax (MAT) is paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability. It is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the assets can be measured reliably. The said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(iii) Deferred Tax charge or credit are recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognized subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates as per tax Laws that have been enacted or substantially enacted as on the Balance Sheet date.

(iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.

(v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

(i) Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. The Company is applying Para 46-A of AS-11, and also following the clarification issued by the Ministry of Corporate Affairs, Government of India through circular no. 25/2012 dated 09.08.12. Pursuant to this, exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, insofar as they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of asset and are depreciated over the balance life of the asset. In other cases it is accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the such long term asset/liability but not beyond 31st March 2020.

(ii) Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

(iii) Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

(iv) Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Q. Excise Duty

The Excise duty has been accounted on finished goods on the basis of both payments made in respect of goods cleared as also goods lying in warehouse/factory. The company makes provision for liability of unpaid excise duty on finished stock lying in factory or warehouse. The estimate of such liability has been made at the rates in force on the balance sheet date. On stock meant for exports, no excise duty provision has been made since excise duty is not leviable on goods meant for exports.

R. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing Value in use, the estimated future cash flows is discounted to their present value based on an appropriate discount factor.

S. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash in hand, bank balances and demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

T. Cash Flow Statement

Cash flow statement are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

U. Derivatives Instruments and Hedge Accounting

The Company enters into derivatives contracts in the nature of foreign currency swaps, currency options, forward contracts etc. to hedge its exposure to movements in foreign exchange rates. The use of these contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculative purposes.

With effect from 01.04.2016, the company has adopted the recommendations as laid down in the Guidance Note on 'Accounting for Derivative Contracts' wherein all derivative contracts are recognized & measured at fair value. The Company uses cross currency interest rates swap derivative to hedge its interest rate liability. Therefore, as per Guidance Note foreign currency loans are fair valued as on balance sheet date and corresponding derivative liability/assets is recognized separately.

V. Segment Reporting

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and service provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segment is based on the areas in which major operating division of the Company operates.

Unallocated Cost

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for prepairing and presenting the financial statements of the Company as a whole.

W. **Operating Lease**

Leases other than finance lease, are operating leases, and the such assets are not recognized on the Company's balance sheet. Payments under operating leases are recognized in statement of operations on a straight-line-basis over the term of the lease.

X. **Share Issue Expenses**

Share issue expenses have been debited to Securities Premium Account as per the provision of section 52 (2) of Companies Act, 2013

Y. **Earnings Per Share**

The Basic and Diulated Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split, if any.

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity shares of ₹10 each	30,00,00,000	30,00,00,000
Issued, Subscribed and Paid-up		
1,31,59,830 (Prv. Year 1,19,62,226) Equity Shares		
of ₹10/- each fully paid up	13,15,98,300	11,96,22,260
TOTAL	**13,15,98,300**	**11,96,22,260**

a) **Terms/rights attached to equity shares**

The company has only one class of shares referred to as equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders..

b) **The Details of shareholder holding more than 5% shares in the company (Equity share of ₹10 each fully paid up)**

Name of the Shareholder	AS AT 31.03.2017		AS AT 31.03.2016	
	No of shares	% held	No of shares	% held
1) J.K. Jain	29,60,000	22.49%	29,60,000	24.74%
2) Seema Jain	29,60,000	22.49%	29,60,000	24.74%
3) Rahul Jain	15,52,340	11.80%	15,52,340	12.98%
4) Aanchal Jain	8,00,000	6.08%	8,00,000	6.69%

c) **Reconciliation of Number of Shares**

Equity shares	AS AT 31.03.2017		AS AT 31.03.2016	
	No of shares	Amount	No of shares	Amount
Opening Balance	1,19,62,226	11,96,22,260	1,19,62,226	11,96,22,260
Issued During the Year *	11,97,604	1,19,76,040	-	-
Closing balance	1,31,59,830	13,15,98,300	1,19,62,226	11,96,22,260

*The Company has issued and allotted 11,97,604 equity shares on private placement basis to Qualified Institutional Buyers on September 20,2016

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
3 RESERVES & SURPLUS				
CAPITAL RESERVE				
a) Land Revaluation Reserve	11,74,77,278		11,74,77,278	
b) Building Revaluation Reserve	2,07,73,148		2,07,73,148	
Total (a+b)		13,82,50,426		13,82,50,426
SECURITIES PREMIUM RESERVE				
As Per Last Balance Sheet	50,99,72,343		50,99,72,343	
Add:- Addition during the Year- Premium of ₹992 on issue of 11,97,604 equity shares	1,18,80,23,168		-	
Less :- Expenses incurred on issue of share	(2,57,18,175)		-	
Closing balance		1,67,22,77,336		50,99,72,343
GENERAL RESERVE				
As Per Last Balance Sheet	24,10,00,000		18,35,00,000	
Add :- Transferred from Surplus in the statement of Profit and Loss	3,50,00,000		5,75,00,000	
Closing balance		27,60,00,000		24,10,00,000
TRANSLATION RESERVE		(1,15,041)		3,69,551
SURPLUS -OPENING BALANCE	1,72,21,88,742		1,32,15,38,242	
Add:- Net profit after tax transferred from Statement of Profit and Loss	33,12,54,135		57,33,30,090	
Amount Available for Appropriation	2,05,34,42,877		1,89,48,68,332	
Less :- Appropriations				
i) Interim Dividend paid	-		5,98,11,130	
ii) Corporate Dividend Tax Paid on Interim Dividend	-		1,21,76,098	
iii) Proposed Final Dividend	-		3,58,86,678	
iv) Corporate Dividend Tax on Final Dividend	-		73,05,684	
v) Transfer to General Reserve	3,50,00,000		5,75,00,000	
	3,50,00,000		17,26,79,590	
SURPLUS -CLOSING BALANCE		2,01,84,42,877		1,72,21,88,742
TOTAL		**4,10,48,55,598**		**2,61,17,81,062**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2017	AS AT 31.03.2016
4 LONG TERM BORROWINGS				
(A) SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	14,62,50,000	26,20,50,000	11,58,00,000	14,55,32,715
b) Foreign Currency Loan	1,03,29,99,105	61,41,87,500	28,17,55,189	14,36,81,250
	1,17,92,49,105	**87,62,37,500**	**39,75,55,189**	**28,92,13,965**
2) VEHICLE LOANS				
a) from Banks	61,23,667	1,51,99,464	1,07,94,857	1,25,56,467
b) from Others	93,28,828	1,70,84,736	77,55,908	70,15,460
	1,54,52,495	**3,22,84,200**	**1,85,50,765**	**1,95,71,927**
TOTAL	**1,19,47,01,600**	**90,85,21,700**	**41,61,05,953**	**30,87,85,891**

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

a) From Citibank :- Loan outstanding as at 31.03.17 ₹NIL (Previous year ₹97,32,715) had tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest was payable on monthly basis . The loan carried fixed interest rate of 12% p.a. and was secured against exclusive charge on all movable assets procured out of the term loan. This loan has been fully repaid during the year

b) From State bank of Patiala :- Loan outstanding as on 31.03.17 NIL (Previous Year ₹4,00,00,000/-). The loan was for 7 years with 24 quarterly repayment beginning from the end of 15 months from the drawdown. Interest was monthly payable. The interest rate was 10.30% p.a. The Loan was Secured against First Pari Passu charge alongwith Axis Bank and HSBC over movable and Immovable fixed assets of Rai Unit (Present and future) including equitable mortgage of Factory Land and Building at Rai, Sonepat and First charge on movable fixed assets of Hosur unit- III (tamilnadu) and First Charge on movable fixed assets of Mysore unit -IV Karnataka and First charge on entire fixed assets of Unit- VI Nalagarh Unit. This loan has been fully repaid during the year

c) From Axis Bank :- Loan outstanding as on 31.03.17 ₹5,08,00,000/- (Previous year ₹10,16,00,000) :- The loan is for 7 years and has quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The current interest rate is 10.10% p.a. The Loan is secured against First Pari Passu charge with State Bank of Patiala and HSBC bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit and secured against First Pari Passu Charge on movable fixed assets of kundli unit and Unit -2 at Hosur with Citibank FCNR-II term loan.

d) HSBC Bank:- Loan -1 Outstanding as on 31.03.17 ₹3,12,50,000/- (Previous Year ₹5,62,50,000) The Loan is for 5 year and has quarterly equal repayment beginning after moratorium period of 1 year. Interest is monthly payable. The loan carries fixed interest rate of 10% p.a. The Loan is Secured against First Pari Passu charge with Axis Bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit.

e) HSBC Bank:- Loan -2 Outstanding as on 31.03.17 ₹18,00,00,000/- (Previous Year ₹20,00,00,000) The Loan is for 6 year and has 20 quarterly equal repayment beginning after moratorium period of 15 months . Interest is monthly payable. The loan carries fixed interest rate of 9.50% p.a. The Loan is Secured against First Pari-Passu charge with HSBC -Mauritius and with CITIBANK FCNR TERM LOAN -3 by way of equitable mortgage on land and building and hypothecation of Plant and machinery at project in Gujarat(Survey no 151-153, village karsanpur, Taluka mandal, Distt Ahmedabad) and secured against first pari passu charge by way of equitable mortgage on Land and Building and hypothecation of Plant and Machinery at Tapukara Rajasthan along with ,HSBC Mauritius, CITIBANK FCNR TERM LOAN -3 and STANDARD CHARTERD BANK ECB-3 LOAN

4 LONG TERM BORROWINGS (contd.)

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) From Citibank :- FCNR Term Loan -1 outstanding as on 31.03.17 -₹3,04,69,267 (Previous Year ₹5,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, tamilnadu.

b) From Citibank :- FCNR Term Loan -2 outstanding as on 31.03.17- ₹14,42,60,639 (Previous Year ₹18,75,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 12 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.25% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and is secured against First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with working capital Lenders viz. Citibank, Standard Chartered Bank, HDFC bank and Indusind Bank Guarantee limit and term lender Axis Bank. The Loan is also secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, tamilnadu.

c) From Citibank :- FCNR Term Loan -3 outstanding as on 31.03.17- ₹33,76,46,713 (Previous Year- ₹NIL) has tenor of 6 years with 20 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 9% p.a. The Loan is secured against First pari-passu charge on the fixed assets of the company including land and building and plant and machinery at Rajasthan unit with other lender viz. HSBC India, HSBC Mauritius and SCB 5.50 Million USD ECB LOAN and is secured against first pari-passu charge on all the fixed assets including land and building and plant and machinery of Gujarat unit shared with other lenders viz. HSBC India, HSBC Mauritius .

d) From Standard Chartered Bank ECB -2 :- Loan outstanding as on 31.03.17 - NIL (Previous year ₹2,76,18,750). The loan was for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest was quarterly payable. The loan carried fully hedged interest cost of 8.50% p.a. The Loan was secured against Equitable mortgage on land and building and Pant and machinery at Tapukara, Rajasthan Unit with HSBC India and HSBC Mauritius. This loan has been fully repaid during the year

e) From Standard Chartered Bank ECB -3 for 5.50 Million USD :- Loan outstanding as on 31.03.17 - ₹35,66,12,300 (Previous year ₹NIL). The loan is for 6 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest is quarterly payable. The loan carries fully hedged interest cost of 8.90% p.a. The Loan is secured on first pari passu charge basis with HSBC INDIA, HSBC Mauritius and CITIBNK FCNR TERM LOAN-3 on all assets of Tapukara plant (Present and future)

f) From HSBC Mauritius ECB :- Loan outstanding as on 31.03.17- ₹44,57,65,375 (Previous year ₹49,27,50,000). The loan is for 6 years with 20 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest is quarterly payable. The loan carries fully hedged interest cost of 8.99% p.a. The Loan is secured against Equitable Mortgage with CITIBANK FCNR TERM LOAN-3 (1st Pari Passu with HSBC, India) on Land and Building and Hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) located at Ahmedabad, Gujarat and secured against equitable mortgage on Land and Building with (1st pari- Passu with HSBC, India) and hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) along with CITIBANK FCNR TERM LOAN -3 AND STANDARD CHARTERED BANK ECB-3 at Tapukara Rajasthan.

VEHICLE LOANS FROM BANKS AND OTHERS

Vehicle loan from banks and others outstanding as on 31.03.17 are ₹3,40,03,260 (Previous year ₹5,18,56,127) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 9.50% to 11.00%.

	1-2 years	2-3 years	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	34,76,29,613	31,80,94,512	27,61,09,703	25,28,67,772

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
5 OTHER LONG TERM LIABILITIES				
1) Retention Money		31,55,856		18,31,167
2) Derivative Liability -Long term		2,57,89,145		-
3) Joint Venture share of Long term liabilities		10,90,234		4,53,652
		3,00,35,235		**22,84,819**
6 LONG TERM PROVISIONS				
Provision for Retirement Benefits				
a) Leave Encashment	2,66,96,703		2,31,15,805	
b) Gratuity	-		10,95,581	
		2,66,96,703		2,42,11,386
Provision for Warranties (Note -10)		-		6,04,23,049
Share of other long term provisions of Joint venture company		30,815		1,48,914
TOTAL		**2,67,27,518**		**8,47,83,349**
7 SHORT TERM BORROWINGS				
Cash Credit/Working Capital Loans repayable on demand from Banks				
Indian Rupee Loan		64,15,16,422		18,29,82,187
TOTAL		**64,15,16,422**		**18,29,82,187**

Indian Rupee Loan includes

a) From Citibank NA :- Loan outstanding as at 31st March 2017 ₹22,20,20,679 (Previous Year ₹1,04,42,870) Interest is payable with monthly rest on the last date of each month in each year or at such other rest as determined by the bank. The rate of interest is based on relevant circumstances, including market conditions which currently is 9.5% p.a. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan , Indusind Bank Bank Guarantee Limit and secured against First Pari Passu charge on all the fixed assets of the company (excluding assets specifically purchased out of the term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Standard Chartered Bank, HDFC Bank, Indusind Bank and Citibank FCNR-2 Loan.

b) From Standard Chartered Bank :- Loan outstanding as at 31st March 2017 is ₹27,17,79,954 (Previous year ₹7,28,01,367/-) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 9.50% p.a. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan , Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank , HDFC Bank, Indusind Bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank , HDFC Bank, Indusind bank and Citibank FCNR-2 Loan.

c) From HDFC BANK :- Loan outstanding as at 31st March 2017 is ₹14,77,15,789 (Previous year ₹9,97,37,950/-) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently

7 SHORT TERM BORROWINGS

is 9.00% p.a. The loan is secured against First Pari Passu charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on all fixed assets of the company (excluding assets specifically purchased out of term loan from term loan lenders) with Citibank, Standard Chartered Bank, Indusind Bank including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank, Standard Chartered Bank, Indusind Bank and Citibank FCNR-2 Loan.

d) Indusind Bank Bank Guarantee Limit:- The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, HDFC bank Cash Credit Loan Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, Standard Chartered Bank, HDFC bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank, Standard Chartered Bank, HDFC bank and Citibank FCNR-2 Loan. Bank Guarantee charges is 0.60% p.a. plus applicable service tax.

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
8 TRADE PAYABLES				
- Micro and Small enterprises	1,11,85,996		89,70,474	
- Other than Micro and Small enterprises	1,49,05,13,112		1,49,87,57,325	
		1,50,16,99,107		1,50,77,27,799
TOTAL		**1,50,16,99,107**		**1,50,77,27,799**

Considering the company has been extended credit period upto 45 days by its vendors and payments being released on a timely basis, there is no liability towards interest on delayed payments under "The Micro, Small and Medium Enterprises Development Act 2006" during the year. There is also no amount of outstanding interest in this regard, brought forward from previous years. The above information is on basis of intimations received, from the vendors who have communicated their status with regards to vendors registration under the said Act on requests made by the company,

9 OTHER CURRENT LIABILITIES

a)	Current Maturity of Long- term debt (See Note 4)	41,61,05,953		30,87,85,891	
	Less Derivative liability Short Term	(25,20,939)		-	
			41,35,85,015		30,87,85,891
b)	Interest accrued but not due on borrowings		56,97,824		60,51,267
c)	Interest accrued and due on borrowings		22,98,571		42,55,116
d)	Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		3,45,706		8,58,595
e)	Advances from Customers		10,19,22,425		12,06,48,538
f)	Security Deposits Received		2,16,24,813		1,94,47,266
g)	Creditors for Capital Expenditure		10,70,91,552		16,84,35,781
h)	Liabilities for Expenses		11,52,95,512		10,00,97,600
i)	Statutory Dues payable		7,25,80,487		6,17,32,344
TOTAL			**84,04,41,903**		**79,03,12,399**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
10 SHORT TERM PROVISIONS				
1) Provision for Retirement Benefits				
a) Leave Encashment	73,00,287		63,95,471	
b) For Gratuity	58,50,861		49,39,047	
		1,31,51,148		1,13,34,518
2) Other Provisions				
a) Provision for Taxation				
I. Income tax (net of advance tax)	3,70,596		1,03,52,534	
II. Corporate Dividend Tax	-		73,05,684	
		3,70,596		1,76,58,218
b) Proposed Final Dividend		-		3,58,86,678
c) Provision for Warranties		45,51,950		41,67,894
d) Excise Duty		2,01,97,522		1,40,17,618
TOTAL		**3,82,71,216**		**8,30,64,926**

Provision for Warranties

The company gives warranties on certain products and services, undertaking to repair and replace the items that fails to perform satisfactorily during the warranty period. Provision made as at 31.03.17 represents the amount of the expected cost of meeting such obligation of rectification or replacement. The timing of the outflow is expected to be within warranty period.

(Amount in ₹)

Particulars	31.03.2017		31.03.2016	
Opening Balance		6,45,90,943		49,25,568
Addition		45,51,950		6,45,90,943
Utilization		1,16,96,788		23,50,502
Reversal		5,28,94,155		25,75,066
Closing Balance		45,51,950		6,45,90,943
Current Portion		45,51,950		41,67,894
Non Current Portion		-		6,04,23,049

Notes on Consolidated Financial Statements for the year ended 31st March 2017

11. FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
Nature of Assets	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the Year	Deductions	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
1. Tangible Assets										
Land Free hold	31,59,05,048	12,84,23,000	-	44,43,28,048	-	-		-	44,43,28,048	31,59,05,048
Land Lease hold	18,43,43,264	-		18,43,43,264	1,36,34,312	25,01,704		1,61,36,016	16,82,07,248	17,07,08,952
Buildings	1,36,46,38,899	37,56,57,807		1,74,02,96,706	20,42,43,217	4,60,98,464		25,03,41,681	1,48,99,55,025	1,16,03,95,682
Plant & Equipment	2,84,61,53,503	50,07,16,804	5,23,687	3,34,63,46,620	90,74,20,969	20,76,39,598	-	1,11,50,60,567	2,23,12,86,053	1,93,87,32,534
Furniture & Fixtures	15,35,80,742	3,83,19,669		19,19,00,411	5,45,47,837	1,58,75,641		7,04,23,478	12,14,76,933	9,90,32,905
Vehicles	17,63,69,582	49,44,286	25,33,699	17,87,80,169	6,69,18,356	1,94,33,352	22,90,380	8,40,61,327	9,47,18,842	10,94,51,227
Office Equipment	4,41,11,301	79,28,819		5,20,40,119	2,83,02,804	49,93,235		3,32,96,039	1,87,44,081	1,58,08,497
Mould, Block & Dies	53,75,84,333	6,49,73,564		60,25,57,897	32,68,36,805	6,21,14,551		38,89,51,356	21,36,06,541	21,07,47,528
Tools & Equipments	7,94,72,992	1,33,10,738		9,27,83,730	4,74,81,585	87,10,602		5,61,92,186	3,65,91,544	3,19,91,407
Electrical Installations	16,18,05,295	1,67,63,177		17,85,68,472	7,13,38,643	1,52,31,576		8,65,70,219	9,19,98,252	9,04,66,652
Computers	4,93,37,995	51,78,447	81,113	5,44,35,329	3,93,99,252	52,96,392	34,667	4,46,60,977	97,74,352	99,38,744
Total	**5,91,33,02,955**	**1,15,62,16,310**	**31,38,499**	**7,06,63,80,766**	**1,76,01,23,779**	**38,78,95,114**	**23,25,047**	**2,14,56,93,846**	**4,92,06,86,920**	**4,15,31,79,176**
Previous Year	4,77,75,27,117	1,14,80,69,757	1,22,93,919	5,91,33,02,955	1,44,05,29,521	32,76,83,415	80,89,157	1,76,01,23,779	4,15,31,79,176	
Share of Joint Venture	62,394	-	-	62,394	30,342	20,228	-	50,570	11,824	32,052
Previous Year	62,394	-	-	62,394	10,114	20,228	-	30,342	32,052	52,280
Total-(1)	**5,91,33,65,349**	**1,15,62,16,310**	**31,38,499**	**7,06,64,43,160**	**1,76,01,54,121**	**38,79,15,342**	**23,25,047**	**2,14,57,44,416**	**4,92,06,98,744**	**4,15,32,11,228**
Previous Year	4,77,75,89,511	1,14,80,69,757	1,22,93,919	5,91,33,65,349	1,44,05,39,635	32,77,03,643	80,89,157	1,76,01,54,121	4,15,32,11,228	
2. Intangible Assets										
Computer Software	1,80,04,206	67,09,518	-	2,47,13,724	1,47,75,377	37,42,474	-	1,85,17,851	61,95,873	32,28,829
Technical Know-how	31,11,557	-	-	31,11,557	18,66,933	6,22,311		24,89,244	6,22,313	12,44,624
Trademarks	32,400	-	-	32,400	19,440	6,480		25,920	6,480	12,960
Total	**2,11,48,163**	**67,09,518**	**-**	**2,78,57,681**	**1,66,61,750**	**43,71,265**	**-**	**2,10,33,015**	**68,24,666**	**44,86,412**
Previous Year	1,87,30,674	24,17,489	-	2,11,48,163	1,39,71,170	26,90,580	-	1,66,61,750	44,86,412	
Share of Joint Venture	33,69,469	-	-	33,69,469	16,66,763	6,04,457	-	22,71,220	10,98,249	17,02,706
Previous Year	36,85,509	4,16,142	7,32,181	33,69,470	8,59,861	8,06,903	-	16,66,764	17,02,705	-
Total (2)	**2,45,17,632**	**67,09,518**	**-**	**3,12,27,150**	**1,83,28,513**	**49,75,722**	**-**	**2,33,04,235**	**79,22,915**	**61,89,121**
Previous Year	2,24,16,183	28,33,631	7,32,181	2,45,17,632	1,48,31,031	34,97,483	-	1,83,28,513	61,89,121	-
3. Capital Work-in-Progress									**5,62,66,511**	**11,59,01,422**
Grand Total (1+2)	**5,93,78,82,981**	**1,16,29,25,827**	**31,38,499**	**7,09,76,70,310**	**1,77,84,82,634**	**39,28,91,067**	**23,25,047**	**2,16,90,48,651**	**4,92,86,21,659**	**4,15,94,00,349**
Previous Year	4,80,00,05,694	1,15,09,03,388	1,30,26,100	5,93,78,82,981	1,45,53,70,666	33,12,01,126	80,89,157	1,77,84,82,634	4,15,94,00,349	-

NOTES:

1. Gross Block of Land free hold includes ₹11,74,77,278 and gross block of Buildings includes ₹2,97,01,382 on account of revaluation carried out in the past years based on reports issued by Government approved valuers.
2. Gross block of land free hold includes an amount of ₹18,23,276 for purchase of factory land, the registration of which is still pending in the name of Company.
3. Additions of fixed assets includes ₹nil (Previous Year-₹21,97,292) on account of Foreign Exchange Adjustment on ECB Loan as per option exercised under para 46-A of AS-11.
4. Capital Work in progress includes:

(Amount in ₹)

Nature of Assets	Current Year	Previous Year
i. Civil-work in progress	5,01,45,154	6,44,54,697
ii. Fixed assets under installation	-	5,14,46,725
iii. Fixed assets in transit	61,21,358	-
Total	**5,62,66,511**	**11,59,01,422**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
12 NON-CURRENT INVESTMENTS				
A) TRADE INVESMENTS (At cost)in Equity (unquoted)				
1 in Others				
a) M/s Shivalik Solid Waste Management Ltd.				
20,000 (P. Y. 20,000) equity shares of ₹10 each fully paid up	2,00,000		2,00,000	
b) Elcina Electronic Manufacturing (p) Ltd.				
10,000 (P. Y. 10,000) equity shares of ₹10 each fully paid up	1,00,000		1,00,000	
		3,00,000		3,00,000
TOTAL		**3,00,000**		**3,00,000**

13 LONG TERM LOANS AND ADVANCES (unsecured but considered good)				
a) Capital Advances		6,15,11,117		5,29,48,619
b) MAT credit entitlement		7,07,99,345		-
c) Advance tax (Net of Provision for Tax)		4,25,43,652		-
d) Security Deposits		6,72,19,759		5,42,82,218
e) Prepaid Expenses		20,68,853		29,08,904
f) Loan to Employees		29,49,301		37,69,269
TOTAL		**24,70,92,027**		**11,39,09,010**

14 OTHER NON CURRENT ASSETS				
a) Margin Money deposit with original maturity for more than 12 months		1,98,38,045		45,730
b) Retention money with Customers (Unsecured but considered good)		10,56,50,214		8,69,41,221
c) Joint Venture share in balance with Government departments		1,08,511		75,096
TOTAL		**12,55,96,770**		**8,70,62,047**

(Amount in ₹)

Particulars		AS AT 31.03.2017		AS AT 31.03.2016	
15	CURRENT INVESTMENTS (Valued at lower of cost and fair value)				
	INVESTMENT IN LIQUID MUTUAL FUNDS (QUOTED)				
1	HDFC BANKING AND PSU DEBT FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(1,18,15,675.463 units previous year Nil of face Value of ₹10 each)				
2	KOTAK INCOME OPPORTUNITIES-REGULAR PLAN (GROWTH)		25,00,00,000		-
	(1,44,58,875.76 units previous year Nil of face Value of ₹10 each)				
3	RELIANCE SHORT TERM FUND (GROWTH)		13,06,59,712		-
	(43,93,001.50 units previous year Nil of face Value of ₹10 each)				
4	SBI SAVING FUND -REGULAR PLAN (GROWTH)		26,11,159		-
	(1,06,808.52 units previous year Nil of face Value of ₹10 each)				
5	SBI SHORT TERM DEBT FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(82,54,457.41 units previous year Nil of face Value of ₹10 each)				
6	SBI DYNAMIC BOND FUND- REGULAR PLAN (GROWTH)		15,00,00,000		-
	(73,42,994.97 units previous year Nil of face Value of ₹10 each)				
	TOTAL		**83,32,70,871**		**-**
	Aggregate amount of Quoted investments		83,32,70,871		-
	Market Value of quoted investments		86,09,47,113		-
	Aggregate amount of Unquoted investments		-		-

16	INVENTORIES (As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value)				
a)	Raw Materials and Components	51,42,90,438		35,40,33,793	
b)	Raw Materials and Components in transit	1,23,20,250		1,62,95,790	
c)	Work in Progress	29,02,69,330		8,21,20,326	
d)	Finished Goods	18,04,80,330		15,37,78,471	
e)	Stock in trade (Mould, Tools and Dies)	-		2,93,34,465	
f)	Stock in trade (Others)	22,09,907		34,27,537	
g)	Stores and Spares (including Packing Material)	2,41,32,582		2,18,93,136	
h)	Stores and Spares (including Packing Material) in transit	5,45,836		4,20,603	
			1,02,42,48,672		66,13,04,121
TOTAL			**1,02,42,48,672**		**66,13,04,121**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
17 TRADE RECEIVABLES (unsecured but considered good)				
Debt Outstanding for a period exceeding Six Months				
a) Considered Good	4,48,17,046		1,23,63,198	
b) Considered Doubtful	64,24,811		41,27,036	
Other Debts :- Considered Good	1,15,32,61,521		1,17,36,73,496	
		1,20,45,03,378		1,19,01,63,730
Less:- Provision for Doubtful Debts		64,24,811		41,27,036
TOTAL		**1,19,80,78,567**		**1,18,60,36,694**
18 CASH AND BANK BALANCES				
1) Cash and Cash Equivalents				
a) Balances with Banks in current account	1,02,73,260		1,26,50,752	
b) Deposits with original maturity of less than three months	20,37,08,329		29,35,805	
		21,39,81,589		1,55,86,557
2) Cash on Hand		38,87,185		37,41,411
3) Remittance Money In Transit		1,22,88,042		-
4) Other bank balances				
a) Unpaid Dividend Account	3,45,706		8,58,595	
b) Margin money deposit with original maturity for more than 3 months but less than 12 months	9,49,315		2,50,38,390	
		12,95,021		2,58,96,985
TOTAL		**23,14,51,837**		**4,52,24,952**
19 SHORT TERM LOANS AND ADVANCES (unsecured but considered good)				
a) Prepaid Expenses		1,09,17,410		1,22,53,708
b) Loan to Employees		30,04,288		25,90,093
c) Advances for Goods other than Capital Goods		5,98,86,029		6,98,04,067
d) Balance with Customs, Excise Department		14,21,09,005		11,36,27,722
e) Balance with Sales Tax Department		44,33,943		56,17,186
f) Security deposits		19,14,864		9,85,223
g) Other Advances recoverable		39,93,252		39,97,692
TOTAL		**22,62,58,791**		**20,88,75,691**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
20 OTHER CURRENT ASSETS				
a) Income accrued on deposits and Investments		3,07,07,196		34,66,452
b) Subsidy Receivables		28,02,044		58,13,540
c) Export Incentive Receivables		9,08,131		3,24,800
TOTAL		**3,44,17,372**		**96,04,792**

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
21 GROSS SALES				
Manufactured Goods				
1) Automotive Lamps, Signalling Equipment and Parts	7,00,85,34,314		6,19,12,32,703	
2) Rear View Mirrors and Parts	1,50,19,74,729		1,34,54,01,869	
3) Plastic Moulded Parts	1,26,82,72,082		1,36,45,56,374	
4) Moulds and Dies	3,61,64,750		3,85,78,441	
5) LED Luminaries	48,73,88,737		1,21,73,15,244	
6) LED Integrated Passenger information system	9,22,35,176		2,49,11,923	
7) Others	31,67,98,670		30,77,14,432	
	10,71,13,68,458		10,48,97,10,987	
Traded Goods				
1) Mould and Dies	45,93,97,228		28,23,06,072	
2) LED Integrated Passenger information system	1,21,03,842		71,49,002	
3) Others	8,30,09,008		5,98,46,910	
	55,45,10,078		34,93,01,984	
		11,26,58,78,536		10,83,90,12,971
TOTAL		**11,26,58,78,536**		**10,83,90,12,971**

22 OPERATING INCOME				
1) Scrap sales		3,95,43,540		4,11,24,007
2) Testing charges Received		1,66,37,504		1,40,43,166
3) Distribution income Received (bulb)		1,21,41,703		-
4) Mould, Dies and Tool Design and development charges		97,24,125		1,15,56,753
5) Government subsidy received		53,00,578		1,75,11,227
6) Duty Drawback Received		37,89,173		30,54,965
7) Rebate and Discount Received		25,04,599		29,02,800
8) Difference in foreign exchange		(3,74,635)		3,54,858
9) Segregation, Packing and Forwarding charges Received		3,08,946		5,48,044
TOTAL		**8,95,75,533**		**9,10,95,820**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
23 OTHER INCOME				
1) Income accrued On Current Investment		2,76,76,243		-
2) Interest income on Fixed Deposits and others Deposits		1,23,05,374		73,77,319
3) Income on Redemption of Mutual fund		32,70,871		-
4) Sundry Creditors written back		32,36,793		22,18,534
5) Other Non Operating Income		6,00,671		1,10,548
TOTAL		**4,70,89,951**		**97,06,401**
24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED				
Opening Stock		35,40,33,793		28,40,66,532
Add : Purchases		5,92,02,56,492		5,60,35,08,491
Less :- Inventories at the end of the year		51,42,90,438		35,40,33,793
TOTAL		**5,75,99,99,847**		**5,53,35,41,230**
Particulars of Raw material and components consumed				
Plastic Powder	2,11,87,68,558		1,90,86,37,297	
Bulb	57,28,72,083		51,66,92,190	
Wiring harness	51,82,34,263		48,80,00,361	
Others	2,55,01,24,943		2,62,02,11,382	
		5,75,99,99,847		**5,53,35,41,230**
25 PURCHASE OF STOCK IN TRADE				
a) Purchase of Traded Goods		5,65,24,012		5,11,88,750
b) Purchase of Traded Moulds, Dies and Tools		25,67,21,288		20,46,58,942
TOTAL		**31,32,45,300**		**25,58,47,692**
Detail of Purchase of Traded Goods				
Bulb		1,84,25,138		1,74,97,747
Mould Dies and Tools		25,67,21,288		20,46,58,942
Others		3,80,98,874		3,36,91,003
		31,32,45,300		**25,58,47,692**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE				
Inventories at the end of the year				
a) Finished Goods	18,04,80,330		15,37,78,471	
b) Work -in- Progress	29,02,69,330		8,21,20,326	
c) Traded Goods - (Mould, Tools and Dies)	-		2,93,34,465	
d) Traded Goods - (Others)	22,09,907		34,27,537	
		47,29,59,567		26,86,60,798
Inventories at the beginning of the year				
a) Finished Goods	15,37,78,471		9,85,54,941	
b) Work -in- Progress	8,21,20,326		8,96,77,129	
c) Traded Goods - (Mould, Tools and Dies)	2,93,34,465		60,80,688	
d) Traded Goods - (Others)	34,27,537		74,33,824	
		26,86,60,798		20,17,46,581
		(20,42,98,769)		**(6,69,14,217)**
Finished Goods				
a) Automotive Goods	12,60,04,355		15,27,38,187	
b) LED Luminaries and Integrated Passenger information system	5,44,75,975		10,40,284	
		18,04,80,330		15,37,78,471
Work in Progress				
a) Automotive Goods	23,49,98,749		8,05,73,662	
b) LED Luminaries and Integrated Passenger information system	5,52,70,581		15,46,664	
		29,02,69,330		8,21,20,326
27 EMPLOYEES BENEFITS EXPENSES				
Salaries,Wages and Bonus to employees		1,35,58,22,216		1,17,30,38,217
Contribution to Provident and other Funds		2,82,39,957		2,42,05,111
Staff Welfare Expenses		5,70,03,524		5,45,83,757
Gratuity Expenses		1,41,49,473		1,47,16,656
Earned Leave to staff		60,06,282		69,42,805
TOTAL		**1,46,12,21,452**		**1,27,34,86,546**
28 FINANCE COSTS				
Interest Expenses		22,16,11,000		14,81,24,326
Other Borrowing Costs		1,10,46,543		96,84,466
TOTAL		**23,26,57,543**		**15,78,08,791**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
29 OTHER EXPENSES				
Manufacturing Expenses				
1) Job Charges	1,84,02,421		61,30,494	
2) Machinery running and Maintenance				
a) Machinery Repair and Service charges	70,91,981		68,05,247	
b) Machinery Spares	8,79,34,308		7,00,89,709	
3) Consumption of Stores and Spare parts	17,56,25,930		17,76,54,046	
4) Packing Expenses	25,97,32,693		24,75,79,800	
5) Power and Fuel	41,56,35,537		37,87,62,323	
6) Variation in Excise duty of FG	61,79,904		66,09,221	
7) Repair - Dies	1,78,16,255		1,81,66,320	
8) Factory / Godown Rent	60,19,614		50,27,124	
9) Installation expenses for LED Streetlights	31,62,957		1,93,40,200	
10) Distribution Charges (Bulb) paid	1,21,41,703			
11) Freight, Cartage & Octroi	8,83,98,658		7,79,10,322	
12) Testing and Design Fees	2,21,17,284		1,22,41,421	
13) Segregation Charges Paid	5,73,807		5,73,899	
		1,12,08,33,052		**1,02,68,90,125**
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Exp.	1,26,17,867		1,65,00,003	
2) Payment to Auditors	76,56,576		54,00,000	
3) Donation	17,69,283		26,61,646	
4) Rates and taxes	1,65,29,941		1,45,37,850	
5) Insurance	46,47,728		48,46,142	
6) Bad debt written off	20,76,112		20,40,640	
7) Provision for Bad and Doubtful Debt	22,97,775		19,68,367	
8) Rent	2,71,39,871		2,16,88,458	
9) Repair & Maintenance- Building	38,20,161		45,72,662	
10) Repair & Maintenance- Other	1,90,16,450		2,02,86,367	
11) Royalty	50,00,000		50,34,158	
12) (Profit)/Loss on sale of Fixed Assets	-		(6,68,159)	
13) Selling & Distribution Expenses	20,84,18,699		23,48,74,469	
14) Cash Discount on sales	1,59,59,685		1,62,59,490	
15) Travelling and Conveyance Expenses	5,08,55,950		5,11,19,747	
16) Contribution toward CSR (Note-46)	1,28,42,000		1,01,20,000	
17) Prior Period Expenses	13,21,506		25,14,736	
18) Other Office Expenses	16,74,68,051		17,19,85,029	
		55,94,37,655		**58,57,41,604**
TOTAL		**1,68,02,70,707**		**1,61,26,31,729**

(Amount in ₹)

Particulars	Current Year 2016-17		Previous Year 2015-16	
30 EXCEPTIONAL ITEM				
Bad Debt Written off	19,47,80,649		-	
Less - Provision for Warranty Written Back (Maintenance)	(5,28,94,155)		-	
		14,18,86,494		-
		14,18,86,494		**-**

Note - During the year, a net amount of ₹14,18,86,494 has been written off, being non recoverable amount from a customer (net of reversal of provision for maintenance given to service suppliers).

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
31 CONTINGENT LIABILITIES		
(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)		
(i) Income Tax		
(a) Case decided in the Company's favour by Appellate Authorities and for which the department has filed further appeals	7,27,53,359	8,27,27,121
(ii) Custom Duty		
(a) Import Duty Demand towards imported capital goods which were sold to the customer in relation to nil import duty being paid at the time of import of said capital goods as a 100% EOU unit for which the company has filed an appeal with Commissioner of Central Excise, Chennai (Net of deposit)	43,40,527	43,40,527
(iii) Excise Duty & Service Tax		
(a) Excise Duty Demand on Modvat Credit taken on raw material for which the Company has filed an appeal with CESTAT, New Delhi (Net of deposit)	-	24,57,076
(b) Excise Duty Demand on Sales Tax Subsidy received from Sales tax Department Rajasthan for the period 01.11.2012 to 30.09.2015, for which the Company has filed an appeal with Commissioner of Central Excise (Appeals)-Jaipur (Net of deposit)	34,43,880	20,04,257
(c) Excise Duty Demand on disallowance of CENVAT Credit of Excise Duty and Service Tax prior to registration under excise & service tax law, for which the Company has filed an appeal with Commissioner of Central Excise (Appeals)-Jaipur (Net of deposit)	84,38,707	87,67,488
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	-	5,95,315
(b) Sales Tax Demand for F.Y. 2014-15 on Central Sales Tax Reversal under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai	1,50,07,022	1,88,33,290
(c) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	20,00,000	20,00,000

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	27,47,59,914	30,71,44,265
(b) Liability in respect of levy of compensation charges towards Harmonics dumping by the Tamilnadu Electricity Department (TANGEDCO) for the period from 30.12.2014 to 01.09.2015, for which the matter is pending with High Court of Chennai, for which the court has granted interim stay on demand.	44,36,688	-

Note:-1- Based on the advice taken by the company, the company believes that it has good case in respect of all the items under (i) to (iv) above and hence no provision is considered necessary against the same.

(Amount in ₹)

Particulars	31.03.2017	31.03.2016
32 CAPITAL & OTHER COMMITMENTS		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	7,25,67,963	17,04,32,866
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided,(net of advances)	10,83,60,954	5,31,49,003
(iii) Bank Guarantee Charges payable to Banks	1,49,92,590	1,43,96,894
(iv) Lease Commitments (non-cancellable in nature) (See Note-35)	-	50,29,516

(Amount in ₹)

Particulars	2016-17	2015-16
33		
(a) Statutory Auditor's Remuneration (Excluding service tax)		
For Statutory Audit	38,00,000	33,00,000
For Tax Audit	4,00,000	4,00,000
For Limited Review	7,00,000	7,00,000
For Other Services*	35,00,000	10,00,000
Total (a)	**84,00,000**	**54,00,000**
(b) Cost Auditor's Remuneration (Excluding service tax)		
For Cost Audit Fees	2,50,000	-
For Other Services	-	1,20,000
For Reimbursement of Travelling and Out-of-Pocket Expenses	6,576	5,837
Total (b)	**2,56,576**	**1,25,837**
Total (a+b)	**86,56,576**	**55,25,837**

*Includes ₹10,00,000 (P.Y.-Nil) realating to the issue of shares to the Qualified Institutional Placement (QIP) during the year. (charged to Securities Premium Account)

34 DEFERRED TAX LIABILITIES (NET)

The components of deferred tax liability (net) recognized in the financial statements and deferred tax recognized in the statement of profit & loss are as under-

(Amount in ₹)

Particulars	31.03.2017	Adjustment during the year	31.03.2016
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	41,00,78,173	7,18,25,581	33,82,52,592
Others (Unrealised gain on investment in liquid mutual fund)	97,29,646	97,29,646	-
Total (a)	**41,98,07,819**	**8,15,55,227**	**33,82,52,592**
Deferred Tax Assets			
Provision for Bad & Doubtful	22,23,627	7,95,342	14,28,285
Provision for Leave Encashment	1,17,66,358	15,53,095	1,02,13,263
Provision for Gratuity	20,24,984	(63,078)	20,88,062
Provision for Bonus	64,30,529	8,33,202	55,97,327
Provision for Warranty	15,75,431	(2,07,78,203)	2,23,53,634
Welfare Fund	30,713	(2,729)	33,442
Total (b)	**2,40,51,642**	**(1,76,62,371)**	**4,17,14,013**
Net Deferred Tax Liability (a-b)	**39,57,56,176**	**9,92,17,598**	**29,65,38,578**
Previous Year	29,65,38,578	2,04,26,126	27,61,12,452

35 LEASE TRANSACTION

The company has taken commercial premises under non-cancellable operating lease. Minimum lease payments in respect of assets taken on non-cancellable operating lease are as follows:-

(Amount in ₹)

Particulars	2016-17	2015-16
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	-	50,29,516
Later than one year and not later than five years	-	-
Total	**-**	**50,29,516**
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	3,31,59,485	2,67,15,582
Lease Rental recognized in Pre-operative Expenditure	-	4,27,500
Total	**3,31,59,485**	**2,71,43,082**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

(Amount in ₹)

Particulars	2016-17	2015-16
36 BORROWING COST CAPITALIZED		
Borrowing Cost Capitalized to Qualifying Assets	1,37,78,544	2,72,85,805

(Amount in ₹)

Particulars	2016-17	2015-16
37 EXCHANGE DIFFERENCES ON ACCOUNT OF FLUCTUATION IN FOREIGN CURRENCY RATES		
Exchange Differences recognized in the Statement of Profit & Loss		
(i) Exchange Gain /(Loss) Relating to Export during the year as a part of "Sales"	15,84,672	19,55,323
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	43,15,718	(11,60,561)
(iii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock-in-Trade"	27,67,698	35,73,670
(iv) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	(3,74,635)	3,54,858
Exchange Differences recognized in the Fixed Assets		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	33,08,452	17,59,966
(ii) Foreign Exchange Adjustment Gain/(Loss) on Long Term Foreign Currency Loan taken for acquisition of fixed assets (Consequent to notification, issued by Ministry of Corporate Affairs, amending the AS-11)	-	(21,97,292)

(Amount in ₹)

Particulars	2016-17	2015-16
38 EARNING PER SHARE		
Net Profit after tax attributable to equity shareholders	33,12,54,135	57,33,30,090
Weighted average number of equity shares outstanding during the year (Nos)	1,25,95,480	1,19,62,226
Basic/diluted earning per share* (In ₹)	26.30	47.93
Face value per equity share (In ₹)	10	10

*There are no dilutive instruments issued by the Company.

(Amount in ₹)

Particulars	2016-17	2015-16
39 GOVERNMENT GRANT		
Duty Drawback on Export	37,89,173	30,54,965
Investment Subsidy Under Investment Promotion Scheme	53,00,578	1,75,11,227
Total	**90,89,751**	**2,05,66,192**

40 SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17 "Segment Reporting" (specified under section 133 of Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014).

Segments Reporting Policies

(a) Identification of Segments:

Primary-Business Segments

The Company has identified two reportable business segments viz. Automotive and LED Luminaries Segment on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:-

(i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, and sheet metal components for motorised vehicles and others parts for automotive.

(ii) LED Luminaries Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.

(b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated".

(c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/ liabilities, borrowings, investment in mutual funds, deferred tax liabilities (Net) and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

(i) Primary-Business Segments (Amount in ₹)

Particulars	2016-17			2015-16		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
A. Revenue						
Segment Revenue						
External Sales	9,54,17,50,174	55,70,08,179	10,09,87,58,353	8,61,04,56,747	1,18,00,41,137	9,79,04,97,884
Operating Income	6,72,82,485	2,22,93,048	8,95,75,533	7,94,14,321	1,16,81,499	9,10,95,820
Inter-Segment Sales	-	-	-	-	-	-
Total	**9,60,90,32,659**	**57,93,01,227**	**10,18,83,33,886**	**8,68,98,71,068**	**1,19,17,22,636**	**9,88,15,93,704**
Results						
Earning Before Interest, Depreciation & Tax (EBIDTA)	1,14,38,54,208	3,05,85,279	1,17,44,39,487	1,07,33,18,480	19,66,15,404	1,26,99,33,884
Segment Results (Earning Before Interest & Tax) before Exceptional item	95,25,29,630	(53,54,991)	94,71,74,639	89,51,50,060	17,99,62,128	1,07,51,12,188
Exceptional item	-	14,18,86,494	14,18,86,494	-	-	-
Segment Results (Earning Before Interest & Tax)	95,25,29,630	(14,72,41,485)	80,52,88,145	89,51,50,060	17,99,62,128	1,07,51,12,188
Unallocated corporate expenses			16,21,70,357			13,33,12,591
Other Income			4,70,89,951	-	-	97,06,401
Operating Profit			**69,02,07,739**			**95,15,05,998**
Cost of Finance			23,26,57,543			15,78,08,791
Profit before tax			45,75,50,196			79,36,97,207
Tax expense			12,62,96,061			22,03,67,117
Profit after tax (PAT)			**33,12,54,135**			**57,33,30,090**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

40 SEGMENT REPORTING (contd.)

B. Other Information						
Segment Assets	6,33,10,59,494	1,39,43,89,054	7,72,54,48,548	5,11,43,90,016	1,47,32,29,062	6,58,76,19,078
Unallocated Corporate Assets			1,18,01,54,528	-	-	-
Total Assets	**6,33,10,59,494**	**1,39,43,89,054**	**8,90,56,03,076**	**5,11,43,90,016**	**1,47,32,29,062**	**6,58,76,19,078**
B. Other Information						
Segment Liabilities	1,88,05,54,594	8,95,58,680	1,97,01,13,274	1,83,08,02,579	26,38,74,946	2,09,46,77,525
Unallocated Corporate Liabilities			2,69,90,35,904			1,76,15,38,231
Total Liabilities	**1,88,05,54,594**	**8,95,58,680**	**4,66,91,49,178**	**1,83,08,02,579**	**26,38,74,946**	**3,85,62,15,756**
Capital Expenditure During the year (Net of CWIP)	**87,63,76,168**	**22,69,14,748**	**1,10,32,90,916**	**74,03,42,705**	**48,02,10,933**	**1,22,05,53,638**
Depreciation & Amortization	**35,72,84,900**	**3,56,06,167**	**39,28,91,067**	**31,45,47,850**	**1,66,53,276**	**33,12,01,126**
Non-cash expenses other than depreciation	**1,92,18,153**	**78,29,094**	**2,70,47,247**	**1,63,70,784**	**6,42,06,144**	**8,05,76,928**

(ii) Secondary-Geographical Segments:-

The analysis of geographical segments is based on geographical location of the customers

The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced

(Amount in ₹)

Particulars	2016-17	2015-16
Segment Revenue		
India	9,72,43,23,660	9,46,27,15,610
Outside India	37,44,34,693	32,77,82,274
Total	**10,09,87,58,353**	**9,79,04,97,884**
Segment Trade Receivables	**31.03.2017**	**31.03.2016**
India	1,14,82,77,493	1,13,92,65,478
Outside India	4,98,01,074	4,67,71,216
Total	**1,19,80,78,567**	**1,18,60,36,694**

1. Sales Revenue by geographical market Outside India includes indirect export.
2. The segment trade receivables outside india includes receivables on account of indirect exports.
3. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

41 RELATED PARTY DISCLOSURES

Name of Related Parties, Transactions and Balances at Reporting date are as follows

Name of Related Party

(i) Key Management Personnel

Jagjeevan Kumar Jain	Chairman and Managing Director
Seema Jain	Whole Time Director
Aanchal Jain	Whole Time Director
Rahul Jain	Whole Time Director
JSS Rao	Whole Time Director
Kashi Ram Yadav	Whole Time Director
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary

(ii) Related Parties Controlled by Key Management personnel

Fiem Auto Private Limited	Entity Controlled by Key Management Personnel
Jagjeevan Kumar Jain (HUF)	Entity Controlled by Key Management Personnel
Fiem Auto & Electrical Industries	Entity Controlled by Key Management Personnel
Fiem Foundation	Entity Controlled by Key Management Personnel

(Amount in ₹)

Particulars	Transaction during the year		Outstanding amount carried at Balance Sheet	
	2016-17	2015-16	31.03.2017	31.03.2016
(i) Key Management Personnel				
Remuneration				
Jagjeevan Kumar Jain	1,24,80,000	1,24,80,000	13,92,918	5,51,803
Seema Jain	48,00,000	42,00,000	7,77,723	4,46,198
Rahul Jain	48,00,000	39,00,000	4,58,040	7,62,642
Aanchal Jain	42,00,000	36,00,000	7,65,665	4,16,275
JSS Rao	96,00,000	84,00,000	5,49,601	4,79,601
Kashi Ram Yadav	91,44,864	85,44,864	5,41,920	5,15,030
OP Gupta	48,00,000	43,80,000	3,17,670	2,96,938
Arvind Kumar Chauhan	54,35,000	42,90,000	3,71,960	2,81,376
Dividend				
Jagjeevan Kumar Jain	88,80,000	3,55,20,000	-	-
Seema Jain	88,80,000	3,55,20,000	-	-
Aanchal Jain	24,00,000	96,00,000	-	-
Rahul Jain	46,57,020	1,86,28,080	-	-
JSS Rao	36	144	-	-
Kashi Ram Yadav	1,014	4,056	-	-
Purchase of Free-hold Land				
Rahul Jain	12,00,00,000	-	-	-
Rent Paid				
Aanchal Jain	1,09,35,000	97,78,300	-	-
Rahul Jain	52,65,000	43,87,500	-	-

Notes on Consolidated Financial Statements for the year ended 31st March 2017

41 RELATED PARTY DISCLOSURES (contd.)

(Amount in ₹)

Particulars	Transaction during the year		Outstanding amount carried at Balance Sheet	
	2016-17	2015-16	31.03.2017	31.03.2016
Security Deposit Receivables Agst Rent				
Aanchal Jain	-	14,72,700	54,67,500	54,67,500
Rahul Jain	-	26,32,500	26,32,500	26,32,500
(ii) Related Parties Controlled by Key Management personnel				
Corporate Social Responsibility Activities				
Contribution to Fiem Foundation	1,18,42,000	88,70,000	-	-
Brand Royalty				
Fiem Auto & Electrical Industries	50,00,000	50,00,000	13,12,500	13,06,250
Dividend				
Jagjeevan Kumar Jain (HUF)	34,614	1,38,456	-	-
Fiem Auto Private Limited	2,53,200	10,12,800	-	-

42 POST EMPLOYMENT BENEFITS PLAN

Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

(Amount in ₹)

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	2,23,34,290	1,91,68,806
Employer's Contribution to ESI Fund	56,53,181	47,81,937
Employer's Contribution to Wages Welfare Fund	2,52,486	2,54,368
Total	**2,82,39,957**	**2,42,05,111**
Add:-Employer's Contribution to Provident Fund recognized in Pre-operative expenses	-	40,340
Total	**2,82,39,957**	**2,42,45,451**

Defined Benefit Plans

(a) Gratuity

The Company operates a defined benefit plan of Gratuity for its employees under the Gratuity plan, every employee who has completed five years of services gets a gratuity on departure @ 15 days of last drawn basic salary including dearness allowance if any, of each completed year of service subject to maximum amount of ₹10,00,000/-. Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited in the form of qualifying insurance policy.

42 POST EMPLOYMENT BENEFITS PLAN (contd.)

(b) Leave Encashment

The Present value obligation of Leave Encashment is determined based on actuarial valuation using projected unit credit method.

Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.17 are as follows:

(i) Net Employees Benefits Expenses Recognized in the Employee Cost (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2016-17	2015-16	2016-17	2015-16
1. Current Service Cost	1,51,12,678	1,36,93,303	99,95,041	95,19,087
2. Interest cost on benefit obligation	43,21,230	34,53,749	23,00,079	18,43,790
3. Expected return on plan assets (Gain)	(40,59,801)	(36,93,481)	-	-
4. Actuarial (gain)/loss	(13,55,265)	10,57,482	(62,88,838)	(44,20,072)
5. Net Benefit Expenses	1,40,18,842	1,45,11,054	60,06,282	69,42,805
Add:-Share of Joint Venture	1,30,631	2,05,602	-	-
6. Net Benefit Expenses	1,41,49,473	1,47,16,656	60,06,282	69,42,805

(ii) Net Liability/(Assets) As Shown in Balance Sheet Date Under "Short Term/Long Term Provisions (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Present value of Defined benefit obligation	7,01,50,932	5,69,41,747	3,39,96,990	2,95,11,276
2. Fair value of plan assets	6,43,00,071	5,09,08,283	-	-
3. Net Liability/(Assets) recognized in the Balance Sheet	58,50,861	60,33,464	3,39,96,990	2,95,11,276
Share of Joint Venture	-	1,164	-	-

(iii) Change in Present Value of the Defined Benefits Obligation (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Opening present value of defined benefit plan				
Current	49,37,883	38,65,688	63,95,471	34,53,234
Non-Current	5,20,03,864	4,05,36,457	2,31,15,805	2,00,73,055
2. Interest cost	43,21,230	34,53,749	23,00,079	18,43,790
3. Current service cost	1,51,12,678	1,36,93,303	99,95,041	95,19,087
4. Actuarial (gains)/losses on obligation	(3,71,979)	(21,46,889)	(62,88,838)	(44,20,072)
5. Benefits Paid	(58,52,744)	(24,60,561)	(15,20,569)	(9,57,818)
6. Closing defined benefit plan	7,01,50,932	5,69,41,747	3,39,96,990	2,95,11,276
Current	60,82,676	49,37,883	73,00,287	63,95,471
Non-Current	6,40,68,256	5,20,03,864	2,66,96,703	2,31,15,805
Share of Joint Venture	-	1,164	-	-

Notes on Consolidated Financial Statements for the year ended 31st March 2017

42 POST EMPLOYMENT BENEFITS PLAN (contd.)

(iv) Change in Fair value of Plan Assets

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Opening fair value of plan assets	5,09,08,283	4,19,17,842	-	-
2. Expected return	40,59,801	36,93,481	-	-
3. Contribution made by employer	1,42,01,445	1,09,61,893	-	-
4. Actuarial gains/(losses) on obligation	9,83,286	(32,04,372)	-	-
5. Benefits Paid	(58,52,744)	(24,60,561)	-	-
6. Closing fair value of plan assets	6,43,00,071	5,09,08,283	-	-

(v) Actuarial Assumptions

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Interest & Discount Rate	7.37%	8.00%	7.37%	8.00%
2. Estimated Rate of Return on Plan Assets	7.37%	8.00%	0.00%	0.00%
3. Attrition Rate	2.00%	2.00%	2.00%	2.00%
4. Retirement Age	58	58	58	58
5. Salary cost increase rate	8.00%	8.00%	8.00%	8.00%

(vi) Categories of Plan Assets

(Amount in ₹)

Particulars	Gratuity	
	2016-17	2015-16
1. Investment with insurer	100%	100%

(vii) Experience Adjustment

(Amount in ₹)

Particulars	Gratuity				
	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
1. Defined Benefit Obligation	7,01,50,932	5,69,41,747	4,44,02,145	3,04,67,238	2,39,09,631
2. Plan Assets	6,43,00,071	5,09,08,283	4,19,17,842	3,04,78,523	2,25,77,087
3. Surplus/(deficit)	(58,50,861)	(60,33,464)	(24,84,303)	11,286	(13,32,545)
4. Exp. Adj. On Plan Liabilities	(3,71,979)	(21,46,889)	8,76,704	(1,24,682)	(76,162)
5. Exp. Adj. On Plan Assets	(9,83,286)	32,04,372	28,13,275	1,14,467	(53,174)

1. 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.

2. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

43 EXPOSURES IN FOREIGN CURRENCY

The year end foreign currency exposures as follows:

(Amount in ₹)

Particulars	31.03.2017			31.03.2016		
	Foreign Currency (Amount In FC)	Exchange Rate	Rupees (Amount In INR)	Foreign Currency (Amount In FC)	Exchange Rate	Rupees (Amount In INR)
I. Assets						
Receivables (Export Debtors)						
USD	1,80,034	64.84	1,16,73,153	1,93,488	66.33	1,28,34,620
JPY	-	-	-	-	-	-
EURO	5,132	69.25	3,55,379	6,067	75.10	4,55,604
Other Monetary Assets (Loans, bank accounts etc.)						
USD	35,601	64.84	23,08,313	1,080	66.33	71,640
JPY	2,12,00,900	0.5796	1,22,88,042	16,47,313	0.5906	9,72,903
EURO	1,465	69.25	1,01,448	-	-	-
Total Receivables (A)	**-**		**2,67,26,334**	**-**		**1,43,34,767**
Less:-Hedges by derivative contracts (B)	-	-	-	-	-	-
Unhedged Receivables (C=A-B)	**-**	**-**	**2,67,26,334**	**-**	**-**	**1,43,34,767**
II. Liabilities						
Payables (Trade & other)						
USD	4,43,123	64.84	2,87,31,475	2,44,457	66.33	1,62,15,542
JPY	49,63,200	0.5796	28,76,671	-	-	-
EURO	854	69.25	59,137	8,743	75.10	6,56,560
Total (D)			**3,16,67,283**			**1,68,72,102**
Borrowings (Foreign Currency Loans taken)						
USD	2,02,77,339	64.84	1,31,47,54,272	1,20,36,330	66.33	79,84,04,674
Total (E)			**1,31,47,54,272**			**79,84,04,674**
Total Payables (F=D+E)			**1,34,64,21,556**			**81,52,76,776**
Less:-Hedges by derivative contracts (G)			**1,31,47,54,272**			**79,84,04,674**
Unhedged Payables (H=F-G)			**3,16,67,283**			**1,68,72,102**
III. Contingent Liabilities & Commitments						
Commitments						
USD	17,62,913	64.84	11,43,04,811	7,67,775	66.33	5,09,28,742
JPY	48,00,000	0.5796	27,82,080	-	-	-
EURO	-	-	-	32,800	75.10	24,63,132
Total Commitments (I)			**11,70,86,891**			**5,33,91,875**
Less:-Hedges by derivative contracts (J)	-		-	-		-
Unhedged Commitments (K=I-J)			**11,70,86,891**			**5,33,91,875**
Total Unhedged Foreign Currency Exposure (C+H+K)						
USD	24,21,671	64.84	15,70,17,751	12,06,800	66.33	8,00,50,544
JPY	3,09,64,100	0.5796	1,79,46,792	16,47,313	0.5906	9,72,903
EURO	7,451	69.25	5,15,964	47,610	75.10	35,75,297

Notes on Consolidated Financial Statements for the year ended 31st March 2017

44 RESEARCH AND DEVELOPMENT EXPENSES

The Company has incurred following expenses on its Research and Development Unit situated at Rai, Sonepat, Haryana (India).

(Amount in ₹)

Particulars	2016-17	2015-16
Capital Expenditure		
Capital Expenditure	67,53,516	1,11,20,964
Total (A)	**67,53,516**	**1,11,20,964**
Revenue Expenditure		
Raw Material Consumed	20,54,476	6,74,088
Employee Benefits	5,82,68,658	5,28,59,132
Other Expenses	58,40,572	61,62,137
Finance Cost	1,523	796
Depreciation & Amortization	49,23,458	27,83,841
Total (B)	**7,10,88,688**	**6,24,79,995**
Grand Total (A+B)	**7,78,42,204**	**7,36,00,960**

45 EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure During Construction Period pending capitalization in Gujarat Unit (Included in capital work in progress)

(Amount in ₹)

Particulars	2016-17	2015-16
Opening Balance	-	78,52,836
Pre-operative Expenses		
Employee Benefits	-	1,13,75,674
Other Expenses	-	1,09,40,104
Finance Cost	-	2,01,42,941
Total	**-**	**4,24,58,719**
Less:- Capitalized to Fixed Assets Account	-	5,03,11,555
Closing Balance	-	-

46 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As required by section 135 of the Companies Act, 2013, CSR committee has been formed by the company. The company has formed Fiem Foundation Trust as on dated 2nd March, 2015 with an object to undertake CSR projects, programs and activities in India as listed under Schedule VII of the Act. The company has no outstanding commitment as on 31st March, 2017 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

(Amount in ₹)

Particulars	2016-17	2015-16
Gross amount required to be spent during the year	1,28,41,665	1,01,18,051
Amount spent during the year :-		
Contribution to the Fiem Foundation	1,18,42,000	88,70,000
Amount spent by the company	10,00,000	12,50,000
	1,28,42,000	**1,01,20,000**

47 JOINT VENTURE COMPANY

The Company has entered into a joint venture agreement with 'Horustech Lighting SRL Italy' on 2nd December 2013 for forming a joint venture company to set-up a design centre at Italy. Accordingly, a company 'Centro Ricerche Fiem Horustech SRL.' a jointly controlled Entity has been formed on 12th December 2013. The company has invested a sum of ₹33,15,600/-(Euro 40,000) towards capital contribution in said Joint Venture Company as on the date of balance sheet.

(a) Pursuant to Accounting Standard-27, "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended) disclosure in respect of the said Joint Venture are given below:

Name of joint Venture	Centro Ricerche Fiem Horustech SRL
Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2017	50%

(b) In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows-

(Amount in ₹)

Particulars	2016-17	2015-16
Non Current Assets	12,18,584	19,23,623
Current Assets	58,98,511	33,41,109
Non Current Liabilities	11,21,049	6,02,566
Current Liabilities	34,54,709	19,71,069
Revenue	90,21,342	92,09,416
Expenses	90,42,167	97,64,492
Contingent Liabilities	-	-
Capital Commitments	-	-

48 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. (308E), dated March 31, 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 ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	76,93,500	15,77,172	92,70,672
Add:- Permitted receipts	-	46,07,512	46,07,512
Less:-Permitted payments	-	(45,42,614)	(45,42,614)
Less:-Amount deposited in banks	(76,93,500)	(65,779)	(77,59,279)
Closing cash in hand as on 30.12.2016	-	15,76,291	15,76,291

*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 SO 3407E, dated November 8, 2016.

Notes on Consolidated Financial Statements for the year ended 31st March 2017

49

During the financial year 2016-17, on dated 20th September, 2016, the Company has issued and alloted 11,97,604 equity shares of ₹10 each at a premium of ₹992 per equity share by way of Qualified Institution Placement (QIP).

The utilization of QIP proceeds as on 31.03.2017 are as follows:-

(Amount in ₹)

Particulars	2016-17
Gross Proceeds of QIP Issue	1,19,99,99,208
Less: Amount utilized for the purpose Received	36,13,39,496
Balance Amount As on 31.03.2017	83,86,59,712
Temporarily invested in Mutual Funds	83,06,59,712
Temporarily invested in Fixed Deposits with Banks	80,00,000

50 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES.

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2017		2016-17	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.78%	4,22,71,81,505	99.37%	32,91,80,882
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.16%	67,01,058	0.63%	20,94,078
(iii) Foreign Joint Venture (As per Proporationate Consolidation method)				
Centro Ricerche Fiem Horustech SRL	0.06%	25,71,335	-0.01%	(20,825)
Total		**4,23,64,53,898**		**33,12,54,135**

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2016		2015-16	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.73%	2,72,39,99,244	99.73%	57,17,89,074
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.17%	47,12,981	0.37%	20,96,093
(iii) Foreign Joint Venture (As per Proporationate Consolidation method)				
Centro Ricerche Fiem Horustech SRL	0.10%	26,91,097	-0.10%	(5,55,077)
Total		**2,73,14,03,322**		**57,33,30,090**

Notes on Consolidated Financial Statements for the year ended 31st March 2017

51 PROPOSED DIVIDEND

The Company has recommended the final dividend of ₹8 per equity share (80% of nominal value of ₹10 per share) for the financial year ended 31st March, 2017 for amounting to ₹10,52,78,640/- on equity share capital of the company. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM).

52

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
J. K. Jain	**Rahul Jain**	**O.P. Gupta**	**Arvind K. Chauhan**
Managing Director	Director	Chief Financial Officer	Company Secretary

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013 (FORM AOC-1)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

1.	Sl. No.	1
2.	Name of the subsidiary	Fiem Industries Japan Co., Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period of 31.03.2017	N.A.
4.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**	
	Reporing Currency	Japanese Yen
	Exchange rate as on the last date of the relevant Financial year	0.5796
5.	Share capital	29,48,540
6.	Reserves & surplus	37,52,518
7.	Total assets	1,49,72,976
8.	Total Liabilities	1,49,72,976
9.	Investments	-
10.	Turnover	2,38,74,639
11.	Profit/(Loss) before taxation	23,81,610
12.	Provision for taxation	2,87,532
13.	Profit/ (Loss) after taxation	20,94,078
14.	Proposed Dividend	NA
15.	% of shareholding	100%
	OTHER MATTERS	
	1. Names of subsidiaries which are yet to commence operations	NIL
	2. Names of subsidiaries which have been liquidated or sold during the year	NIL

PART "B": JOINT VENTURES

S. No.	Particulars	Name of Joint Venture- Centro Ricerche FIEM HorustecH S.r.l.
1	**Latest audited Balance Sheet Date**	31.03.17
2	**Shares of Associate/Joint Ventures held by the company on the year end**	
	No.	50%
	Amount of Investment in Associates/Joint Venture	33,15,600
	Extend of Holding %	50%
3	**Description of how there is significant influence**	50: 50 Joint Venture
4	**Reason why the associate/joint venture is not consolidated**	N.A.
5	**Networth attributable to Shareholding as per latest audited Balance Sheet**	25,71,335.00
6	**Profit / (Loss) for the year**	
	i. Considered in Consolidation	-20,825
	ii. Not Considered in Consolidation	-20,825
	OTHER MATTERS	
1	Names of associates or joint ventures which are yet to commence operations	NIL
2	Names of associates or joint ventures which have been liquidated or sold during the year.	NIL

For and on behalf of the Board of Directors

Sd/-
J. K. Jain
Managing Director

Sd/-
Rahul Jain
Director

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonepat (HR.)
Date : 30/05/2017

As per our report of even date
For Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
Anil Kumar Gupta
Prop.
Membership No. 83159



LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

(CIN: L36999DL1989PLC034928)

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Unit - VII & Corporate Office:
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Tel. : +91-130-2367905/906/907/909/910

Sales & Marketing Office:
Aria Commercial Tower, (Unit No. 1A &1C), 1st Floor, JW Marriott Hotel, Aerocity, New Delhi-110037
Tel. : 9821795327/28/29/30

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