LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

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

Unit-VII : Plot No. 1915, Rai Industrial Estate, Phase-V, Sonepat-131029 Haryana (INDIA)
Tel. : +91-130-2367905/906/907/908/909/910 Fax : +91-130-2367903
E-mail : fiemunit7@fiemindustries.com

September 17, 2018 **(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 2017-18.
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 2017-18, duly approved and adopted by the members in the Annual General Meeting of the Company held on September 17, 2018, 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, FY 2017-18

Forward-looking statement

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.

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At FIEM, we have been consistently investing in our future through world-class R&D, design capabilities, latest technologies, state-of-the-art manufacturing facilities, talented human capital and, above all, enduring relationships with prominent OEM customers.

The result: FIEM has emerged as a leading manufacturer of a comprehensive range of automotive lighting products and signaling equipment, LED headlamps, other LED lamps and conventional automotive lighting, signaling equipment and rear-view mirrors across two, three, four-wheelers and commercial vehicles.

Rooted in the realities of the moment. Focused on the market of the future!



7 realities that make FIEM one of the most exciting brands in India's two-wheeler automotive lighting sector

1 Track record of resilience and dynamism

With a history of over 45 years, Company has scripted a success story with farsighted vision, innovation and dynamism. FIEM is a well reputed name in the automotive lighting industry with state-of-the-art manufacturing facilities, a preferred supplier to leading OEMs in India and abroad. The Company has been growing consistently despite the challenging market cycles and macro-economic changes, validating its resilience and dynamism.

2 World-class R&D, Design & Testing capabilities

Our world-class Research & Development capabilities deliver products that excite customers. Our products are the result of understanding consumer needs and responding with path-breaking technologies. We combine generations of practical experience with rich knowledge.

Our government-approved R&D Centre at Rai and design centers located in Japan and Italy provide us with the necessary edge in redefining the future of automotive lighting and rear view mirrors, LED luminaries and passenger information systems.

These centers are equipped with modern tools, technology, software and qualified talent pool. Our Photometry testing labs for LED general lighting and automotive lighting are accredited by NABL.

3 Passionate for newer technologies and products

Passion resides at the heart of our team. We are continuously moving forward, innovating and growing. Team FIEM, a skilled and experienced workforce, aims to continuously fulfil customer needs. We believe that our experience and competitive advantage have brought us to where we are today. Our focus on the future will take us to where we want to be – satisfy the needs of modern-day automobile manufacturers.

4 State-of-the-art manufacturing facilities

The Company believes in manufacturing quality products at competitive costs. The Company possesses a track record of maintaining the best



standards across essential parameters of quality, cost, development, delivery and management (QCDDM). The Company believes in in-house manufacture, possessing an integrated manufacturing infrastructure.

The Company has established nine manufacturing facilities across India comprising ultra-modern infrastructure with state-of-the-art technology and automation to manufacture world-class products at competitive costs. These facilities are situated near OEM customers and facilitate logistic cost savings and just-in-time delivery.

5 Human capital

We believe that success is derived from collective competence, technical ability and human capital. The most valuable asset of the Company is its dedicated human capital, delivering quality products to customers. Team FIEM comprises a skilled and experienced workforce aiming to fulfil customer needs. Team FIEM strives for the highest standards in manufacturing, adopting new technologies, manufacturing quality products and ensuring on-time delivery to customers. Continuing R&D focus represents the backbone of FIEM's success.

6 Enduring relationships with OEMs

We believe the customer is the reason for our existence; performance is the only way to win more business while adding new customers. We feel our customers deserve the best of our ability. Our mission is to continuously improve products and services to meet customer needs, allowing us to grow as a business.

7 Focus on the future and remaining ahead of competition

The world is changing at a rapid pace and so are the requirements of our customers. Our quest to provide the best possible solutions to their needs is backed by our superior research and development (R&D) capability. We focus on the future and in remaining ahead of competition.

Chairman's communiqué



JK Jain,
Chairman &
Managing Director

LIGHT UP THE WORLD

India's motorcycle sales grew **13.7%** during FY2017-18

The company's growth was **22.31%** during FY2017-18

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy reported 6.7% growth in 2017-18.

What is remarkable about India is that even after reporting lower growth for 2017-18, its GDP growth averaged 7.3% from 2014-15 to 2017-18, the highest among major economies.

At FIEM, we believe that this outperformance was achieved on the back of low inflation, improved Current Account balance and reduced fiscal deficit-to-GDP ratio.

The year under review was marked by structural reforms undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards a resolution of problems associated with non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines.

Although there could be several reasons attributable to this slower growth, the most apparent was investment deceleration resulting from spiralling NPAs from across the nation's banking system. What this means is that the banks are now far more selective in offering term loans or working capital debt, reducing funds availability for several up-and-coming companies. Besides, just when the dampening effects of demonetisation had begun to recede, the implementation of Goods & Services Tax (implemented on July 1, 2017) reduced production and offtake for a couple of months.

Against this challenging backdrop, the performance by the Indian two-wheeler industry (especially the domestic motorcycles segment) proved impressive. After registering a contraction of 0.4% during FY2015-16 and a growth of 3.7% during FY2016-17, India's motorcycle sales grew 13.7% during FY2017-18, exceeding 12.6 million units, the fastest in the country since FY2010-11.

Following consecutive years of deceleration, India's motorcycle exports increased 22.6% during the fiscal gone by to reach 2.48 million units. Finally, the scooters segment continued to perform creditably, with domestic sales growing at 19.9% to 6.7 million units.

FIEM replicated this sectoral resurgence and growth of the automotive segment with a corporate growth of 29.14% that translated into a turnover of Rs. 1,225.13 crore (Rs. 948.70 crore in the previous fiscal). However, on the overall basis, the company's growth was relatively muted at 22.31% due to a sharp decline in the turnover of the LED general lighting segment.

This robust growth in the automotive revenues can be attributed to FIEM's ability to consistently manufacture research-led products integral to the plans of its valued OEM customers. FIEM capitalised on enduring institutional relationships to generate value- and volume-based growth. The convergence of a world-class R&D platform, futuristic design team and state-of-the art manufacturing capabilities broadened FIEM's range of new-gen proprietary products. The sizeable time and resources expended by the Company in scaling capacities and capabilities resulted in

FIEM replicated this sectoral resurgence and growth of the automotive segment with a growth of 29.14% that translated into a turnover of Rs. 1,225.13 crore



enhanced organisation-wide synergies.

The Central Government's decision to enact the AHO regulation under the BS-4 regime strengthened the automotive lighting business, reinforcing sales of energy-efficient daylight running lamps, accelerating the adoption of LED automotive lighting and improving realisations. The proof: during the year under review, FIEM's profit after tax improved 60.12% to Rs. 52.55 crore (Rs. 32.82 crore during FY2016-17).

FIEM continued to launch new products across select models to cater to valued OEMs. These products were equipped with advanced features and superior aesthetics. A strong pipeline of products under development, sizeable order book, prudent R&D investments as well as designing, testing and manufacturing infrastructure augurs favourably for the Company. The Company invested Rs. 133 crore to create the next growth platform during the year under review.

The increasing LED adoption by OEMs has widened opportunities for FIEM. Since LED lighting solutions are dearer than conventional variants, they can generate superior margins. Despite needing to pay higher prices, OEMs are willing to shift to these products on account of their energy-efficiency and superior aesthetics. The wider adoption of LEDs should translate into higher sales and margins for FIEM. The Company reinforced its future-readiness by commissioning world-class R&D centres in India, Italy and Japan manned by knowledgeable and experienced personnel. Thanks to the longstanding relationships that the Company enjoys with Indian and global OEMs, FIEM is poised to capitalise and stay ahead of the curve.

FIEM is investing in its business to stay abreast of latest trends and technologies. A number of initiatives undertaken by the Central Government have brightened FIEM's prospects. The National Electric Mobility Mission Plan 2020 aims to create a fleet of ~7 million electric cars by 2020. The Indian automobile industry is engaged in conforming to the stricter norms laid down under the BS-VI regulations (implementable in 2020). These realities should pave the way for FIEM to venture into new territories by leveraging its understanding of new technologies.

In view of these developments, FIEM entered into joint venture with Aisan Industry Co. Ltd. and Toyota Tsusho to manufacturing fuel pump modules for the domestic market.

Perhaps the single-biggest disruptive development that transpired during the year was the implementation of the GST, a landmark taxation reform in the history of the country. The Company took a number of decisive steps to deal with GST implications and despite a temporary industrywide supply disruption

During the year under review, FIEM's profit after tax improved 60.12% to Rs. 52.55 crore (Rs. 32.82 crore during FY2016-17).



in June and July 2017, FIEM reported a seamless transition to the GST regime.

On 25th January 2018, a fire broke out in one portion of Unit#5, situated in Hosur, Tamil Nadu, that resulted in substantial damage to plant, machinery and inventory. However, the management restored supplies immediately to customers, helping business to return on normal. These assets were adequately insured and necessary claims were lodged.

The World Bank has projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to support higher economic activity. India's middle-class is expected to expand significantly, strengthening the demand for two-wheelers.

In this great time of optimism, positive energy and enthusiasm, we remain focussed and want to remain firmly on our journey of growth and seek support, guidance and patronage of all stakeholders and well-wishers!

J.K. Jain
Chairman and Managing Director









FIEM: Way ahead in 2W LED lighting solutions

'Smart' is the new buzzword, increasingly referenced across anything that is futuristic: Smart Cities, smart phones and smart lighting.



One of the most exciting developments in the country's energy sector has been the rapid graduation of the conventional incandescent bulb to the LED alternative, consuming considerably lower energy and transforming the dynamics of the lighting solutions industry.

In this dynamic space, FIEM is positioned as a research-led first-mover.

Over the years, there is increased evidence to indicate that most driving decisions (an estimated 90 per cent) are based on visual stimuli. At FIEM, we facilitate accurate and faithful signals that empower the human faculties to arrive with speed at dependable decisions.

Over the years, FIEM made proactive cutting-edge investments to enhance the integrity and reliability of exterior automotive lighting designs. The result of the company's future-facing investments has been extending the frontier related to LED size, operatability in high temperature environments, consistent reliability, low power consumption and high switching speeds. The result is that the company empowers automotive lighting designers with new flexibility in enhancing passenger safety.

FIEM's automotive lighting designers work with a range of physical and operational permutations to create cutting-edge products that take the business of its customers ahead. Over the years, the company's applications have comprised forward illumination devices such as headlamps, daytime running lights, fog lamps, rear lights, signal lights and stop lights. Through intricate, exotic and bold LED-based designs, FIEM has been able to differentiate the vehicles of its customers.

FIEM's success has been derived from the fact that its solutions and designs have been built around the LED backbone: better light distribution free from reflectors with modules formed by a few white light-emitting diodes. The spot is positioned in the centre of these white LEDs.

Besides, the biggest advantage offered by white LEDs comprises the colour of their light (colour temperature) estimated at approximately 6,000 Kelvin, the advantage being that this light is just about the same as daylight, which makes driver perceive the road and the edge of the roadway at night in their natural colour and the ability to easily distinguish contrasts. In addition, the average useful life of the LEDs in all functions exceeds that of vehicles. This diminishes the possibility of night-time breakdowns and also eliminates the need for complicated light bulb changes, the biggest advantage being low fuel consumption. The use of LED-equipped Day Running Lights also strengthens the energy balance, since 75% of the total driving distance in the world is covered during the day.

FIEM is proud to have played the role of a front-runner in providing relevant solutions. As a frontrunner in the two-wheeler LED Automotive Lighting solutions, FIEM's solutions cast adequate lighting upon the roadway in front of the driver.

In its quest for cutting-edge solutions, FIEM's R&D team recently developed LED Headlamps, Daytime Running Lamps, Tail Lamps, Position Lamps and other products for prominent two-wheeler OEMs.

The company's R&D team comprises qualified R&D, Design and Development human capital, high technology acumen, proprietary R&D and testing facilities and state-of-the-art manufacturing facilities. The result is that FIEM services the demanding LED-based and other 2-wheeler lighting requirements global OEMs through consistent and growing relationships.

FIEM has proactively invested in its capabilities to offer advance technology lighting solutions making driving safer for drivers and pedestrians.



Lamp for **Honda Activa 5G**

Honda Activa is not only the largest-selling scooter in India, but also the largest selling two-wheeler. Recently Activa 5G was launched with a LED headlamp and a LED parking lamp developed by FIEM's in-house R&D team. FIEM pioneered the use of LED technology in Indian two-wheelers. The convergence of its technological leadership and the strength of its technical team allowed it to come up with this ground-breaking component for Activa 5G. These headlamps meet the criterion set down automatic headlamps in March 2017. FIEM's LED headlamp offers high beam, low beam and parking functions with a single multi-focal reflector and single FR4 printed circuit board. FIEM achieved a homogeneous parking light output with the use of a single LED by using prismatic optics in the lens, a globally unique innovation.

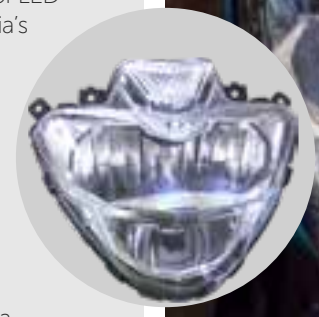


LED position lamp for **Honda Dio**

The iconic LED position lamp on Dio has lent it a distinctive identity, providing an ornamental output reminiscent of diamond jewellery, delighting customers. FIEM created this effect using only two LEDs and optics in the lens and the reflector.

Headlamp for **Yamaha FZ 250**

Leveraging its in-depth knowledge of LED technology, FIEM came up with India's first multifaceted reflector LED headlamp that meets ECE R113 Class-B requirements. Uniquely aggressive in style, it comprises three 3-watt LEDs for distributing the light, low beam and high beam. 1.1 amperes of current are pumped to get a cool and homogenous light output for >150 metres. This lamp is being hailed as a benchmark by customers and competitors in LED-based automotive lighting solutions.







LED rear lamp for **Yamaha FZ 250**

In addition to LED headlamps, FIEM developed stylish LED rear lamps for Indian and global customers. For the Yamaha FZ 250 LED rear lamp, FIEM utilised the inner lens technology combining 12 LEDs to address regulatory requirements. The inner lens allows the rider to focus the light while the outer ones help distribute the light.

Headlight for **Yamaha R15 V3**

FIEM developed a split LED headlamp combined with a parking lamp for the Yamaha R15 V3 sports bike. Although it is a single headlamp, it looks like two individual sleek headlights, making it appear that the bike possesses a pair of eyes. This stylish LED headlamp meets ECE R113 Class-B requirements and uses four LEDs, two each for used output beams and high beams. The speciality of this lamp is its homogenous light thanks to its compact multifaceted reflector design and lack of heat sinks.





Headlamp for **Suzuki Burgman**



Leveraging its in-depth knowledge of LED technology, FIEM designed and manufactured a headlamp for Suzuki, the world's leading two-wheeler manufacturer. This was the first LED headlamp developed by FIEM for Suzuki. The Burgman scooter uses a headlamp combined with a signature positioning lamp. The brand-new diffuser type material was used to get a homogenous output. A total of five LEDs were used, three for low beams and two for high beams, with a single printed circuit board. The headlamp meets ECE R113 Class-C requirements.

Daytime Running lamp for **TVS XL 100 & TVS ZEST**

TVS Motors' highest-selling model TVS XL was fitted with a new daytime running lamp, which was developed in-house by FIEM within a short span of time. The compact lamp lends a stylish look to the TVS XL and uses five LEDs to meet regulatory requirements. The collimating lens technology was used to provide a rugged look to TVS Motors' highest-selling moped.

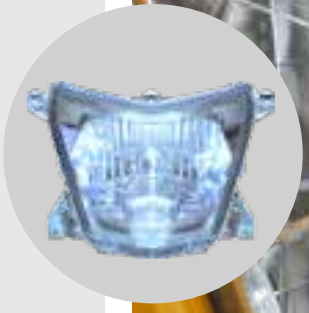
Another compact cost effective DRL lamp designed and developed by FIEM's in-house R&D team for the TVS ZEST. In total, six LEDs are used with the MFR reflector technology.





Daytime running lamp for **TVS Ntorq**

When TVS launched its first 125cc scooter in the Indian market, it had to ensure that it complied with the new AHO (automatic headlamp on) regulations for two-wheelers. FIEM provided a cost-effective solution to TVS - combined the headlamp and LED daytime running lamp inside a single chamber. This innovation was enthusiastically embraced by customers because of its eye-catching look and superior output, allowing FIEM to cater to the complete lighting requirement (headlamps, tail lamps, front and rear indicator lamps and license lamps) for Ntorq. The headlamp combined conventional and LED technologies and used six low-power LEDs to meet regulations pertaining to daytime running lamps.





Tail lamp for **TVS Ntorq**

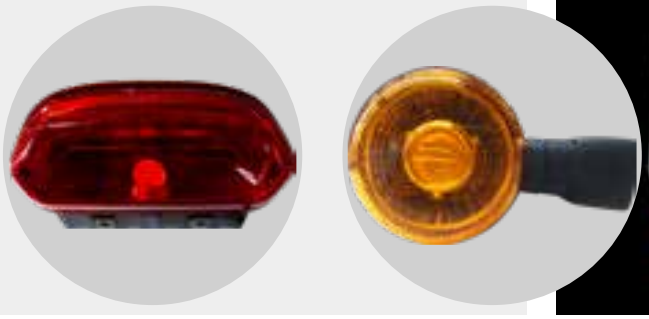
FIEM also designed the striking T-shaped LED tail lamp for Ntorq. The signature tail lamp provides a distinctive look to the scooter and uses diffuser lens technology, multi focal reflectors and low-power LEDs.

This lamp meets Indian as well as European norms and also integrates well with the vehicle's shape and style.

Some other Prestigious LED automotive lamps

L.P. Module for **Harley Davidson Street Rod**

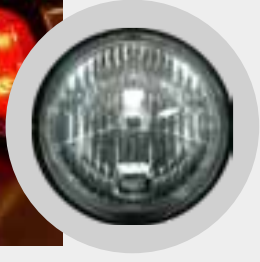
TAIL LAMP, BLINKER, LICENCE LAMP, & REFLEX REFLECTORS







Head Lamp & Tail lamp for **Royal Enfield Himalayan**





Tail lamp for **TVS Jupiter**

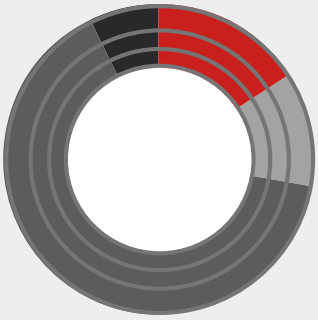




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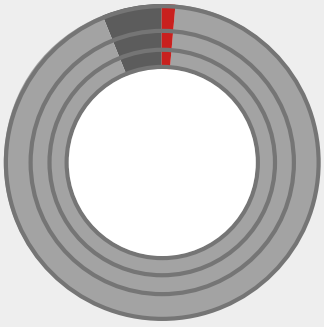
FIEM's Financial Snapshot

PRODUCT-WISE REVENUE BREAK-UP, FY2017-18



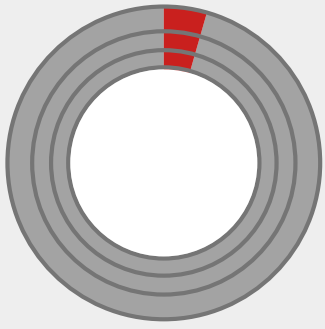
- Auto lamps 65%
- Injection-moulded plastic parts 16%
- Rearview mirrors 12%
- Others 7%

MARKET SEGMENT-WISE REVENUE BREAK-UP, FY2017-18



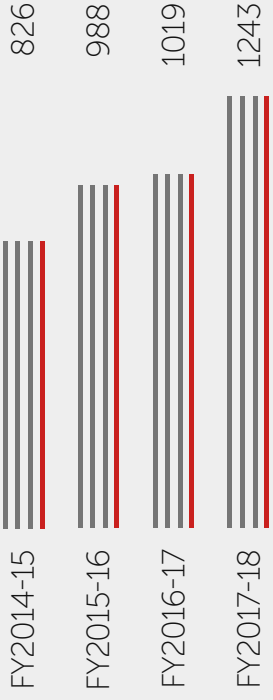
- OEMs 92.5%
- Replacement market 6%
- Exports 1.5%

VEHICLE CATEGORY-WISE REVENUE BREAK-UP, FY2017-18

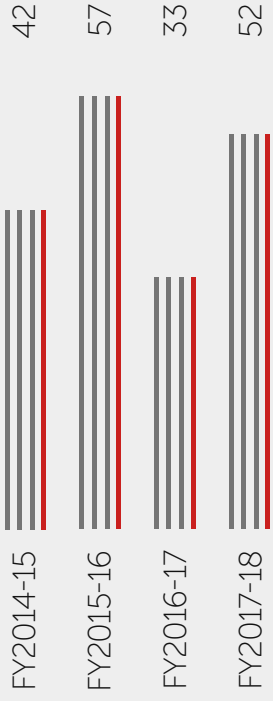


- Two-wheelers 95.35%
- Four-wheelers 4.65%

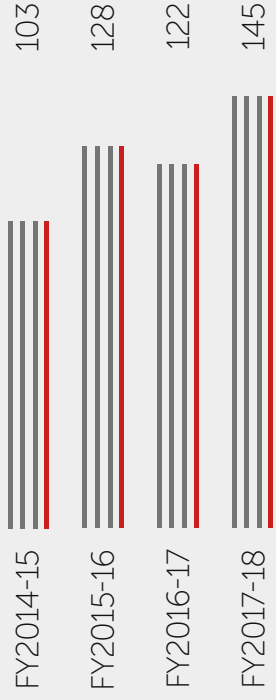
TOTAL INCOME (Rs. Crore)



NET PROFIT (Rs. Crore)



EBIDTA (Rs. Crore)



Milestones



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

1998
Multi Focal Reflector launched for the first time in India by FIEM

2004-05
Set up manufacturing unit in Hosur (Units#2 and 3) Mysore (Unit#4)

2005-06
Set up manufacturing unit in Hosur (Unit#5) and Nalagarh (Unit#6)

2006
Went public - Initial Public Offer(IPO)

2007
- Merged FIEM Sung San India Ltd. with Fiem Industries Ltd.
- Set up LED Surface Mount Technology plant at Kundli (Unit#1)
- Setup Mirror Plant including Prismatic Mirror at Unit 5 with technical support from Ichikoh Industries, Japan

2010
- Started new manufacturing unit in Rai (Unit#7) with well-equipped Testing Laboratory.

2011
- Set up manufacturing unit in Tapukara (Unit#8)
- Got the R&D Centre approved by the Government of India
- Started manufacturing of LED Display Panels for Buses and Railways



2012

• Started manufacturing auto lamps and components for Honda Japan
• Setup facilities for LED Indoor & Outdoor Lighting

2013-14

• Entered into a 50:50 joint venture with Horustech Lighting of Italy for setting up a design centre in Italy.
• Received approval from RDSO (Railways) for Integrated Passenger Information System with LED Display (IPIS)

2015

• Started receiving tenders from Energy Efficiency Services Limited for LED bulbs and streetlights

2016

• Set up manufacturing unit in Ahmedabad (Unit#9)
• Received accreditation from NABL for its photometry laboratory

2017

• Developed and manufactured two-wheeler LED headlamps, for Yamaha India
• Set up a plant for manufacturing canisters in collaboration with Asian Industry Company Limited (Japan)
• Entered into a 50:50 joint venture business in Hong Kong with Kyowa Company Limited (Japan) to manufacture high-class moulds and tools for automotive and other applications

2018

• Entered into joint venture with Asian Industry Company Limited (Japan) and Toyota Tsusho India Private Limited and set-up a Joint Venture company to manufacture of fuel pump modules and integrated circuit connectors for domestic two and three-wheelers.
• Entered into technical collaboration with Toyo Denso Co., Ltd. Japan and Toyota Tsusho Japan for manufacturing Bank Angle Sensors.

FIEM: A socially responsible corporate

The Company has set up a dedicated trust – FIEM Foundation – to help the underprivileged section of the society lead better lives.

We believe that in addition to being a good corporate citizen, having a well-thought-out and executed CSR programme is necessary to mainstream marginalised people. Our CSR efforts go beyond ensuring compliance with legal and ethical norms by engaging in activities that ensure social and environmental good in the communities that reside near us.

The Company has set up a dedicated trust – FIEM Foundation – to help the underprivileged section of the society lead better lives. The Company collaborates with local governmental bodies and NGOs and provides them with financial support. In so doing, the Company guarantees that the resources available at its disposal are put to use in the most efficient way possible.

The FIEM Foundation has helped the social welfare unit of the All India Institute of Medical Sciences, Delhi. By disbursing sizeable amounts of capital based on the inputs provided by the institute, the FIEM Foundation allows needy patients suffering from cancer and other life-threatening diseases to access quality healthcare services. During the fiscal gone by, the Company channelised financial support worth Rs. 128 lac for the treatment of 123 poor patients admitted at the institute. The Company has also collaborated with The Earth

The Company is engaged in various social welfare programmes like arranging mass marriages for poor girls, free eye operations and other activities for the underprivileged.



Extending financial support for the marriage of less-privileged girls.



A surgeon conducting a cataract surgery operation



A dentist providing free treatment to a patient

Saviours Foundation to benefit the inmates of an old age home and rescue centre run by them. The Company has attended to the accommodation, medical and everyday needs of abandoned senior citizens, deprived mentally-disabled individuals, bed-ridden, HIV-infected patients and patients suffering with incurable diseases, among others, free of charge. The Company provides financial support to Kutch Vikas Trust for organising eye and dental camps for poverty-stricken people. The Company also undertakes other welfare programme like arranging mass marriages and conducting free eye operations to help the underprivileged sections of the society.



The Company also provided financial assistance of Rs. 80,000 per month to 'The Earth Saviours Foundation', a recognized NGO, which is running an Old Age Home & Rescue Centre completely free

CSR beneficiaries

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 year, Company has released the financial support of Rs. 128 lacs for the treatment of 123 poor patients in AIIMS



Ankit
7 years from Bihar
₹4,00,000/-



Sanjay Kumar
53 years from U.P.
₹2,34,330/-



Asharphi Devi
75 years from Rajasthan
₹2,00,000/-



Satrughan Thakur
45 years from Bihar
₹2,00,000/-



Tuntun Yadav
22 years from Bihar
₹1,00,000/-



Sonu Kumar
15 years from Bihar
₹4,00,000/-



Kishor Chand
54 years from U.P.
₹1,00,000/-



Ankit Gaur
5 years from Delhi
₹1,00,000/-



Upender
18 years from U.P.
₹1,00,000/-



Edwin
22 years from Manipur
₹2,00,000/-



Salaudin Alam
14 years from Bihar
₹1,00,000/-



Vipin Shah
26 years from Jharkhand
₹1,00,000/-



Moin
8 years from U.P.
₹1,00,000/-



Md Javed
17 years from Jharkhand
₹4,87,500/-



Ravindra Kumar Gaur
21 years from Bihar
₹4,87,500/-



Suravi Srivastav
24 years from Bihar
₹85,784/-



Maruf
2 years from Bihar
₹2,00,000/-



Shekhar
19 years from U.P.
₹1,00,000/-



Vinil
39 years from Uttarakhand
₹3,00,000/-



Pankaj Das
24 years from West Bengal
₹92,000/-



Parvez Alam
29 years from Delhi
₹3,00,000/-



Muskan
5 years from Bihar
₹1,50,000/-



Ram Kanti
50 years from U.P.
₹1,40,266/-



Shri Devi
18 years from U.P.
₹1,50,000/-



Krish Kumar
7 years from Haryana
₹1,00,000/-



Avtar Singh
40 years from U.P.
₹2,00,000/-



Abdul Latif
41 years from J&K
₹1,00,000/-



Rahul
16 years from Haryana
₹1,00,000/-

Product segments

LED AUTOMOTIVE LAMPS



AUTOMOTIVE LAMPS



REAR VIEW MIRRORS



PLASTIC PARTS



LED LUMINAIRES







IPS



Awards and recognitions



Valued customers

Two-Wheeler segment (Domestic Customers)



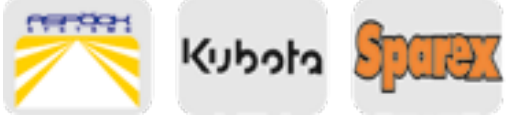
Two-Wheeler segment (Global Customers)



Four-Wheeler segment (Domestic Customers)



Four-Wheeler segment (Global Customers)

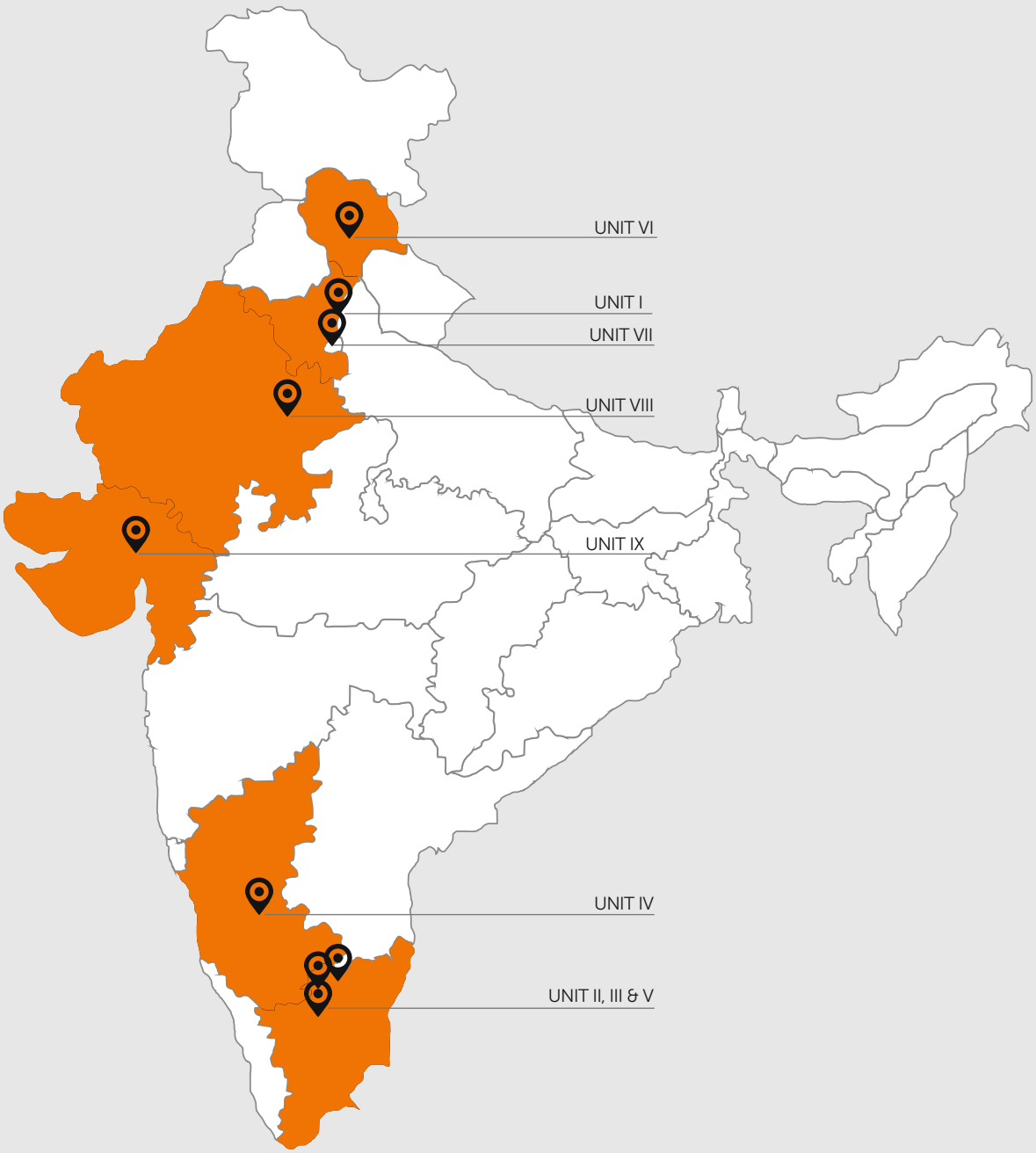


Operational footprint

Pan-India: The Company's state-the-art manufacturing facilities are located across India (four in Southern India, four in Northern India and one in Western India).

Certified: The Company's manufacturing facilities are IATF 16949:2016, ISO 9001:2015, ISO 14000:2015 and OHSAS 18001:2007-certified. The products manufactured by FIEM conform to DOT, CCC, ADR and AIS regulations, among others.

Well-located: The Company's manufacturing facilities are located close to key OEM customers, ensuring on-time delivery at minimal costs.





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

Unit	Location	State	Established in	Products manufactured
Unit#1	Kundli	Haryana	1994	Automotive Lights and Rear View Mirrors
Unit#2	Hosur	Tamil Nadu	2004	Automotive Lights, Rear View Mirrors and Rear fender assembly
Unit#3	Hosur	Tamil Nadu	2005	Sheet Metal Parts
Unit#4	Mysore	Karnataka	2005	Rear Fender Assembly
Unit#5	Hosur	Tamil Nadu	2006	Automotive Lights and Rear View Mirrors
Unit#6	Nalagarh	Himachal Pradesh	2006	Automotive Lights, Rear View Mirrors and Plastic Parts
Unit#7	Rai	Haryana	2010	Automotive Lights, LED Luminaires & IPIS
Unit#8	Tapukara	Rajasthan	2011	Plastic Injection Moulded Parts and LED Luminaires & IPIS
Unit#9	Ahmedabad	Gujarat	2015	Automotive Lights and Plastic Parts

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



Mr. Jawahar Thakur
Independent Director

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. Ashok Kumar Sharma – Independent Director

Mr. Jawahar Thakur – Independent Director

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

Note: FUND RAISING COMMITTEE dissolved w.e.f. May 30, 2017.

Statutory Auditors

M/s V. Sachdeva & 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

Directors' Report

Dear members

The Directors of your Company present the 29th Annual Report of Fiem Industries Limited (the Company or FIEM) on the business and operations of the Company having both standalone and consolidated audited financial statements for the financial year ended March 31, 2018.

The financial statement has been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act. Upto the year ended March 31, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2016.

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 following Wholly-owned Subsidiaries (WOS), and Joint Venture Companies (JV):

S. N.	Name of Entities	Country of Incorporation	WOS/JV
1.	Fiem Industries Japan Co., Ltd.	Japan	WOS
2.	Centro Ricerche FIEM Horustech S.r.l	Italy	50:50 JV
3.	FIEM (Thai) Design and Technology Co., Ltd.	Thailand	WOS
4.	FIEM Kyowa (HK) Mould Company Limited.	Hong Kong	50:50 JV

The financials of these overseas incorporated entities are included in the Consolidated Financial Statements of the Company. As financials of WOS as well as JVs are not significant, hence their contribution or impact in the overall financial performance of the Company is negligible. However, these entities are giving operative support to FIEM in Design, Development and local interface in countries of their incorporation to our esteemed OEMs customers and working like extended arms of the Company in these geographies.

During the year under review Company's performance has remained excellent and a summary of the same along with previous year figures are as under:

(Rs In Lacs)

Sr	Particulars	Standalone		Consolidated	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
1	Income from Operations				
	a) Gross sales	1,26,323.93	1,12,109.84	1,26,477.46	1,12,238.60
	b) Other Operating Income	989.40	975.46	972.77	895.76
	Total revenue from operations (Net)	1,27,313.33	1,13,085.30	1,27,450.24	1,13,134.36
2	Total Expenses (excluding dep and finance cost)	113246.45	101351.06	113376.83	101373.50
3	Profit from operations before other income, finance costs, depreciation and exceptional items (1-2)	14066.88	11734.24	14073.41	11760.86
4	Add Other income	454.40	470.90	454.40	470.90
5	Profit from ordinary activities before finance costs, depreciation and exceptional items (3+4)	14521.28	12205.14	14527.81	12231.76
6	Less :- Finance costs	2,272.41	2,324.17	2,272.41	2,324.68
	Less :-Depreciation	4,432.47	3,922.52	4,432.59	3,922.66
7	Profit from ordinary activities after finance costs, depreciation but before exceptional items (5-6)	7816.40	5958.45	7822.81	5984.42
8	Exceptional Items	(340.58)	1,418.86	(340.58)	1,418.86
9	Profit/(Loss) from Ordinary Activities Before Tax (7-8)	8156.98	4539.58	8163.39	4565.56

Sr	Particulars	Standalone		Consolidated	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
10	Tax expense	2901.97	1257.27	2,903.13	1,260.15
11	Net Profit/(Loss) from Ordinary Activities After Tax (9-10)	5255.01	3282.31	5260.26	3305.41
12.	SHARE OF PROFIT/(LOSS) OF ASSOCIATES	-	-	(4.19)	(0.21)
13.	PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT/LOSS OF ASSOCIATE	5255.01	3282.31	5256.07	3305.20
14.	OTHER COMPREHENSIVE INCOME/(LOSS) (NET OF TAX)	-71.38	7.34	-71.38	7.34
15.	TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	5183.63	3289.65	5184.69	3312.54
16	Weighted Earnings Per Share (EPS)	39.39	26.12	39.40	26.30

Adoption of Indian Accounting Standards (Ind AS)

It is a matter of pride that India has joined nations that have adopted the internationally recognized accounting norms and financial reporting standards. In February 2015, Ministry of Corporate Affairs (MCA) notified the final roadmap on Ind AS with implementation in a phased manner to be complied by the specified class of companies effective from April 1, 2016. Post above notification Ind AS has replaced existing Indian GAAP prescribed under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 according to applicability on specified entities. Accordingly, this is first year when the Company's financial statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS and the financial statements for the year ended March 31, 2017 and opening balance sheet as at April 1, 2016 (the Company's date of transition) earlier reported in previous Indian GAAP, have been restated in accordance with Ind AS to make them comparable.

State of the Company's affairs / Business Review

During the year, Company has achieved an excellent growth in automotive business segment, majorly due to volume growth, introduction of new products, especially LED based head lamps and DRLs and other lamps. However, LED general lighting business could not do well during the year. The overall financial performance of the company on major parameters is as under:

- Sales of the company during FY18 is Rs 1228.46 crores as compared to Rs 1004.39 crores in FY17, registering a 22.31% growth in FY18 as compared to FY17.
- Sales of automotive business segment during FY18 is Rs 1225.13 crores as compared to Rs 948.70 crores in FY17, registering a 29.14% growth during FY18 as compared to FY17.
- Sales of LED Luminaries segment is Rs 3.33 crores in FY18 as compared to Rs.55.69 crores in FY17.
- Profit After Tax (PAT) during FY18 is Rs 52.55 crore as compared to Rs 32.82 crore in FY17, registering a 60.12% Increase for FY 18 as compared to FY17.

At the automotive front, the outlook is looking more promising, BS-IV and AHO has proved positive for the Company and contributing a lot for the faster adoption of LED in the automotive lighting applications.

Looking these opportunities, company is further strengthening its R&D capabilities. Further, OEMs are awarding orders for LED based head lamps and other LED lamps, hence Company is investing to further expanding its capacities, especially in Tapukara (Rajasthan) Plant. During FY 2017-18, the total capex was Rs.133 Crores in different units of the Company.

India is now the world biggest two wheeler market and still growing with a fast pace. This industry size throws a big growth opportunities for the players like us. Hence, Company is also working on expanding its product line by way of technical collaborations and joint ventures with Japanese Companies. Upcoming BS-VI norms, the implementation of which is due from April, 2020, provide huge opportunities for advance products for emission norms and safety of the vehicles.

Advancing on this front, Company has already signed a Joint Venture with Aisan Industry Co., Ltd., Japan and working on other opportunities.

Signing of Joint Venture with Aisan Industry Co., Ltd., Japan:

On March 30, 2018, Company has signed a "Joint Venture Agreement" with Aisan Industry Co., Ltd., Japan and Toyota Tsusho India for manufacture of Fuel Injection System (Fuel Pump Module) and IC connector for two-wheelers and three-wheelers for Indian market.

Fuel Injection System will become mandatory for two-wheelers and three-wheelers w.e.f. April, 2020 under Bharat Stage VI (BS VI) regime. This is an advanced Emission Control System Product, which will have huge market in India under BS VI norms and will replace carburetor.

Fire at one portion of Unit-V at Hosur, Tamil Nadu

During the year, there was a major fire on January 25, 2018 at one portion of Unit-5 in Hosur Tamilnadu. The assets of the Company are adequately covered under insurance. The Company has already filed insurance claim with its insurers. The other necessary information are provided in the financial statements. The Company had successfully and quickly recovered the supplies to its customers and no major impact or interruption was felt to supplies to esteemed OEM customers.

Goods & Service Tax (GST)

One of the biggest reforms in the Indian taxation system happened in FY2017-18 in the form of Goods & Service Tax (GST), which was implemented w.e.f July 01, 2017. Though GST is the biggest reform for the Indian economy, still month of June and July, 2017 remained volatile from business prospective as every entity was destocking the inventory towards June end. Replacement market volumes also declined during this period. However, Company remained fully prepared for GST Implementation and all processes are in place for smooth functioning and compliance of law.

SAP Implementation

To make the company future ready with the increasing volume of operations and geographic expansion as well as with the objective of better control, Company is in the process of SAP system across its all units and offices - SAP S/4HANA Enterprise Management. The system is expected to live during the current financial year.

Dividend

The Board of directors in their meeting held on May 30, 2018, has recommended a final dividend at the rate of Rs. 9/- per equity share i.e. 90% for the financial year ended on March 31, 2018 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. 1425.52 lacs including dividend tax.

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

1. Number of meetings 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 also approve some proposals through resolution passed by circulation from time to time.

During the financial year 2017-18, Four (4) Board Meetings were held. One separate meeting of Independent Directors of the Company was also held during the Financial Year 2017-18. 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.

2. 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, 2018, the applicable accounting standards (Ind As) 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, 2018 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, 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 2017-18.

3. 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.

4. 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 I, which forms part of this report.

5. 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. V. Sachdeva & Associates, Chartered Accountants (Firm Registration No-004417N), is 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. However, Ministry of Corporate Affairs, vide its Notification No. S.O. 1833(E) dated May 7, 2018, dispensed with the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting.

Accordingly, no shareholders resolution required for ratification of appointment of M/s. V. Sachdeva & Associates, Chartered Accountants, as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Hence, no such resolution is moved at the ensuing Annual General Meeting.

(b) Statutory Auditor's Reports

The Auditor's Reports given by M/s. V. Sachdeva & Associates, Statutory Auditors on the financial statements of the Company, both standalone and consolidated, for the financial year 2017-18 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, 2018 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 2018-19. 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 2017-18. The Report given by the Secretarial Auditors is annexed as Annexure II 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 2018-19. 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 29th Annual General Meeting of the Company.

The Cost Audit Report for Financial Year 2016-17 was filed to Registrar of Companies on September 09, 2017. Further, the Cost Audit Report for Financial Year 2017-18 will be filed with the Registrar of Companies in due course.

6. 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.46** in the standalone financial statement.

7. 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 read with SEBI (LODR) Regulations. Further, no approval from shareholder required for any related party transaction during the year under review. There were 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 SEBI (LODR) 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.46** to the financial statements which sets out related party disclosures pursuant to Ind AS.

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 provides 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.

8. Transfer to Reserves

Your Company has transferred Rs.520.00 lacs to the General Reserve from the profits of the Company.

9. 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.

10. 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 III** to this Report.

11. Risk Management

Risk management has become an important function of the management as the company is growing with fast pace and operation are expanding at different locations. 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.

12. Corporate Social Responsibility (CSR)

Underprivileged section and supporting them for better life has remained the focus of CSR activities. 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.

Company has also collaborated with 'The Earth Saviours Foundation' which takes care the abandoned citizens and run old age home. 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' and 'supporting the poor for better life' as one of area of intervention and way of serving the humanity.

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.

Apart from AIIMS, Company also provide financial assistance of Rs. 80,000/- per month to 'The Earth Saviours Foundation', a recognized NGO which is running 'Old Age Home & Rescue Centre' to provide the facilities completely free of charge such as accommodation, medical and every day needs for caring the people who are abandoned senior citizens, deprived, mentally disabled, bedridden, HIV Infected, patients on death bed, people dying with hunger on roads and patients suffering with incurable disease.

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 IV** 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).

13. Annual Evaluation of the Performance of the Board, Committees and Directors

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 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.

14. 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 Rs In lacs)

	FY 2017-18	FY 2016-17
% of shareholding	100%	100%
Turnover	199.78	238.75
Other Operating Income	0	0
Other Income	0	0
Total Income	199.78	238.75
Total expenses	196.04	214.93
Profit/(Loss) before taxation	3.74	23.82
Provision for taxation	1.16	2.88
Profit/ (Loss) after taxation	2.58	20.94

b) FIEM (Thai) Design & Technology Co. Ltd.: this Wholly-owned Subsidiary company was formed in Bangkok, Thailand on June 15, 2017 for the purpose of setting up a Design and R&D Centre for Designing, Development and R&D support to Fiem Industries Limited, support for new business development and other various business development activities like Product / Mould Design and Development Services, Purchase / Sale of Material, Mock-up Samples and Moulds etc. The Company has not started its operations during FY 2017-18.

c) 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 Rs In lacs)

	FY 2017-18	FY 2016-17
Extent of Holding %	50%	50%
Turnover	104.42	90.21
Total Income	104.42	90.21
Total expenses	108.28	90.42
Profit/(Loss) before taxation	(3.86)	(0.21)
Provision for taxation	-	-
Profit/ (Loss) after taxation	(3.86)	(0.21)

d) FIEM Kyowa (HK) Mould Company Limited: formed in Hong Kong as 50:50 joint venture company with Kyowa Co., Ltd. of Japan. The purpose of setting-up of JV was to engage in the business of high class moulds / tools for Automotive and other applications. The Company has not started operations during FY 2017-18

The financial position of the subsidiaries and Joint Venture Companies is also given in AOC-1 in the financial statements.

15. 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:

- Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mr. Rahul Jain (DIN: 00013566) and Ms. Aanchal Jain (DIN: 00013350), 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.
- 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) During the financial year, one Wholly-owned Subsidiary FIEM (Thai) Design & Technology Co. Ltd. formed in Bangkok, Thailand on June 15, 2017 and one 50:50 Joint Venture Company FIEM Kyowa (HK) Mould Company Limited incorporated on July 25, 2017 in Hong Kong with KYOWA Co., Ltd. of Japan. Both the Companies have not started operations in FY 2017-18. As at the end of FY 2017-18, there were two subsidiaries and two joint venture Companies of the 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 details about the ratio of remuneration of each director to the

median remuneration of the employees of the Company pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided in **Annexure V**, forming part of this report.

- The statement containing names of employees (up to top ten) in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided in **Annexure VI** forming part of this report.
- 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 and 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 & 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") read with Ind AS, the audited consolidated financial statements are provided in the Annual Report. The accounts of Wholly-owned Subsidiary companies and JV Companies 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 Board of Directors express their sincere thanks to the shareholders of the Company for the trust reposed in the Company. Directors would also like to thank the banks, valued OEM customers, employees, dealers and vendors for their co-operation and assistance in this growth journey.

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, 2018

ANNEXURE–I

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, 2018

ANNEXURE–II

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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 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 the 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 process 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has , during the audit period covering the financial year ended on March 31, 2018 (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, 2018 and made available to us, according to the applicable 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 applicable for 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 and Disclosure Requirements) Regulations, 2015.
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 (Buy Back of Securities) Regulations, 1998;
   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009.
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 and Signaling Equipment, 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 thereunder) 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 atleast 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 the operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. During the Audit Period, Company has entered into following Joint Venture Agreements (JVA):
    (i) JVA with KYOWA Co. Ltd., Japan for establishing Joint Venture Company in Hong Kong.
    (ii) JVA with Aisan Industry Co., Ltd., Japan and Toyota Tsusho India Private Limited for establishing Joint Venture Company in India for manufacturing fuel pump modules.

Further, there were no instances of:

(i) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity, etc.
(ii) Redemption/ buy- back of securities
(iii) Any resolution by the Members in pursuance to section 180 of the Companies Act, 2013.
(iv) Merger/ Amalgamation/ Reconstruction, etc.

For **Ranjana Gupta & Associates**
Company Secretaries

Ranjana Gupta
Proprietor
FCS No.: 8613
CP No.: 9920

Date: May 30, 2018
Place: New Delhi

ANNEXURE-III

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

We believe that it is a national duty of individuals and organizations to conserve energy in order to reduce energy costs, promote economic and environmental sustainability. Ignoring the energy conservation & efficiency, would result in more usage and wastage of natural resource. So, energy efficiency helps us keep more resources on the earth longer. There are many different ways to reduce energy usage, ranging from simple behavioral awareness to extensive improvements and adopting newer technologies. Power is among major cost constituent in our 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.

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

a) The behaviour awareness has the highest potential for energy savings, simple good habits turns out to be in big numbers of energy saving over a long period of time. At various processes tools installed to figure out where most of electricity is going, so that remedial measure can be taken.

b) Awareness programme conducted about the wastage of power "Phantom loads," or the electricity used by electronics when they are turned off or in standby mode. People made aware that electronics consume little power even when they are switched off, which accumulate in big numbers.

c) In some processes, programmable or smart thermostat set to automatically turn-off or reduce heating and cooling during the times when not required, resulting in eliminating the wasteful energy.

d) 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;

e) Using energy efficient pumps for many application and air cooled pump with Variable Frequency Drive (VFD) compatible motor, steadily in all plants;

f) Under Kaizen activity in Rai Plant, in U.V. lacquer the length of air washer duct unit reduced and duct dia increased resulting in 50% less energy consumption in that process. Further, U.V. Lamp position optimized resulting in reduced power requirement.

g) Under Kaizen activity in Rai Plant, common hopper dryers installed for multiple moulding machines and one hopper dryer for every machine removed, resulting in reduced power requirement.

h) During Supplier's audit, suppliers encouraged to follow 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 in the process of captive solar power generation options for Rai Plant. On successful implementation in Rai plant, other plant will be considered for same. However, as of today, largely traditional source of power is being utilized by the Company. At small area like canteen, solar water heaters are being provided for warm water supply and at many 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, except in some cases. During the year under review capital investment made on energy saving equipment was not significant.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

This has been another year of continuous upgradation in the manufacturing process, especially in LED Automotive facilities of the Company to provide world-class LED Head Lamps to OEMS for two wheelers. In continuation of previous year, LED automotive lighting has remained area of more focus and major technology absorption revolved around the same. Main focus given on upgrading the manufacturing facilities with cutting edge technology as under.

a) For the high end miniature headlight thick projector lens, electronically controlled Injection molding machines installed, which provide high accuracy of product parameters,

b) In-house world-class die-casting manufacturing facilities implemented to cater all advanced LED projector lightings. The product quality maintained by in-house best manufacturing standards/practices to produce high quality parts consistently.

c) High productive SMT pick and place machines with multiple printer headers implemented to reduce the cycle time of LDM modules manufacturing.

d) High volume winker lamp assembly machined metal inserts converted to forging process technology, to reduce the cost and increase the productivity.

e) All plants implement DM technology (Direct Metalizing), one of the key process requirement for the LED reflectors.

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

a) Electronically controlled machines implementation resulted in best quality of thick projector lens.

b) Die-casting in-house manufacturing technology enhanced product quality and also maintained in-house best manufacturing standards/practices to produce best quality parts consistently.

c) By installing advanced SMT Pick and places machines, productivity increased, thus resulted in cost and time saving.

d) Implementation of DM (Direct Metalizing) manufacturing technology resulted in reducing parts internal movements, process time reduction, inventory, thus result in cost saving.

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

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

g) Enhanced technological competency is a major strength for business development

h) 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 2017-18), 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.

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)

In our business, LED has become most important subject for Research & Development and Company has been remained frontrunner in development of new LED Automotive Lamps. R&D efforts has contributed in 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. 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:

Objective of in-house R&D.

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 fulfil 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) LED Automotive Lamps, 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 and automotive 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. In-house Design and Development of LED Class B Head lamp integrated with Position Lamp using only 3 mid power LEDs using FR4 PCB. With constant current circuit and without use of heat sink.

      This lamp designed and developed for leading Two-wheeler manufacturer, by replacing conventional halogen bulb by LED, which will help customer to reduce head lamp total power consumption and will immensely increase aesthetics.

   ii. Design and development of DRL (Day Time Running lamp) lamp using advanced polymer material – (OPAL / diffuser) parking lamp, by using low power LED for export market for high end bikes.

   iii. Design and development of head lamp integrated with LED DRL (Day Time Running lamp) to meet AHO regulations first time in India. LED DRL lamp designed with 6 low power LEDS. Photometric achieved by prismatic inner lens and MFR reflector.

   iv. Design and development of LED head lamp integrated with signature shape looking parking lamp. In which bike character is communicated via LEDs. Introduced new diffuser material for parking function. LED head lamp will meet class C requirements.

   v. Design and development of head lamp integrated detachable DRL lamp with position lamp function. Same LEDs used for DRL and position function by diming circuit. Power consumption 5 Watt for DRL and 1.2 Watt for position function. This DUEL function DRL module is first time in two wheeler industry.

   vi. Design and development of LED tail lamp with signature (logo) tail function using minimum no. of LED and diffuser technology lens. Which communicates the vehicle character to the consumers.

   vii. Design and development of compact LED license plate lamp, which will meet ECE /AIS/FMVSS regulations. Power consumption 2 Watt (UA)

   viii. High end LED Head Lights meeting Regulations class C and class D performance, without using Heat sinks, also cost effective and with reduced weight.

(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 various 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 for head lights, Tail light, Directions indicator lights etc.

(ii) Heat sink less, LED Head Lamps extended to the high end models, meeting the Class C and Class D regulations which is resulted in cost and weight saving plus customer satisfaction.

(iii) Diffuser material introduction on Tail lights with signature LOGO of manufactures, helped in promoting scooter market, thus resulted is sales increase.

(iv) Duel function on single lamp DRL+ Position lamp, first time in India for two-wheelers resulted in cost advantage and power reduction.

(c) Future Plan of action

(i) Extend the High impact material on upcoming Light guide and Light pipes for higher durability.

(ii) Introduce, cost effective Flexible PCB technologies for the upcoming complex shape LED tai lights.

(iii) Introduce High thermal conductivity material for LED head lights in aluminium alloys.

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

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

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

(vii) Research on highly thermal conductive material of PCB and heat sinks for more thermally stable design in lesser space.

(viii) Research on 3D optical design lamps for signalling devices.

(ix) Producing light guides/ light pipes in tuff material like polycarbonate.

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

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

(xii) 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.

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

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

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

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

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

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

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

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

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

(xxii) Research on 3D optical design lamps for signalling 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 Rs In lacs)

Particulars	FY 2017-18	FY 2016-17
Capital Expenditure:		
Capital Expenditure	70.78	67.54
Total (A)	**70.78**	**67.54**
Recurring/Revenue Expenditure:		
Raw Material Consumed	22.71	20.54
Employees Benefits	672.79	582.69
Other Expenses	46.68	58.41
Finance Cost	0.02	0.02
Depreciation & Amortization	65.29	49.23
Total (B)	**807.50**	**710.89**
Grand Total (A+B)	**878.28**	**778.42**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year was Rs. 1725.02 lacs and the Foreign Exchange outgo during the year in terms of actual outflows was Rs. 10738.52 lacs

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, 2018

ANNEXURE–IV

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:** Company has been undertaking the Corporate Social Responsibility (CSR) programme through a dedicated trust, namely 'FIEM Foundation' as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Company continued its major CSR Project in collaboration of AIIMS, New Delhi, wherein Company is giving financial support to poor patients suffering from cancer and other life threatening diseases 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. In addition to above, Company has also collaborated with 'The Earth Saviours Foundation'. The NGO is running Centre for caring the people who are abandoned senior citizens, deprived, mentally disabled, bedridden, HIV Infected, patients on death bed, people dying with hunger on roads and patients suffering with incurable disease. NGO provide the facilities completely free of charge such as accommodation, food, medical and every day need. Company is giving monthly financial assistance of Rs. 80,000/- to NGO, helping the NGO to meet the expenses of doctors and other medical expenses etc. Company is also in discussion with 'Delhi Midtown Rotary Service Foundation' for setting-up a Diagnostic Centre for free / subsidized services to poor people, deprived, disabled, underprivileged patients. As per Companies Act, 2013, we have selected 'health care' as one of the areas of intervention under Corporate Social Responsibility (CSR) and way of serving the humanity. The underlying reason for selecting this area is that in India, affordable medical treatment to the poor is not available and when disease is cancer or other life threatening, poor suffer a lot and at times not able to bear the burden of treatment. Therefore, we want to stand with poor and underprivileged, when they need the support of society most. Further, we are open to do any other work, where we think that our help can improve the life of poor and underprivileged. During the year, Company whole-heartedly supported the CSR provisions and remained compliant with the statutory requirements in its true spirit. **During the Financial Year 2017-18, 'FIEM Foundation' has extended financial assistance of more than Rs. 128 lacs to around 123 poor patients for helping them to get their treatment done in AIIMS, New Delhi.** As permitted under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had set up one 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.	
1(a)	The Web link to the CSR Policy and projects or programs	http://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	Rs. 61,93,95,782
4	Prescribed CSR Expenditure (2% of amount as in item 3 above)	Rs. 1,23,87,916
5	Details of CSR Spent during the financial year:	
	a) Total amount to be spent for the year:	Rs. 1,23,87,916
	b) Amount unspent, if any:	-
	c) Manner in which the amount spent during the financial year	

S. No.	Particulars			Details					
	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 program	Overheads	Cumulative Expenditure upto the reporting period	Direct or through Implementing agency* (Give Details of Implementing Agency)
	1			Bandhwari Village, Gurgaon - Faridabad Road, District - Gurgaon, Haryana.	Rs. 80,000/-	Rs. 80,000/-	Nil	Rs. 80,000/-	Implementing Agency (The Earth Saviours Foundation)
	2	TRANSFER TO CORPUS of 'FIEM FOUNDATION'						1,23,07,916 /-	-
		Total						1,23,87,916/-	–
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.					
	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

Place : Rai, Sonepat (HR.)
Date : May 30, 2018

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

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

ANNEXURE–V

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 at the end of Financial Year 2017-18.	There were 1975 direct employees on the rolls
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 2017-18 in the salaries of employees (excluding managerial persons) was 11.10%. Average percentile increase during the year 2017-18 in managerial remuneration was 2.09%. 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 17-18 (Rs.)	% increase	Ratio with Median Remuneration
	Median Remuneration of Employees	2,13,504	11.26%	
1	Mr. J.K. Jain, Chairman & Managing Director	1,24,80,000	-	58.45
2	Mr. Rahul Jain, Whole-time Director	48,00,000	-	22.48
3	Mrs. Seema Jain, Whole-time Director	48,00,000	-	22.48
4	Mr. J.S.S Rao, Whole-time Director	96,00,000	-	44.96
5	Ms. Aanchal Jain, Whole-time Director	42,00,000	-	19.67
6	Mr. K. R. Yadav, Whole-time Director	91,44,864	-	42.83
7	Mr. O.P. Gupta, Chief Financial Officer	52,20,000	8.75%	NA
8	Mr. A.K. Chauhan, Company Secretary	61,71,000	13.54%	NA
	Total Managerial Remuneration	5,64,15,864	2.09%	

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 2017-18: Please refer initial paras in Directors Report.

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, 2018

ANNEXURE–VI

Statement of details of employees falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Employed throughout the Financial Year (2017-18), was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.1,02,00,000/-:

Name	Designation	Remuneration Received (Rs. In Lacs)	Qualification	Experience in years	Date of Commencement	Age in years	Last Employment & position held	%age of Equity Shares held
Mr. J. K. Jain	Chairman & Managing Director	124.80	Graduate	46	05.08.1996[1]	66	See Note[1]	22.49%

(ii) Employed for a part of the Financial Year (2017-18), was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

Name	Designation	Remuneration Received (Rs. In Lacs)	Qualification	Experience in years	Date of Commencement	Age in years	Last Employment & position held	%age of Equity Shares held
NIL								

Notes:

1. Mr. J.K Jain is among founder promoters of the Company. Since incorporation he is on the Board of the Company. W.e.f. 05.08.1996 he was appointed as Chairman & Managing Director.
2. As on March 31, 2018, Mr. J.K Jain alone hold 22.49% and along with family members and related concerns hold 63.59% of the total share capital of the Company.
3. The above remuneration does not include leave encashment, gratuity and perquisites.
4. Nature of Employment, whether Contractual or Otherwise: Mr. J.K Jain is in regular employment of the Company as managerial person.
5. **Whether any such employee is a relative of any director or manager of the company, with name of such Director:**

Mr. J.K. Jain, Chairman & Managing Director is related to other Directors i.e. Mrs. Seema Jain, Whole-time Director, Ms. Aanchal Jain, Whole-time Director and Mr. Rahul Jain, Whole-time Director. Further, all of these are promoters of the Company with 63.59% shareholding.

(iii) **There is no other employee who was in receipt of remuneration, which is more than remuneration of managing director or whole-time director and also holds by himself or along with his spouse and dependent children not less than 2% of the equity shares of the company. Hence no information required to be furnished under Rule 5(2)(iii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

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, 2018

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Crude oil prices increased in 2017, the prices at the beginning of the year bring US$54.13 per barrel, declining to a low of US$46.78 per barrel in June 2017 and closing the year at US$61.02 per barrel, the highest since 2013.

Global economic growth

Year	2014	2015	2016	2017(e)	2018 (f)	2019 (f)
Real GDP Growth (%)	3.5	3.2	3.1	3.7	3.9	3.0

[Source: World Economic Outlook, January 2018] e: estimated f: forecasted

Outlook

The outlook for advanced economies improved, notably for the Euro area, but in many countries inflation remained weak, indicating that slack was yet to be eliminated, and prospects for growth in GDP per capita were held back by weak productivity growth and rising old-age dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

The Indian economy headed for slower growth of around 6.6% in 2017-18. The year under review was marked by structural reforms: in addition to GST implementation, the government focused on significant resolution of challenges related to bank non-performing assets, FDI liberalization, bank recapitalization and coal mine privatisation. Export growth rebounded in 2016-17 and strengthened thereafter in 2017-18; foreign exchange reserves rose to US$ 422.53 billion as of March 2018. (Source: CSO, economic survey 2017-18)

Estimation for the FY2017-18 Vs FY 2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, Defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

*Estimated

(Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=163287)

Key government reforms

Bank recapitalization scheme: The Central Government announced capital infusion of Rs. 2.1 lac crore into public sector banks.

Expanding road network: The Government of India announced a Rs. 6.9 lac crore investment to construct 83,677 kilometers of roads across five years.

Improving ecosystem: The Insolvency and Bankruptcy Code was passed, simplifying tax computation and merging applications for PAN and TAN. (Source: KPMG)

Foreign Direct Investment: Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.

Coal mining opened for private sector: Ending state monopoly, the government opened coal mining to private sector firms for commercial use, the most ambitious sectoral reform since nationalization of banks in 1973.

Doubling farm incomes: The government initiated a seven-point action plan to double farm incomes by 2022.

Goods and Services Tax: The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services are taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). All the existing taxes like Excise, VAT, CST, and Entry Tax have been subsumed under GST. This has paved the way for the unification of the entire country under 'one nation, one tax, and one market'.

The result: World Economic Forum's Global Competitiveness Report 2017 ranked India at 23 in the Global Competitiveness Index from 39 in 2016.

Outlook

World Bank projected India's economic growth to accelerate to 7.4% in 2018-19 and 7.5% in 2019-20, catalyzed by private consumption and services. Private investment is expected to revive as soon as the country adjusts to GST. The recapitalization package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment. (Source: IMF, World Bank)

Indian automotive components sector overview

India's automotive components industry forms the backbone of the burgeoning automobile sector, with 75% of the total sales generated in the country. The automotive components industry of India grew by 14.3% on the back of a strong growth in after-market sales to reach ~US$43.55 billion during FY2016-17 and ~US$49 billion during FY2017-18.

The automotive components industry accounts for ~2.3% of India's GDP and employs 1.5 million people, directly and indirectly. Production of two-wheelers, passenger vehicles, commercial vehicles and three-wheelers reached 23.15 million, 4.01 million, and 0.89 million and 1.02 million, respectively during FY2017-18. FDI inflows into the Indian automobile industry between April 2000 and December 2017 stood at US$18.41 billion.

Despite the manufacturing units in the unorganized sector outnumbering the organized, the latter accounted for an 85% share of total the industry turnover during FY2017-18. During FY2017-18, overall automobile exports increased by 16.12% with the two and three-wheeler segments growing by 20.29% and 40.13%,

respectively. Europe remained India's biggest export market, accounting for 35% of all shipments followed by Asia (27%) and North America (26%). Exports to Europe rose by 2.6% whereas shipments to Asia rose by 4.6% during FY2016-17. (Source: IBEF, Business Standard)

Vehicle class highlights, FY2017-18

Passenger vehicle production: During FY2017-18, 4,010,373 passenger vehicles were produced, 13.79% of the total vehicles manufactured in the country. Out of these, 19% were exported. Utility vehicles crossed the million-mark during the fiscal gone by with one out of every three passenger vehicles produced being a utility vehicle. The automobile sector witnessed the highest-ever production in the passenger car and utility segments during FY2017-18.

Passenger vehicle sales: Passenger vehicle sales touched an all-time high of 3.3 million units during FY2017-18 despite changes in GST rates.

Two-wheeler production: Two-wheeler production surged by 16.12% to reach 23 million units, despite a high base of 19.9 million units. Scooter production crossed 7 million units while motorcycle production crossed 15 million units.

Two-wheeler sales: Two-wheeler sales touched 20.2 million units. Scooter sales crossed 6.7 million units while motorcycle sales crossed 12.6 units, the highest-ever.

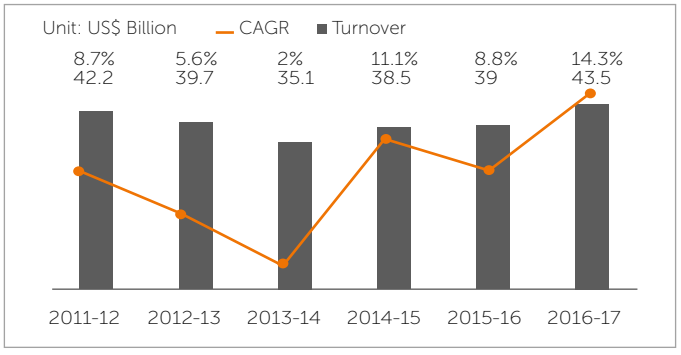
Commercial vehicle sales: Domestic sales of commercial vehicles created a new record by selling 856,453 units during FY2017-18. The segment surpassed its earlier record of 809,499 units set during FY2011-12.

Two-wheeler exports: The two-wheeler segment recorded highest-ever exports of 2.8 million, growing at a rate of 20.29%. Scooters and motorcycles individually touched 314,000 and 2.4 million units, respectively.

Three-wheeler production: Three-wheeler production grew at a rate of 30.39% to reach 1,021,911 units.

Three-wheeler sales: Three-wheelers sale touched 635,698 units, growing at a rate of 24.19%. (Source: Economic Times)

Turnover of Indian automotive components industry



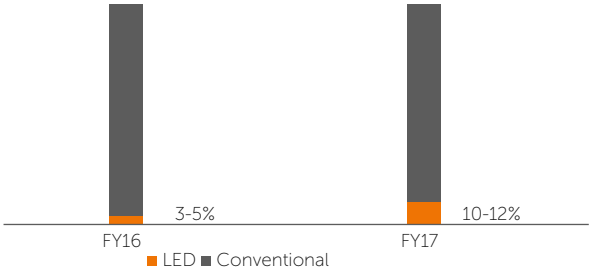
Outlook

The Indian automotive components industry is expected to register a turnover of US$100 billion by 2020 backed by strong exports ranging between US$80-100 billion by 2026. The automotive components industry is also expected to become the third-largest in the world by 2025. A mass conversion to electric vehicles may create a US$ 300 billion domestic market for electric vehicle batteries in India by 2030. The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for automotive component manufacturers, who would need to adapt proactively. (Source: IBEF, Business Standard)

Indian LED industry

LED lighting demand: The present market share of LED in the domestic automotive lighting vertical is expected ~10-12%. The increased usage of LED lighting is evident from its growing demand from high-volume smaller car manufacturers and all two wheelers players. Factors like, high energy-efficiency and luminosity levels and high flexibility in designing as well as aesthetics will drive demand in the years to come.

Estimated composition in domestic automotive lighting market



Source: Edelweiss investment Research

LED lighting usage in automobile industry - demand drivers

- LED lighting is 5x more efficient, reducing fuel consumption in petroleum vehicles and extending longevities of electric vehicles
- LED lighting promises 10-50x longevity compared to traditional sources
- LED lighting output remains more or less constant over time
- LED lighting is less fragile compared to ordinary light bulbs
- LED lighting offers clear and consistent shade of white light over time

Where India stands in terms of automobile manufacture

* #1 - Tractors
* #2 – Two-wheelers
* #3 - Buses
* #5 - Heavy trucks
* #6 - Cars
* #8 - Commercial vehicles

Governmental initiatives

The Central Government's Automotive Mission Plan 2016-26 is expected to benefit Indian economy in the following ways:

- Contribution of the industry to the country's GDP will rise to 13%, from <10%
- >100 million jobs will be created
- Companies will invest ~US$80 billion in capex
- End-of-life-policy will be implemented for old vehicles

The Faster Adoption and Manufacturing of Hybrid and Electric vehicles scheme offers incentives on electric and hybrid vehicles of up to US$ 430 for bikes and US$ 2,050 for cars

The National Auto Policy 2018 will help the automobile industry to grow by focusing on five key areas:

- Innovation, research and development
- Vehicle manufacturing
- Automotive components manufacturing
- Green mobility
- Ecosystem development

The National Electric Mobility Mission Plan 2020 aims to create a fleet of ~7 million electric cars by 2020.

The National Automotive Testing and R&D Infrastructure Project aims to create a testing, validation and R&D infrastructure and has invested US$ 265 million crore for setting up of seven testing facilities across India.

The Growth drivers

Economic growth: India's GDP growth is likely to strengthen to 7.6% in FY19, strengthening prospects for the automotive and automotive component industries.

Personal mobility: the demands of Scooters are expected to grow at a sharp pace led by the increased disposable incomes amidst positive economic factors coupled with increasing penetration in the rural market and an increase in the number of women in the Indian workforce. Families are opting for two two-wheelers for separate family members as they are cost-effective and fuel-efficient. (Source: Financial Express, Economic Times)

Rural prosperity: Back-to-back abundant monsoons have put back the rural economy on the growth track, boosting sales of utility vehicles, motorcycles and small commercial vehicle in the rural markets. Motorcycle sales grew by over 10% in the year ended 31 March 2018 for the first time in six years on improved demand. Factors like higher crop prices (minimum support price offered by the government), government spending on infrastructure could also influence rural incomes.

Road construction: To boost road infrastructure in the country, the Government of India announced a Rs. 6.9 lac crore investment outlay to construct 83,677 kilometres of road network over five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country. (Source: KPMG)

Booming automobile industry: The automobile industry is one of the prime drivers of the Indian auto components industry, accounting for ~7% of the country's GDP, comprising ~23.9 million vehicles, which includes passenger vehicles, two-wheelers, commercial vehicles and three-wheelers. The automobile industry also provides direct and indirect employment to >29 million people in India. The automobile industry (including components) is expected to reach US$ 251.4-282.8 billion by 2026.

Increasing automobile sales: Domestic automobiles sales increased at a CAGR of 7.01% between FY13 and FY18 with 24.97 million vehicles getting sold during the fiscal gone by, thus increasing the demand for automotive components.

Increasing automobile production: Automobile production in the country reached 2,645,618 units, growing by 17.95% y-o-y, indicating an increased demand for automobiles across the country.

Road freight movement: ~65% of freight and ~80% passenger traffic is carried by the roads. Road freight movement is expected to grow at a CAGR of 15% between 2017 and 2022, strengthening offtake commercial vehicles.

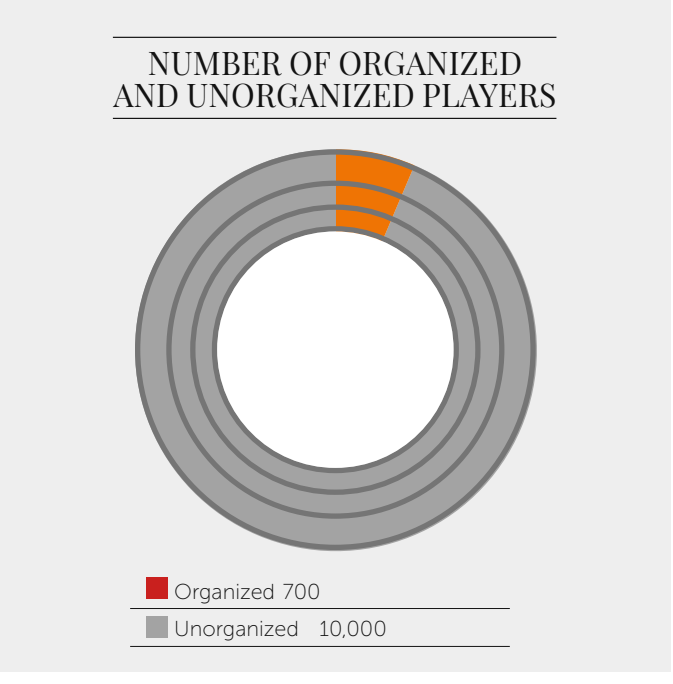
Smart Cities development: 100 cities have been selected under the Smart City Mission. Each city will get Rs 500 crore to carry out the projects. Two-and-a-half years later, the plan has impacted the lives of 7 crore people across India. Over time, this will drive the demand for LED street lights, passenger information systems and automotive components.

Burgeoning transportation infrastructure: India's transport infrastructure sector is expected to grow at a CAGR of 5.9% till 2021, emerging as the fastest-expanding component of the country's infrastructure sector. Even as eight metro rail networks covering a length of 370 kilometres are operational in the country, over two dozen more projects are lined up. Out of the two dozen projects, ~62.5% have lined up plans including Pune, Nagpur, Ahmedabad, Chennai, Vijayawada, Kozhikode, Indore, Bhopal, Patna, Guwahati, Kanpur and Varanasi. India's vision is to become the third largest aviation market by 2020 and the largest by 2030, and for this the nation is planning to invest >US$120 billion in the development of airport infrastructure and aviation navigation services, over the next decade. The metro rail and airport modernisation projects undertaken across major cities will boost the demand for integrated passenger information systems as well as LED lighting.

Online food delivery: The Indian food services market in India was pegged at ~Rs. 3,37,500 crore in 2017 and is projected to grow at a CAGR of 10% over the next five years to reach Rs. 5,52,000 crore by 2022. The percentage of daily orders fulfilled by self-owned fleets increased from 46% in Q4 2016 to 56% in Q3 2017, clocking an average of 400,000 orders on daily basis in September 2017. This will lead to demand of more bikes and scooters for faster delivery, eventually driving the demand of automotive components.

Liberal FDI policy: 100%-FDI allowed under automatic route for the automotive components sector, driving the industry.

(Source: AM Summit, Economic Times, Livemint, NHAI)



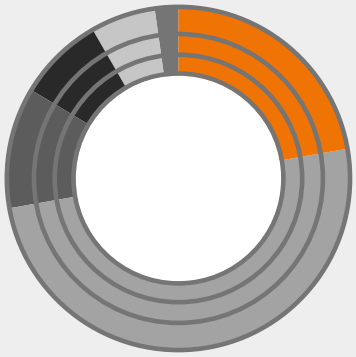
DOMESTIC MARKET SHARE BY SEGMENT IN FY18 (%)



- Two-wheelers 79.61
- Passenger vehicle 13.79
- Commercial vehicle 3.08
- Three-wheelers 3.51

(Source: IBEF)

SEGMENT-WISE SHARE OF AUTOMOTIVE COMPONENTS SUPPLIED TO OEMS IN FY17 (%)



- Two-wheelers 22
- Passenger vehicle 49
- Medium and heavy commercial vehicles 11
- Light commercial vehicles 8
- Tractors 6
- Three-wheelers 2

(Source: IBEF)

AUTOMOTIVE COMPONENTS EXPORT (US$ BILLION)



- FY12 8.91
- FY13 9.68
- FY14 10.16
- FY15 11.21
- FY16 10.83
- FY17 10.90

(Source: IBEF)

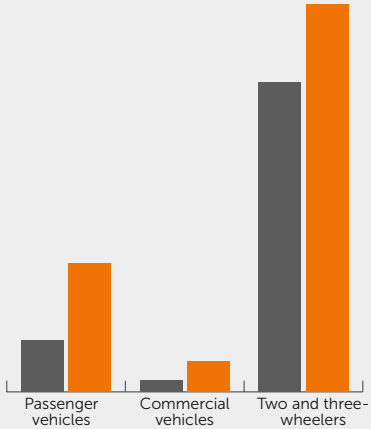
AGGREGATE TURNOVER (US$ BILLION)



- FY12 42.68
- FY13 39.69
- FY14 35.00
- FY15 38.41
- FY16 39.05
- FY17 43.55
- FY18E 49.00

(Source: IBEF, E-Estimated)

VEHICLE PRODUCTION IN INDIA (THOUSAND UNITS)



Segments	Passenger vehicles	Commercial vehicles	Two and three-wheelers
FY18	4,010	895	24,169
FY21E	10,000	2,350	30,231

(Source: IBEF, E-Estimated)

Finance overview of the Company

During the year, Company has achieved an excellent growth in automotive business segment, majorly due to volume growth, introduction of new products, especially LED based head lamps and DRLs and other lamps. However, LED general lighting business could not do well during the year. The overall financial performance of the company on major parameters is as under:

- Sales of the company during FY18 is Rs 1228.46 crores as compared to Rs 1004.39 crores in FY17, registering a 22.31% growth in FY18 as compared to FY17.
- Sales of automotive business segment during FY18 is Rs 1225.13 crores as compared to Rs 948.70 crores in FY17, registering a 29.14% growth during FY18 as compared to FY17.
- Sales of LED Luminaries segment is Rs 3.33 crores in FY18 as compared to Rs.55.69 crores in FY17.
- Profit After Tax (PAT) during FY18 is Rs 52.55 crore as compared to Rs 32.82 crore in FY17, registering a 60.12% Increase for FY 18 as compared to FY17.

Operational review

At the automotive front, the outlook is looking more promising, BS-IV and AHO has proved positive for the Company and contributing a lot for the faster adoption of LED in the automotive lighting applications.

Looking these opportunities, company is further strengthening its R&D capabilities. Further, OEMs are awarding orders for LED based head lamps and other LED lamps, hence Company is investing to further expanding its capacities, especially in Tapukara (Rajasthan) Plant. During FY 2017-18, the total capex was Rs.133 Crores in different units of the Company.

India is now the world biggest two-wheeler market and still growing with a fast pace. This industry size throws a big growth opportunities for the players like us. Hence, Company is also working on expanding its product line by way of technical collaborations and joint ventures with Japanese Companies. Upcoming BS-VI norms, the implementation of which is due from April, 2020, provide huge opportunities for advance products for emission norms and safety of the vehicles. Advancing on this front, Company has already signed a Joint Venture with Aisan Industry Co., Ltd., Japan, Toyota Tsurho and working on other opportunities.

During the year, there was a major fire on January 25, 2018 at one portion of Unit-5 in Hosur Tamilnadu. The assets of the Company are adequately covered under insurance. The Company has already filed insurance claim with its insurers and the claim is expected to settle during current year. The other necessary information are provided in the financial statements. The Company had successfully and quickly recovered the supplies to its customers and no major impact or interruption was felt to supplies to esteemed OEM customers.

Company's Product Segmental overview

Automotive lighting: The Company manufactures head lamps, tail lamps, blinker lamps, fog lamps, warning triangles, interior lamps , among others, for two, three and four-wheelers. FIEM also boasts of NABL-accredited photometry lab for testing automotive lamps and LED General Lighting Products.

Contribution to total revenues over the past five years (Rs. Crores)



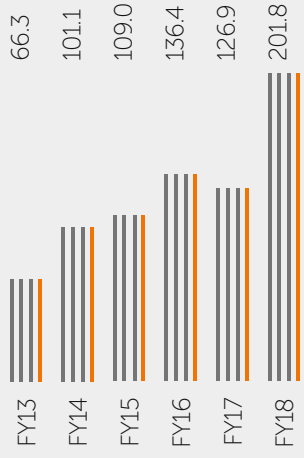
Rearview mirrors: FIEM has state-of-the-art mirror manufacturing plants across its four different units capable of carrying out all the relevant processes in-house, including plate making, profile cutting, washing, grinding, cleaning, coating (aluminum or chrome) and painting, among others. The Company installed in its units injection moulding machines and rod making facilities. All the sub-components are accumulated in the assembly lines to complete the entire process of Assembly and testing under one roof.

Contribution to total revenues over the past five years (Rs. Crores)



Plastic moulded parts: Plastic moulding is integral part of the manufacturing process of automotive lamps and rearview mirrors. The Company has installed >500 best-in-class injection moulding machines across its Nine plants ranging from 50 tonnes to 1,400 tonnes capable of making parts weighing 20 grams to 2.5 kilograms. FIEM also supplies standalone plastic-moulded parts to its customers from Unit#2 and Unit#8. These moulding machines are also capable of fabricating front fenders, floor panels, side covers, rear fenders, handlebars and seat bases for two-wheelers.

Contribution to total revenues over the past five years (Rs. Crores)



Others: This segment includes items contributing <10% to the Company's revenue pie and mainly includes fabricated items like sheet metal parts. The Company has full-fledged sheet metal fabrication facilities as well as mudguard rolling plants for manufacturing front and rear mudguards for motorcycles and mopeds.

Contribution to total revenues over the past five years (Rs. Crores)



FIEM's LED segment

LED luminaires: After having strengthened its position in the automotive components industry, the Company decided to diversify into the LED segment under two major categories: LED luminaires for indoor and outdoor applications and integrated passenger information systems with LED displays for trains and buses. The Company has a dedicated in-house R&D centre and manufacturing facility for LED products in Tapukara, Rajasthan. The Company only imports LED chips and electrical component and rest of the LED luminaires parts are manufactured proprietarily including the most crucial part i.e., LED drivers.

During the year under review the performance of Company's LED general lighting business remained dismal majorly because of disruption in the market.

Integrated passenger information systems (IPIS)

Integrated passenger information systems provide relevant information to passengers on a real-time basis. Several state road transport undertakings have inspected the Company's LED-based destination system and found it satisfactory. The Company also received approval for its integrated passenger information systems with LED displays from the Research Design and Standard Organisation operating under the aegis of Ministry of Railways, vindicating FIEM's technological excellence and the Company is supplying these systems to Indian Railways for modernization of Railway Stations and for applications in Buses.

Integrated Passenger information systems are integrated suites of electronic information and entertainment, bringing real-time information, entertainment videos and advertisements to passengers. The information includes station identification, train arrival and departure times, live and ad-hoc messages, as well as public content such as places of interest, daily public events and weather forecasts. Commuters using public transport in Tamil Nadu will soon have better information on bus timings at each stop with the authorities working on a GPS and geocoding facility. All 3,485 bus stops in Chennai have been geocoded with latitude-longitude. This is the first step towards a passenger information system on Metropolitan Transport Corporation buses plying in the city. The Delhi Transport Corporation is planning to roll out a round-the-clock vehicle tracking system and passenger information system in ~3,375 buses operated by the corporation and ~1,000 CNG buses it plans to procure. (Source: Financial Express)

Key risks and mitigations

The Company believes that managing risks helps maximize returns. The Company's approach to addressing business risks is comprehensive and includes a periodic review of such risks with a framework for mitigating controls and a reporting mechanism. The risk management framework was reviewed periodically to make that robust and dynamic.

Industry risk: A slowdown in the downstream sectors could impact offtake

Mitigation: The Indian automotive components industry is expected to register a turnover of US$100 billion by 2020. The automobile industry (including components) is expected to reach US$ 251.4-282.8 billion by 2026. Over the next decade, this will lead to newer opportunities for automotive component manufacturers opening up.

Technology risk: Technological obsolescence could hinder the ability to develop products in a cost-competitive manner.

Mitigation: The Company has set up state-of-the-art R&D facilities equipped with advanced equipment and overseen by experienced personnel, bolstering its technological competence.

Quality risk: Inability to adhere to quality standards can lead to client attrition.

Mitigation: The Company believes in manufacturing of high-quality products at a competitive cost and has a track record of maintaining best standards in essentials parameters of Quality, Cost, Development, Delivery and Management (QCDDM).

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 & 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 1975 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 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.

To make the Company future ready with the increasing volume of operations and geographic expansion as well as with the objective of better control, the Company is in the process of implementing SAP system across its all units and offices - SAP S/4HANA Enterprise Management. The system is expected to go live during the current financial year.

Corporate Governance Report

(The Report on Corporate Governance forms part of the Directors' Report for the financial year ended March 31, 2018)

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"), as amended.

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Our governance philosophy is based on integrity, performance, accountability and transparency during business conduct. As a responsible corporate citizen, our Company fosters a culture of ethical behavior. Continuous adherence of best practices emanates in a good governance system. We believe that Corporate Governance must translate into commitment to maximize long-term stakeholder value and growth of the business of the Company. All stakeholders, be shareholders, employees, suppliers, customers and communities we work into, must be taken care in the governance system. The Board, being the top governing body in the Company, is trustee for stakeholders and its prime objective is wealth creation, growth and serving the larger society in a most efficient way.

2. BOARD OF DIRECTORS

Primarily, the composition of Board of Directors of the Company is governed by 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.

The Board of the Company consists of 12 Directors, all the Directors have diverse experience and background fulfilling the statutory as well as business requirements.

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, 2018 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. Various Committees forms the next level of governing bodies and complement the governing system of Company. 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 and other necessary action, if required.

The Board has established Four (4) Committees to discharge its responsibilities, namely –

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

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, 2018 are given herein below:

Sr. No.	Name of the Director	Designation	Category	Attendance at board meetings during the year 2017-18	Whether attended last AGM held on August 21, 2017	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 31.03.2018)
1.	Mr. J. K. Jain	Chairman & Managing Director	PED	4/4	Yes	NIL	NIL	2960000
2.	Mrs. Seema Jain	Whole–time Director	PED	4/4	Yes	NIL	NIL	2960000
3.	Mr. J.S.S. Rao	Whole–time Director	NPED	3/4	No	NIL	NIL	12
4.	Mr. K. R. Yadav	Whole–time Director	NPED	4/4	Yes	NIL	NIL	338
5.	Ms. Aanchal Jain	Whole–time Director	PED	4/4	Yes	NIL	NIL	800000
6.	Mr. Rahul Jain	Whole–time Director	PED	4/4	Yes	NIL	NIL	1552340
7.	Mr. Iqbal Singh	Independent Director	ID	4/4	Yes	NIL	NIL	20014
8.	Mr. Vinod K. Malhotra	Independent Director	ID	4/4	Yes	NIL	NIL	NIL
9.	Mr. Subodh Kumar Jain	Independent Director	ID	4/4	Yes	NIL	NIL	NIL
10.	Mr. Mohan Bir Sahni	Independent Director	ID	4/4	No	1	NIL	NIL
11.	Mr. Ashok Kumar Sharma	Independent Director	ID	4/4	Yes	NIL	NIL	NIL
12.	Mr. Jawahar Thakur	Independent Director	ID	4/4	Yes	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).

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. Four (4) 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:

May 30, 2017, September 04, 2017, December 04, 2017, February 13, 2018.

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, if any.

i. During the financial year under review one separate meeting of Independent Directors was also held on February 13, 2018 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 of 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 the 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 role, powers 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, the concerned partners/ authorised representatives of 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 four (4) times on May 30, 2017, September 04, 2017, December 4, 2017, February 13, 2018 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.

The Chairman of the Audit Committee attended the last Annual General Meeting held on August 21, 2017, 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 two (2) time on May 30, 2017 and February 13, 2018 and all members of the Committee attended the aforesaid meetings.

The necessary quorum was present at all the meetings.

The Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting held on August 21, 2017, 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.

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 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.

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: (Rs. in lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD						
		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)	Total Amount
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)::

(Rs. in lacs)

Sr. No.	Particulars of Remuneration Independent Director	Name of Directors						
		Mr. Iqbal Singh	Mr. Vinod K. Malhotra	Mr. Subodh Kumar Jain	Mr. Mohan Bir Sahni	Mr. A.K. Sharma	Mr. Jawahar Thakur	Total Amount
1	Independent Directors							
	Fee for attending Board/ Committee meetings	3.10	3.60	3.10	2.50	2.50	2.50	17.30
	Stock Option	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
	Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• As % of profit							
	• Other, specify	0.00	0.00	0.00	0.00	0.00	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**
	Total (1)	**3.10**	**3.60**	**3.10**	**2.50**	**2.50**	**2.50**	**17.30**

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 2017-18 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, 2017, September 4, 2017, December 4, 2017 and February 13, 2018.

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 2017-18 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	NIL	105	105	NIL	NIL
Received through BSE	NIL	2	2	NIL	NIL
Received through NSE	NIL	NIL	NIL	NIL	NIL
Received through SEBI	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**107**	**107**	**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, 2017. All the members attended the aforesaid meeting.

8. GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Details of Special resolutions passed
2016-17	August 21, 2017 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	None
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.

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

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

Special resolution as detailed above was moved and passed at the previous three Annual General Meeting.

8.3 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 last year, no resolution passed through Postal Ballot.

8.4 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.

9. 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.

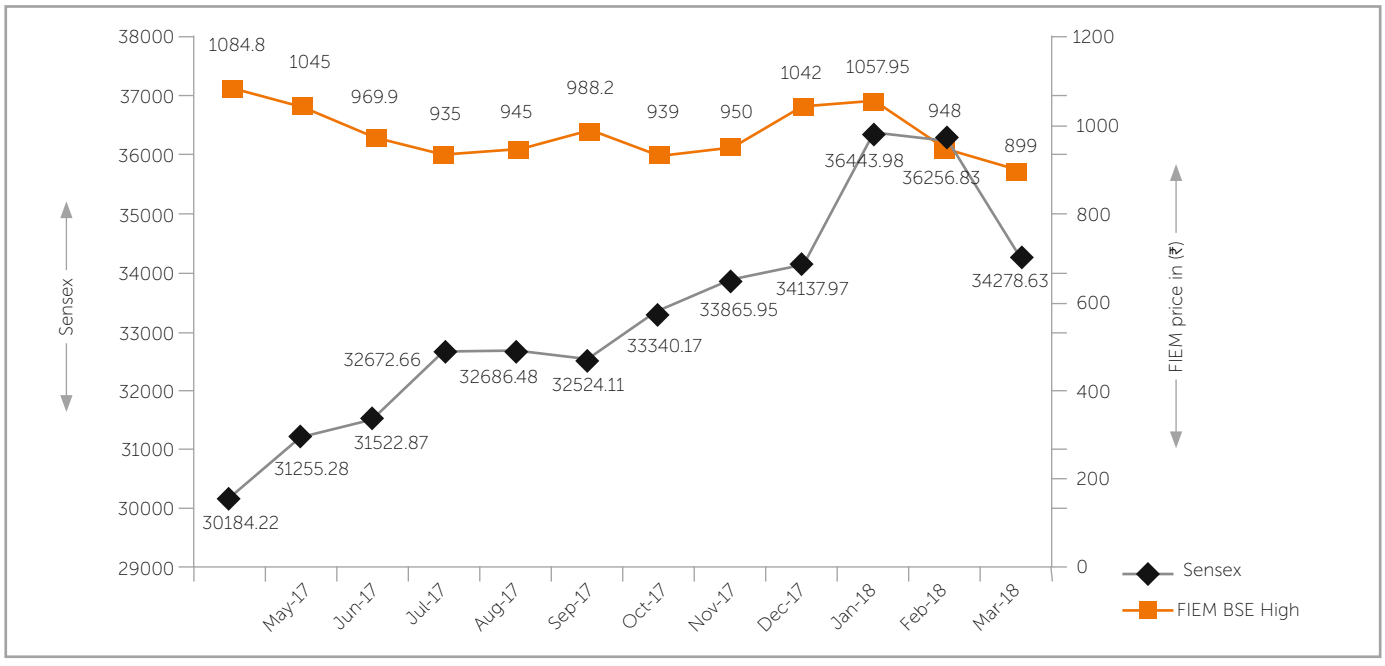
The disclosures and announcements filed by the Company from time to time to stock exchanges are also uploaded on the website of Company.

10. General Shareholder Information

a)	Annual General Meeting for financial year 2017-18	Day and Date: Monday, September 17, 2018
		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	11.09.2018 to 17.09.2018 (both days inclusive)
d)	Dividend Payment Date	The dividend, if declared, shall be paid/ credited/dispatched on or before September 30, 2018.
e)	Listing on Stock	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 2017-18 have been paid.
g)	Market Price Data	High, Low in comparison to Sensex during each month in the financial year 2017-18 on NSE and BSE

Month	NSE		BSE		Sensex
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)	High
April 2017	1084.00	968.90	1084.80	963.95	30184.22
May 2017	1048.00	842.50	1045.00	821.40	31255.28
June 2017	969.00	839.95	969.90	841.40	31522.87
July 2017	934.60	840.00	935.00	875.00	32672.66
August 2017	948.00	867.95	945.00	841.10	32686.48
September 2017	989.00	877.00	988.20	884.00	32524.11
October 2017	940.00	893.00	939.00	890.00	33340.17
November 2017	945.00	885.00	950.00	876.00	33865.95
December 2017	1040.00	886.25	1042.00	887.30	34137.97
January 2018	1065.00	915.00	1057.95	917.00	36443.98
February 2018	949.90	840.00	948.00	840.00	36256.83
March 2018	945.70	791.00	899.00	810.00	34278.63

Performance of the share price of the Company in comparison to the BSE Sensex



h) 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

i) 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 and Board Meetings.

j) Distribution of shareholding as on March 31, 2018:

(Rs In Lacs)

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	520440	3.9548%
	(b) Foreign Portfolio Investors	22	1882431	14.3044%
	(c) Financial Institutions / Banks	3	4688	0.0356%
	(d) Alternate Investment Fund	2	64382	0.4892%
	Insurance Companies	1	464876	3.5325%
	Central/State Government(s)	1	14	0.0001%
2	Non–Institutions			
	(a) Individuals	13476	1318408	10.0185%
	(b) Any Other (specify)–			
	i. Hindu Undivided Family	437	68902	0.5236%
	ii. Foreign Corporate Bodies	1	104051	0.7907%
	iii. Non-Resident Indians	428	172272	1.3091%
	iv. Clearing Members	95	27859	0.2117%
	v. Bodies Corporate	181	163229	1.2404%
	Total Public Shareholding			
	TOTAL (A)+(B)	14654	13159830	100%

k) Distribution by Size:

DISTRIBUTION OF SHAREHOLDING BASED ON SHARES HELD							
Report Type : All(NSDL+CDSL+PHYSICAL)							
SR. NO.	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	14634	96.8434	851746	6.4723
2	501	to	1000	249	1.6478	192328	1.4615
3	1001	to	2000	110	0.7279	161105	1.2242
4	2001	to	3000	36	0.2382	93766	0.7125
5	3001	to	4000	20	0.1324	70103	0.5327
6	4001	to	5000	12	0.0794	56898	0.4324
7	5001	to	10000	16	0.1059	104049	0.7907
8	10001	and	above	34	0.2250	11629835	88.3737
Total (Not consolidated on PAN basis)				15111	100.0000	13159830	100.0000

l) Dematerialization of shares and Liquidity status as on March 31, 2018

Sr. No.	Demat / Physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	4110086	Free to trade	31.23
2	CDSL	8945107	Free to trade	67.97
3	Physical	104637	Free to trade	0.80
	Total	13159830		100.00

m) 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.

n) 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

o) 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

11. OTHER DISCLOSURES:

11.1 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 2017-18 which may have conflict with the interest of the Company. Suitable disclosures have been made in notes to financial statements.

11.2 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 no instance of non–compliance by the Company for any matter related to capital markets during the last three years.

11.3 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).

11.4 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.

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

The Web link is: http://www.fiemindustries.com/Subsi%20&%20RPT%20Policy%20-%20LODR_web.pdf

11.5 Disclosure of commodity price risk and commodity hedging activities:

The 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.

12. 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.

13. The Company has duly adopted 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.

14. 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.

15. 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.

16. The Company has adopted the Indian Accounting Standards (Ind AS) for the first time and has not adopted a treatment different from that prescribed in Ind AS.

17. 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 2017-18 to the Board under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

18. The Management Discussion & Analysis Report form part of Annual Report.

19. Code of Conduct

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).

20. Code of Conduct for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, following Codes has 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.

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

22. Disclosure about unpaid dividend transferred 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 as follows will be transferred to IEPF on respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years:

Year	Type of Dividend	Dividend per share	Date of Declaration	Tentative due date of transfer to IEPF
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
	Final	3.00	September 20, 2016	November 26, 2023
2016-17	Final	8.00	August 21, 2017	October 26, 2024

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 Years from 2006-07 to 2009-10 have 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.

23. 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.

24. Plant Locations:

Unit I	32 Mile Stone, G. T. Road, Kundli, Distt. Sonepat, Haryana
Unit II	219/2B, Thally Road, Kallukondapalli, Hosur, Tamil Nadu
Unit III	Kelamngalam, Achittapalli Post, Hosur, Tamil Nadu
Unit IV	133, KIADB Industrial Area Kadakola Post, Mysore 571311, Karnataka
Unit V	Kelamangalam, Achittapalli Post, Hosur, Tamil Nadu
Unit VI	Village Bhatian, Tehsil -Nalagarh, Himachal Pradesh
Unit VII	Plot No. 1915, Rai Industrial Estate, Phase -V, Distt. Sonepat, Haryana.
Unit VIII	Plot No. SP1-C, Industrial Area Tapukara, Distt. Alwar, Rajasthan.
Unit IX	Survay No. 151-153, Village Karsanpura, Taluka Mandal, Distt. Ahmedabad- 382123, Gujarat

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, 2018, 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'), as amended.

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

Ranjana Gupta
Proprietor
FCS No.: 8613
CP No.: 9920

Date: May 30, 2018
Place: New Delhi

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, 2018.

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

Place : Rai, Sonepat (HR.)
Date : May 30, 2018

Certification by Managing Director and CFO for Financial Year 2017-18

(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, 2018 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 Indian Accounting Standards (Ind AS), 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, if any, 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, 2018

Financial Statements

Independent Auditor's Report

To The Members of
FIEM INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of FIEM INDUSTRIES LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement and 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 Ind AS Financial Statements

2. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Statement of Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

3. 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 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements 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 Standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

8. The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by previous auditor M/s Anil S. Gupta And Associates and those reports for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 30th May 2016 respectively, expressed an unmodified opinion on those standalone financial statements and have been restated to comply with Ind AS adjustments made to the previously issued said statutory financial information for the differences in the accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

   Our opinion on the standalone Ind AS financial statements and our report on other legal and regulatory requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

9. 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.

10. 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 including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement and dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" 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 35(A) to the standalone Ind AS 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 disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

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For V. Sachdeva and Associates
Chartered Accountants
Firm Registration Number -004417N

Sd/-
V. Sachdev
Proprietor
Membership No.:- 083435

Place: Rai, Sonepat (HR.)
Dated: May 30, 2018

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 Ind AS financial statements for the year ended on 31.03.18, 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 Lacs, wherein final registration is pending as disclosed in Note 2 on "Property Plant and equipment" to the standalone Ind AS 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. Accordingly, paragraph 3(iii) of the order is not applicable to the Company. However the company had advanced unsecured loan to a wholly owned foreign subsidiary amount to JPY 40.00 lacs in earlier years before applicability of Companies Act 2013,. The outstanding balance as on 31.03.18 for the same is ₹24.62 Lacs.

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, Goods and 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, Goods and Service tax, duty of customs, duty of excise and cess on account of any dispute are as follows

(₹ in Lacs)

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	F.Y. 2007-08	57.87	14.47	43.40	CESTAT, Chennai
2	Haryana Value Added Tax 2003	Sales tax Assessment Dues	F.Y. 2010-11	23.75	3.75	20.00	Sales tax Tribunal
3	Tamil Nadu VAT act 2006	Sales tax demand on reversal of input tax credit pertaining to CST Sales	F.Y. 2014-15	150.07	-	150.07	High court, Chennai
4	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Assessment Years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14	827.27	See Note *	827.27	ITAT, New Delhi
			Total	**1058.96**	**18.22**	**1040.74**	

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 standalone Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However, the Company had raised the funds from the private placement during FY 16-17 for ₹ 11999.99 lacs. As informed to us by the management of the Company, the company has partially utilized the funds for the purpose received and pending utilization, the balance of ₹ 1730.18 lacs have been temporarily invested in Mutual Funds and ₹ 4.62 lacs are lying in the current account of the company.

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 V. Sachdeva and Associates
Chartered Accountants
Firm Registration Number -004417N

Sd/-
V. Sachdev
Proprietor
Membership No.:- 083435

Place: Rai, Sonepat (HR.)
Dated: May 30, 2018

Annexure "B" to the Independent Auditor's Report of even date on the Standalone ind AS 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")

1. We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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

3. 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

5. 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

6. 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. Sachdeva and Associates
Chartered Accountants
Firm Registration Number -004417N

Sd/-
V. Sachdev
Proprietor
Membership No.:- 083435

Place: Rai, Sonepat (HR.)
Dated: May 30, 2018

Balance Sheet as at 31.03.2018

(Amount ₹ in Lacs)

	Note No.	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
ASSETS							
1 NON CURRENT ASSETS							
(a) Property, Plant and Equipment	2	55,259.71		47,853.49		40,168.35	
(b) Capital work-in-progress	2	560.98		562.67		1,159.01	
(c) Intangible assets	3	118.69		68.25		44.86	
(d) Intangible assets under development	3	130.81		-		-	
(e) Financial Assets							
(i) Investments	4	93.72		65.64		65.64	
(ii) Trade receivables	5	124.90		1,056.50		868.27	
(iii) Loans	6	779.09		724.87		604.14	
(iv) Other Financial Assets	7	4.53		198.38		0.46	
(f) Income tax assets (net)	8	449.13		425.44		-	
(g) Other non-current assets	9	1,143.29		635.80		558.58	
Total Non Current Assets			**58,664.85**		**51,591.04**		**43,469.32**
2 CURRENT ASSETS							
(a) Inventories	10	14,027.11		10,242.49		6,612.87	
(b) Financial Assets							
(i) Investments	11	1,909.56		8,609.47		-	
(ii) Trade receivables	5	14,395.05		11,881.65		11,860.48	
(iii) Cash and cash equivalents	12	110.36		2,270.64		109.08	
(iv) Bank balances other than (iii) above	13	42.95		12.95		258.97	
(v) Loans	6	57.71		48.74		34.47	
(vi) Other Financial Assets	7	2,784.92		67.41		96.05	
(c) Current Tax Assets (Net)	8	-		-		-	
(d) Other current assets	9	1,516.63		2,201.76		2,043.38	
Total Current Assets			**34,844.28**		**35,335.11**		**21,015.31**
TOTAL ASSETS			**93,509.13**		**86,926.15**		**64,484.63**
EQUITY AND LIABILITIES							
1 EQUITY							
(a) Equity Share capital	14	1,315.98		1,315.98		1,196.22	
(b) Other Equity	15	43,583.05		39,665.73		25,175.63	
Total Equity			**44,899.03**		**40,981.71**		**26,371.85**
2 LIABILITIES							
NON CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings	16	8,650.34		11,947.02		9,085.22	
(ii) Trade payables		-		-		-	
(iii) Other financial liabilities	17	186.81		257.89		-	
(b) Provisions	18	384.96		266.97		846.34	
(c) Deferred tax liabilities (Net)	38	4,384.71		3,249.57		2,965.39	
(d) Other non-current liabilities		-		-		-	
Total Non Current Liabilities			**13,606.82**		**15,721.44**		**12,896.95**
CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings	19	3,706.82		6,415.16		1,829.82	
(ii) Trade payables	20						
- Micro and Small Enterprises		159.11		111.86		89.70	
-Other than Micro and Small enterprises		21,813.67		14,961.13		15,006.46	
		21,972.78		15,072.99		15,096.17	
(iii) Other financial liabilities	21	7,407.22		6,657.03		6,095.54	
(b) Other current liabilities	22	1,556.02		1,698.80		1,802.39	
(c) Provisions	18	251.38		379.01		295.19	
(d) Current Tax Liabilities (Net)	23	109.05		-		96.72	
Total Current Liabilities			**35,003.28**		**30,223.00**		**25,215.83**
TOTAL LIABILITIES			**48,610.10**		**45,944.44**		**38,112.78**
TOTAL EQUITY AND LIABILITIES			**93,509.13**		**86,926.15**		**64,484.63**
Significant Accounting Policies and Notes to financial Statements.	1 to 57						

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants
Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Statement of Profit and Loss for the year ended 31.03.2018

(Amount ₹ in Lacs)

	Note No.	Current Year F.Y. 2017-18		Previous Year F.Y. 2016-17	
INCOME					
Revenue From Operations					
a) Gross Sales	24	1,26,323.93		1,12,109.84	
b) Other Operating Income	25	989.40		975.46	
I. Revenue from Operations (a+b)			1,27,313.33		1,13,085.30
II. Other Income	26		454.40		470.90
III TOTAL INCOME (I+II)			**1,27,767.73**		**1,13,556.19**
IV. EXPENSES					
a) Cost of Raw Materials and Components Consumed	27		75,720.43		57,600.00
b) Purchase of Stock-in-Trade	28		467.46		3,114.42
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	29		(2,287.45)		(2,043.15)
d) Excise duty on sales			3,477.99		11,671.20
e) Employees benefits Expenses	30		17,669.78		14,570.14
f) Finance Costs	31		2,272.41		2,324.17
g) Depreciation and amortization Expense	32		4,432.47		3,922.52
h) Other Expenses	33		18,198.25		16,438.45
TOTAL EXPENSES			**1,19,951.33**		**1,07,597.74**
V PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)			**7,816.40**		**5,958.45**
Exceptional Item	34		(340.58)		1,418.86
VI PROFIT BEFORE TAX			**8,156.98**		**4,539.58**
VII TAX EXPENSES					
a) Current Tax Expense		2,092.58		973.09	
b) MAT Credit Entitlement		-		(707.99)	
c) (Excess)/Short Tax provision for earlier years		(18.81)		-	
d) Deferred Tax Liability/ (Assets)		828.20		992.18	
			2,901.96		1,257.27
VIII PROFIT AFTER TAX FOR THE YEAR (VI-VII)			**5,255.01**		**3,282.31**
IX OTHER COMPREHENSIVE INCOME/(LOSS)					
A) Items that will not be reclassifed subsequently to the statement of profit and loss					
(i) Remeasurement of Defined Benefit Plans		(110.93)		10.15	
(ii) Income tax on items Items that will not be reclassifed subsequently to the statement of profit and loss		39.55		(2.81)	
		(71.38)		**7.34**	
B) Items that will be reclassifed subsequently to the statement of profit and loss		**-**		**-**	
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)			**(71.38)**		**7.34**
X TOTAL COMPREHENSIVE INCOME (NET OF TAX) (VIII+IX)			**5,183.63**		**3,289.65**
Basic and Diluted Weighted Earning per Equity Share (Nominal value ₹ 10 per share)	43		39.39		26.12
Significant Accounting Policies and Notes to financial Statements.	1 to 57				

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Statement of changes in equity for the year ended 31.03.2018

A. Equity Share Capital

PARTICULARS	Note No.	Number	(Amount ₹ in Lacs)
Equity share of ₹ 10/- each Issued, subscribed and fully paid			
Balance as at 1st April 2016		1,19,62,226	1,196.22
Changes in equity share capital during the year		11,97,604	119.76
Balance as at 31st March 2017		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 31st March 2018	14	**1,31,59,830**	**1,315.98**

B. Other Equity

(Amount ₹ in Lacs)

PARTICULARS	Note No.	Securities Premium Reserve	General Reserve	Foreign currency Monetary Translation Difference Account	Retained Earnings	Total
Balance as at 1st April 2016 as per INDIAN GAAP		5,099.72	2,410.00	**1.06**	**17,213.08**	**24,723.87**
Addition During The Year						
1) Provision for Dividend (Refer Note 3 of Effect of Ind AS Adoption)					358.87	358.87
2) Provision for CDT (Refer Note 3 of Effect of Ind AS Adoption)					73.06	73.06
3) Depreciation amount of revaluation reserve charged in statement of profit and loss now reversed for FY 14-15, 15-16 (Refer Note 1 of Effect of Ind AS Adoption)					19.84	19.84
Balance as at 1st April 2016 as per IND AS		**5,099.72**	**2,410.00**	**1.06**	**17,664.84**	**25,175.63**
Addition During The Year						
1) Profit for the year					3,282.31	3,282.31
2) Other Comprehensive Income for the Year-					7.34	7.34
3) Depreciation amount of revaluation reserve charged in statement of profit and loss now reversed for 16-17					9.92	9.92
4) Securities Premium of ₹ 992 per share on issue of 1197604 equity shares		11,880.23				11,880.23
Deduction during The Year						
1) Exchange Difference on translation				(0.60)		(0.60)
2) Transfer to General Reserve			350.00		(350.00)	-
3) Final Dividend Paid (₹ 3 per share)					(358.87)	(358.87)
4) Tax on Dividend Paid					(73.06)	(73.06)
5) Expenses incurred on share issue		(257.18)	-			(257.18)
Balance as at 31st March 2017		**16,722.77**	**2,760.00**	**0.47**	**20,182.49**	**39,665.73**
Addition During The Year						
1) Profit for the year					5,255.01	5,255.01
2) Other Comprehensive Income for the Year					(71.38)	(71.38)
3) Exchange Difference on translation				0.80		0.80
Deduction during The Year						
1) Transfer to General Reserve			520.00		(520.00)	-
2) Dividend Paid (₹ 8 per share)					(1,052.79)	(1,052.79)
3) Tax on dividend paid					(214.32)	(214.32)
Balance as at 31st March 2018	15	**16,722.77**	**3,280.00**	**1.27**	**23,579.01**	**43,583.05**
Significant Accounting Policies and Notes to financial Statements.	1 to 57					

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Cash Flow Statement for the year ended 31.03.2018

(Amount ₹ in Lacs)

		2017-18		2016-17	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit Before Tax As Per Statement of Profit and Loss		8,156.98		4,539.58
	Adjustments for				
	Depreciation & Amortization	4,432.47		3,922.52	
	Loss (Profit) on sale/discarded of Fixed Assets	5.20		(1.58)	
	Unrealised Foreign Exchange (Gain)/Loss	(12.01)		12.37	
	Provision for Bad & Doubtful Debts	28.92		22.98	
	Bad Debt written-off	35.33		20.06	
	Exceptional Item	(340.58)		1,418.86	
	Interest/Income on Fixed Deposit & Current Investment	(419.51)		(432.52)	
	Finance Costs	2,272.41	6,002.23	2,324.17	7,286.87
	Operating Profit before Working Capital Changes		14,159.21		11,826.45
	Adjustment for (Increase)/decrease in Operating Assets				
	Inventories	(3,784.62)		(3,629.62)	
	Trade Receivables	(1,642.12)		(1,671.49)	
	Other Current Financial and non-current assets	(1,567.92)	(6,994.66)	(229.25)	(5,530.36)
	Adjustment for Increase/(decrease) in Operating Liabilities				
	Trade Payable, Financial liabilities and provisions	6,923.18	6,923.18	(194.37)	(194.37)
	Cash Generated from Operating Activities		14,087.73		6,101.71
	Income Tax Paid (Including Tax Deducted at Source)	(1,641.92)	(1,641.92)	(1,498.06)	(1,498.06)
	Net Cash From Operating Activities		**12,445.81**		**4,603.65**
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Fixed Assets (Net of Sales)	(11,545.39)		(11,584.49)	
	Investment in Subsidiary, Joint Venture etc.	(28.08)		-	
	(Investment)/Redemption in Mutual Fund	6,699.91		(8,609.47)	
	Interest Received on Deposits	419.51		432.52	
	Net Cash (Used) in Investing Activities		**(4,454.05)**		**(19,761.44)**
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	Issue of Share Capital	-		119.76	
	Increase in Securities Premium Reserve (Net of Share Issue Expenses)	-		11,623.05	
	Dividend Paid	(1,052.79)		(358.87)	
	Corporate Dividend Distribution Tax Paid	(214.32)		(73.06)	
	Finance Costs Paid	(2,292.44)		(2,485.05)	
	Increase/(Decrease) in Long-Term Borrowing	(3,884.82)		3,909.79	
	Increase/(Decrease) in Short-Term Borrowing	(2,708.32)		4,585.37	
	Net Cash (used)/from Financing Activities		**(10,152.69)**		**17,320.99**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**(2,160.93)**		**2,163.20**
	Opening Balance of Cash & Cash Equivalents		2,270.64		109.08
	Closing Balance of Cash & Cash Equivalents		110.36		2,270.64
	Effect of Exchange Rate change Loss/(Gain)		(0.65)		1.64
	Net Increase/(Decrease) in Cash & Cash equivalents		**(2,160.93)**		**2,163.20**

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Notes on Financial Statements for the year ended 31.03.2018

1. General Information

Fiem Industries Limited ("The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. 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

(A) Statement of Compliance

The financial statement has been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act.

Upto the year ended 31st March, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standard notified under the Companies (Accounting Standard) as amended from time to time and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is 1st April, 2016. Refer note for the details of first-time adoption exemption availed by the Company.

(B) Accounting Convention

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at end of each reporting period, as explained in the accounting polices mentioned below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(C) Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(D) 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

(E) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes, and other incidental expenses. Freehold land is not depreciated.

Notes on Financial Statements for the year ended 31.03.2018

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the items of property, plant and equipment. For qualifying assets borrowing costs are capitalised in accorance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets is provided on the same basis as-other property assets & commences when the assets are ready for their intended use.

Subsequent costs are included in the assets's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incuured.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate their cost, net of their residual values, over their useful life generally in accordance with that provided in the Schedule II to the Act. Moulds and dies & tools are depreciated over a period of 6 years.

Leasehold land is amortised over the primary period of lease
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Capital Work-in-Progress
Capital work-in-progress comprises the cost of property, plant and equipment 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. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

Capital Advances
Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

(F) Intangible Assets
Intangible assets acquired sepretary
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are aquired separately are carried at cost less accumulated impairment losses.

Deemed cost on transition to Ind AS
For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible Assets Under Development
Intangible Assets Under Development comprises the cost of intangible assets that are not yet ready for their intended use at the balance sheet date. Amortization is not charged on intangible assets under development.

(G) Financial Instruments
Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes on Financial Statements for the year ended 31.03.2018

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Investment in subsidiaries and Joint Ventures

Investment in subsidiaries and joint ventures are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Company recognises equity instruments at proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(H) 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.

(iii) Moulds, block & dies 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.

(vii) Excise duty in respect of inventories of finished goods manufactured in pre-GST i.e up to 30.06.2017 has been shown separately as a item of expense and included in valuation of inventories of finished goods.

(I) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for any trade discounts, volume rebates & others similar allowances.

Sale of Goods

The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership of the goods 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.

Notes on Financial Statements for the year ended 31.03.2018

Revenue from operation up to 30.06.2017 includes excise duty but excludes value added taxes.

Rendering of Services
Service income is recognised as per the terms of contracts/arrangements when related services are performed.

Insurance Claim
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.

Dividend and Interest Income
Dividend income from investments is recognized when the right to receive the dividend is established at the Balance Sheet date.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(J) 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.

(K) Foreign Currency Transactions

Functional and Presentation Currency
The functional currency of the Company is Indian rupee.

Transactions and balances
Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Non-monetary items denominated in foreign currency such as investments, fixed assets, inventories etc., are valued at the exchange rate prevailing on the date of transaction.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(L) Research and Development
Revenue expenditure pertaining to reserch is charged to Statement of Profit and Loss . Development costs of products expenses are capitalized when the Company is certain to recover the development cost from future economic benefits. Property, plant and equipment utilized for research and development are capitalized and depreciated/amortised in accordance with the policies stated for property, plant and equipment & intangible assets.

(M) 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 etc. 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:
Provident Fund & Employee State Insurance
Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

Earned Leave
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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

Gratuity
The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount

Notes on Financial Statements for the year ended 31.03.2018

based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Exide Life Insurance Company under its Company's Gratuity Scheme.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit or loss.

(N) Provisions and Contingent Liabilities

Provision

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. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate the reflects current market assessment of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

(O) Taxation

Income Tax espense represent the sum of the tax currently payble and deferred tax

Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred Income Tax

Deferred income tax is recognised using the balance sheet approach. Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corrosponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset relised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The mesurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when they relate to income taxes levied by the same taxation authority and the relevant entilty intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future econmic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and Deferred Tax For The Year

Current and deferred tax are recognised in profit or loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity repectively.

(P) Borrowing Cost

Borrowing costs are interest and other costs that incurs in connection with the borrowing of funds and include interest expense calculated using the effective interest method as described in Ind AS 39 Financial Instruments: Recognition and Measurement, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes on Financial Statements for the year ended 31.03.2018

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.

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.

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.

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.

Long term foreign currency monetary items

The Company has availed the exemption of continuing the policy adopted for accounting for exchage differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(Q) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets's fair value less costs of disposal and value in use. For the purpose of assesssing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffuered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(R) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS-7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

(S) 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.

(T) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective. 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.

(u) 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.

(v) 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

(w) Earnings Per Share

The Basic and Diulated Earnings Per Share ("EPS") is computed by dividing the profit after tax (loss) 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 (loss) 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.

(x) Dividends

Final dividends on equity shares are recorded on the date of approval by the shareholders of the Company.

First time adoption of IND AS

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

a) Balance Sheet as at 1st April, 2016 (Transition date);

b) Balance Sheet as at 31st March, 2017;

c) Statement of Profit and Loss for the year ended 31st March, 2017; and

d) Statement of Cash flows for the year ended 31st March, 2017.

EXEMPTIONS AVAILED:

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

A **Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognized in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

B **Investments in subsidiaries and Joint Ventures**

The carrying amounts of the Company's investments in its subsidiary and jointly controlled entities as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

c **Long term foreign currency Monetary Items**

The Company has availed the option available under Ind AS 101 para D13 AA pertaining to long term foreign currency translation difference account (FCMITDA) and is continuing the policy adopted for accounting for exchange difference arising from translation of long term foreign currency monetary items recognized in the financial statements by amortizing as income or expense in each period over the balance term of such items till settlement occurs but not beyond March 31, 2020.

Effect of Ind AS Adoption on the Balance Sheet

(Amount ₹ in Lacs)

	Note No.	As at 31.03.2017			As at 01.04.2016		
		Previous GAAP	Effect of Transition to IND AS	IND AS	Previous GAAP	Effect of Transition to IND AS	IND AS
ASSETS							
1 NON CURRENT ASSETS							
(a) Property, Plant and Equipment	1	49,206.24	(1,352.74)	47,853.49	41,531.02	(1,362.66)	40,168.35
(b) Capital work-in-progress		562.67		562.67	1,159.01		1,159.01
(c) Intangible assets		68.25		68.25	44.86		44.86
(d) Intangible assets under development				-			
(e) Financial Assets				-			
(i) Investments		65.64		65.64	65.64		65.64
(ii) Trade receivables		1,056.50		1,056.50	868.27		868.27
(iii) Loans		724.87		724.87	604.14		604.14
(iv) Other Financial Assets		198.38		198.38	0.46		0.46
(f) Income tax assets (net)		425.44		425.44	-		-
(g) Other non-current assets		635.80		635.80	558.58		558.58
Total Non Current Assets		**52,943.78**	**(1,352.74)**	**51,591.04**	**44,831.98**	**(1,362.66)**	43,469.32
2 CURRENT ASSETS							
(a) Inventories		10,242.49		10,242.49	6,612.87		6,612.87
(b) Financial Assets							
(i) Investments	2	8,332.71	276.76	8,609.47	-		-
(ii) Trade receivables		11,881.65		11,881.65	11,860.48		11,860.48
(iii) Cash and cash equivalents		2,270.64		2,270.64	109.08		109.08
(iv) Bank balances other than (iii) above		12.95		12.95	258.97		258.97
(v) Loans		48.74		48.74	34.47		34.47
(vi) Other Financial Assets	2	344.17	(276.76)	67.41	96.05		96.05
(c) Current Tax Assets (Net)							
(d) Other current assets		2,201.76		2,201.76	2,043.38		2,043.38
Total Current Assets		**35,335.12**	**-**	**35,335.11**	**21,015.31**	**-**	**21,015.31**
TOTAL ASSETS		**88,278.90**	**(1,352.74)**	**86,926.15**	**65,847.29**	**(1,362.66)**	**64,484.63**
EQUITY AND LIABILITIES							
1 EQUITY							
(a) Equity Share capital		1,315.98		1,315.98	1,196.22		1,196.22
(b) Other Equity	1,3	41,018.47	(1,352.74)	39,665.73	26,106.37	(930.74)	25,175.63
Total Equity		**42,334.46**	**(1,352.74)**	**40,981.71**	**27,302.59**	**(930.74)**	**26,371.85**
LIABILITIES							
2 NON CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings		11,947.02		11,947.02	9,085.22		9,085.22
(ii) Trade payables		-		-	-		-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		257.89		257.89			-
(b) Provisions		266.97		266.97	846.34		846.34
(c) Deferred tax liabilities (Net)		3,249.57		3,249.57	2,965.39		2,965.39
(d) Other non-current liabilities		0.00		-	-		-
Total Non Current Liabilities		**15,721.44**	**-**	**15,721.44**	**12,896.95**	**-**	**12,896.95**
3 CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings		6,415.16		6,415.16	1,829.82		1,829.82
(ii) Trade payables							
- Micro and Small Enterprises		111.86		111.86	89.70		89.70
-Other than Micro and Small enterprises		14,961.13		14,961.13	15,006.46		15,006.46
		15,072.99		15,072.99	15,096.17		15,096.17
(iii) Other financial liabilities (other than those specified in item (c)		6,657.03		6,657.03	6,095.54		6,095.54
(b) Other current liabilities		1,698.80		1,698.80	1,802.39		1,802.39
(c) Provisions	3	379.01		379.01	654.06	(358.87)	295.19
(d) Current Tax Liabilities (Net)	3	-	-	-	169.77	(73.06)	96.72
Total Current Liabilities		**30,223.00**	**-**	**30,223.00**	**25,647.75**	**(431.92)**	**25,215.83**
TOTAL LIABILITIES		**45,944.44**	**-**	**45,944.44**	**38,544.70**	**(431.92)**	**38,112.78**
TOTAL EQUITY AND LIABILITIES		**88,278.90**	**(1,352.74)**	**86,926.15**	**65,847.29**	**(1,362.66)**	**64,484.63**

Effect of Ind AS Adoption on the Statement of Profit and loss for the year ended 31.03.17

(Amount ₹ in Lacs)

		INDIAN GAAP- Previous Year 2016-17	Note No.	Effect to IND AS transition	IND AS Previous Year 2016-17
I.	INCOME				
	a) Net Sales	1,00,768.61	4	11,341.23	1,12,109.84
	b) Operating Income	975.46		-	975.46
	Revenue from Operations	1,01,744.07		11,341.23	1,13,085.30
	c) Other Income	470.90		-	470.90
	TOTAL INCOME (A)	**1,02,214.96**		**11,341.23**	**1,13,556.19**
II.	EXPENSES				
	a) Cost of Raw Materials and Components Consumed	57,600.00		-	57,600.00
	b) Purchase of Stock-in-Trade	3,114.42		-	3,114.42
	c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	(2,043.15)		-	(2,043.15)
	d) Excise duty on sales		4	11,671.20	11,671.20
	e) Employees benefits Expenses	14,559.99	5	10.15	14,570.14
	f) Finance Costs	2,324.17		-	2,324.17
	g) Depreciation and amortization Expense	3,922.52		-	3,922.52
	h) Other Expenses	16,768.42	4	(329.97)	16,438.45
	TOTAL EXPENSES (B)	**96,246.36**		**11,351.38**	**1,07,597.74**
	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (A-B)	**5,968.60**		**(10.15)**	**5,958.45**
	Exceptional Item	1,418.86		-	1,418.86
	PROFIT FOR THE YEAR BEFORE TAX	**4,549.74**		**(10.15)**	**4,539.58**
	TAX EXPENSES				
	Current Tax (Mat Payable)	975.90	5	(2.81)	973.09
	Less : MAT Credit Entitlement	707.99		-	707.99
	a) Current Tax Expense	267.91		(2.81)	265.10
	b) Deferred Tax Liability/ (Assets)	992.18		-	992.18
		1,260.09		(2.81)	1,257.27
	PROFIT AFTER TAX FOR THE YEAR (A)	**3,289.65**		**(7.34)**	**3,282.31**
	OTHER COMPREHENSIVE (LOSS)/INCOME				
1	a) Items that will not be reclassifed subsequently to the statement of profit and loss				
	1) Remeasurement of defined benefit plans	-	5	10.15	10.15
	Tax effect of above	-		(2.81)	(2.81)
		-		7.34	7.34
2	b) Items that will be reclassifed subsequently to the statement of profit and loss	-		-	-
	TOTAL OTHER COMPREHENSIVE INCOME (B=1+2)	-		**7.34**	**7.34**
	TOTAL COMPREHENSIVE INCOME (NET OF TAX) A+B	**3,289.65**		**-**	**3,289.65**

A Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

(Amount ₹ in Lacs)

Nature of Adjustments	Footnotes	For the year ended 31.03.17
Net profit as per Previous GAAP		3,289.65
Remeasurment benefit of Net Defined Benefit Plans	5	(7.34)
Net profit as per Ind AS		**3,282.31**
Other Comprehensive Income (Net of Tax)	5	7.34
Total Comprehensive Income as per Ind AS		**3,289.65**

B Reconciliation of Equity as at 31.03.17 and 01.04.2016

(Amount ₹ in Lacs)

Nature of Adjustments	Footnotes	As at 31.03.17	As at 01.04.16
Equity as per Previous GAAP		42,334.46	27,302.59
Adjustments of Revaluation Reserve	1	(1,352.74)	(1,362.66)
Adjustments of Proposed dividend	3	-	431.92
		40,981.71	**26,371.85**

C Effect of Ind AS adoption on the Statement of Cash Flows For the year Ended 31.03.17

There are no material adjustments of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2017

FOOTNOTES

1 Revaluation reserve

Since, the Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognized in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet hence the revaluation reserve has been adjusted against the net block of Property Plant and Equipment.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Property, Plant and Equipment	Decrease	(1,382.50)	(1,382.50)	-
Property, Plant and Equipment	Increase	29.76	19.84	-
Other Equity	Decrease	(1,382.50)	(1,382.50)	-
Other Equity	Increase	29.76	19.84	-

2 Fair Value of Investments

In the financial statements prepared under Previous GAAP, Current Investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have to be valued at their fair value.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Current Investment	Increase	276.76	-	-
Other Financial Assets	Decrease	(276.76)	-	-

3 **Proposed Dividend and Provision for Corporate Dividend Tax**

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognized as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognized as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company. As per the companies accounting standard amendment rules 2016 , the effect of same as been done in the financial statement as at 31.03.17, however the effect of same as on transition date i.e 01.04.16 is incorporated now.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Provisions	Decrease	-	(358.87)	-
Current Tax Liabilities (Net)	Decrease	-	(73.06)	-
Other Equity	Increase	-	431.92	-

4 A) EXCISE DUTY ON SALES

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Increase	-	-	11,671.20

B) DISCOUNTS

Under Previous GAAP, revenue was recognized net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognized at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs which have been reclassified from 'administrative and selling expenses' under Previous GAAP and netted from revenue under Ind AS.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Decrease	-	-	(329.97)

CUMULATIVE EFFECT OF THE ABOVE TWO

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Increase	-	-	11,341.23

5 **Remeasurment of Defined benefit Plans**

a) In the financial statements prepared under Previous GAAP, measurement benefit of defined plans , arising primarily due to change in actuarial assumptions was recognized as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such measurement benefits relating to defined benefit plans is recognized in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognized in OCI

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Employees cost	Increase	-	-	10.15
Other Comprehensive Income	Increase	-	-	10.15
Tax effect				(2.81)
Other Comprehensive Income (Net of Tax effect)				7.34

Notes on Financial Statements for the year ended 31.03.2018

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL-WORK-IN-PROGRESS

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Nature of Assets	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land Free hold (Note-1)	3,268.51	366.90	-	3,635.40	-	-		-	3,635.40	3,268.51
Land Lease hold	1,843.43	-		1,843.43	161.36	25.27		186.63	1,656.80	1,682.07
Buildings	17,105.95	2,715.56	390.11	19,431.40	2,384.37	603.71	93.67	2,894.41	16,537.00	14,721.58
Plant & Equipment	40,416.88	8,598.09	1,673.54	47,341.43	15,602.04	3,065.49	642.61	18,024.92	29,316.51	24,814.84
Furniture & Fixtures	1,918.60	614.69	40.22	2,493.07	704.01	182.56	18.65	867.91	1,625.16	1,214.60
Motor Vehicles	1,786.92	383.01	150.23	2,019.70	840.16	213.09	130.64	922.61	1,097.09	946.75
Office Equipment	520.24	126.58	4.99	641.82	332.80	64.24	0.55	396.50	245.32	187.43
Electrical Installation	1,785.68	321.56	88.47	2,018.78	865.70	155.07	38.71	982.07	1,036.71	919.98
Computer	543.72	75.48	10.36	608.84	446.00	59.59	6.45	499.14	109.71	97.73
Total	**69,189.94**	**13,201.86**	**2,357.91**	**80,033.89**	**21,336.45**	**4,369.02**	**931.28**	**24,774.18**	**55,259.71**	**47,853.49**
Previous Year	57,659.16	11,562.16	31.38	69,189.94	17,490.81	3,878.81	33.17	21,336.45	47,853.49	-
Capital work-in-progress	**562.67**	**560.98**	**562.67**	**560.98**	**-**	**-**	**-**	**-**	**560.98**	**562.67**

NOTES:

1. Gross block to land free hold includes an amount of ₹ 18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company

3. INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				AMORTIZATION				NET BLOCK	
Nature of Assets	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	247.14	73.65	-	320.79	185.18	51.13	-	236.30	84.49	61.96
Technical Know-how	31.12	40.24	31.12	40.24	24.89	12.26	31.12	6.04	34.20	6.22
Trademarks	0.32	-	0.32	-	0.26	0.06	0.32	-	-	0.06
Total	**278.58**	**113.89**	**31.44**	**361.03**	**210.33**	**63.45**	**31.44**	**242.34**	**118.69**	**68.25**
Previous Year	211.48	67.10	-	278.58	166.62	43.71	-	210.33	68.25	-
Intangible assets under development	**-**	**130.81**	**-**	**130.81**					**130.81**	**-**

Notes on Financial Statements for the year ended 31.03.2018

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL-WORK-IN-PROGRESS

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				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
Land Free hold (Note-1)	1,984.28	1,284.23	-	3,268.51	-	-		-	3,268.51	1,984.28
Land Lease hold	1,843.43	-		1,843.43	136.34	25.02		161.36	1,682.07	1,707.09
Buildings	13,349.38	3,756.58	-	17,105.95	1,933.31	460.98	9.92	2,384.37	14,721.58	11,416.07
Plant & Equipment	34,632.11	5,790.01	5.24	40,416.88	12,817.39	2,784.65	-	15,602.04	24,814.84	21,814.71
Furniture & Fixtures	1,535.41	383.20	-	1,918.60	545.29	158.71	-	704.01	1,214.60	990.11
Motor Vehicles	1,762.81	49.44	25.34	1,786.92	668.82	194.25	22.90	840.16	946.75	1,093.99
Office Equipment	440.95	79.29	-	520.24	282.87	49.93	-	332.80	187.43	158.08
Electrical Installation	1,618.05	167.63	-	1,785.68	713.39	152.32	-	865.70	919.98	904.67
Computer	492.75	51.78	0.81	543.72	393.39	52.95	0.35	446.00	97.73	99.36
Total	**57,659.16**	**11,562.16**	**31.38**	**69,189.94**	**17,490.81**	**3,878.81**	**33.17**	**21,336.45**	**47,853.49**	**40,168.35**
Previous Year	46,301.40	11,480.70	122.94	57,659.16	14,295.11	3,276.59	80.89	17,490.81	40,168.35	
Capital work-in-progress	**1,159.01**	**562.67**	**1,159.01**	**562.67**					**562.67**	**1,159.01**

NOTES:

1. Gross block to land free hold includes an amount of ₹ 18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company

3.INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				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
Computer Software	180.04	67.10	-	247.14	147.75	37.42	-	185.18	61.96	32.29
Technical Know-how	31.12	-	-	31.12	18.67	6.22	-	24.89	6.22	12.45
Trademarks	0.32	-	-	0.32	0.19	0.06	-	0.26	0.06	0.13
Total	**211.48**	**67.10**	**-**	**278.58**	**166.62**	**43.71**	**-**	**210.33**	**68.25**	**44.86**
Previous Year	187.31	24.17	-	211.48	139.71	26.91	-	166.62	44.86	-
Intangible Assets Under Development	**-**	**-**	**-**	**-**					**-**	**-**

Notes on Financial Statements for the year ended 31st March 2018

4. NON - CURRENT INVESTMENTS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.2016	
UNQUOTED EQUITY SHARES (At cost)						
1 **In wholly owned Subsidiaries**						
Equity Shares in wholly owned foreign Subsidiary company						
a) FIEM INDUSTRIES JAPAN CO., LTD.						
100 (Previous Year- 100) fully Paid Equity shares of 50,000 JPY each	29.49		29.49		29.49	
b) Fiem (Thai) design and technology Co. Ltd.						
Investment of 10 lacs Thailand Bhatt for 100 fully paid equity shares of 10,000 Thailand Bhatt each (Previous Year Nil)	19.68		-		-	
		49.17		**29.49**		**29.49**
2 **In Joint Venture (JV)**						
a) 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 0.40 Lacs Euros. (Previous Year 0.40 Lacs Euros)	33.16		33.16		33.16	
b) Fiem Kyowa (HK) Mould Company Limited						
Company incorporated in Hong Kong on 50:50 basis with Kyowa Co., ltd. Japan. Investment of 1 Lac Hongkong Dollar for 1,000 fully paid shares of 100 Hong Kong dollar each (Prevous year -Nil)	8.40		-		-	
		41.55		**33.16**		**33.16**
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		2.00		2.00	
b) Elcina Electronic Manufacturing (p) Ltd.						
10,000 (P. Y. 10,000) equity shares of ₹ 10 each fully paid up	1.00		1.00		1.00	
		3.00		**3.00**		**3.00**
TOTAL		**93.72**		**65.64**		**65.64**

Notes on Financial Statements for the year ended 31.03.2018

5. TRADE RECEIVABLES

(Unsecured but considered Good)

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Retention money with Customers (Unsecured but considered good)	124.90	1,056.50	868.27	-	-	-
b) Trade receivables (Unsecured)						
Considered Good	-	-	-	14,395.05	11,881.65	11,860.48
Considered Doubtful	-	-	-	93.17	64.25	41.27
Total	-	-	-	14,488.21	11,945.90	11,901.75
Less:- Provision for Doubtful Debts	-	-	-	93.17	64.25	41.27
TOTAL	**124.90**	**1,056.50**	**868.27**	**14,395.05**	**11,881.65**	**11,860.48**

Trade Receivables includes dues from wholly owned subsidiary company- Fiem Industries Japan Co., Ltd /- 0.53 lacs as on 31.03.2018 (as on 31.03.2017 ₹19.52 lacs) (as on 01.04.2016 ₹77.74 lacs)

6. LOANS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Loan to Wholly owned foreign Subsidiary Company Loan of JPY 40 Lacs to Fiem Industries Japan Co. Ltd.	24.62	23.18	23.62	-	-	-
b) Loan to employees	37.19	29.49	**37.69**	36.47	30.04	25.90
c) Security deposit	717.29	672.20	542.82	21.24	18.69	8.57
TOTAL	**779.09**	**724.87**	**604.14**	**57.71**	**48.74**	**34.47**

7. OTHER FINANCIAL ASSETS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Term deposit with more than 12 months maturity	2.85	198.38	0.46			
b) Income accrued on deposits	1.68			43.20	30.31	34.66
c) Subsidy Receivables	-			-	28.02	58.14
d) Insurance Claim Recoverable				2,607.18	-	-
e) Export Incentive Receivables	-			114.03	9.08	3.25
f) Other Advances recoverable				20.51		
TOTAL	**4.53**	**198.38**	**0.46**	**2,784.92**	**67.41**	**96.05**

8. INCOME TAX ASSETS (NET)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Advance tax (Net of Provision for Tax)		449.13		425.44		-
TOTAL		**449.13**		**425.44**		-

Notes on Financial Statements for the year ended 31.03.2018

9. OTHER ASSETS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Capital Advances	1,138.74	615.11	529.49	-		
b) Advances other than capital advances						
i) Advances to Suppliers				811.83	596.78	698.04
ii) Balance with Customs or Excise/GST balances	-			537.89	1,458.44	1,181.25
iii) Prepaid Expenses	4.56	20.69	29.09	138.88	106.70	122.14
iv) Other Advances/claims recoverable in cash or in kind	-			28.03	39.84	41.95
TOTAL	**1,143.29**	**635.80**	**558.58**	**1,516.63**	**2,201.76**	**2,043.38**

10. INVENTORIES

(As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Raw Materials and Components	6,663.76		5,142.90		3,540.34	
b) Raw Materials and Components in transit	53.01		123.20		162.96	
c) Work in Progress	3,882.22		2,902.69		821.20	
d) Finished Goods	3,134.68		1,804.80		1,537.78	
e) Stock in trade (Mould, Tools and Dies)	-		-		293.34	
f) Stock in trade (others)	0.14		22.10		34.11	
g) Stores and Spares (including Packing Material)	293.11		241.33		218.93	
h) Stores and Spares (including Packing Material) in transit	0.18		5.46		4.21	
		14,027.11		10,242.49		6,612.87
TOTAL		**14,027.11**		**10,242.49**		**6,612.87**

11. CURRENT INVESTMENTS [INVESTMENTS IN MUTUAL FUNDS]

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
INVESTMENT IN LIQUID MUTUAL FUNDS (QUOTED)						
1 HDFC BANKING AND PSU DEBT FUND- REGULAR PLAN (GROWTH)		-		1,561.43		-
(Nil Unit as on 31.03.18, 1,18,15,675.463 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
2 KOTAK INCOME OPPORTUNITIES-REGULAR PLAN (GROWTH)		1,909.56		2,594.52		-
(99,84,448.177 Unit as on 31.03.18, 1,44,58,875.76 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹10 each)						
3 RELIANCE SHORT TERM FUND (GROWTH)		-		1,353.78		-
(Nil Unit as on 31.03.18, 43,93,001.50 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						

Notes on Financial Statements for the year ended 31.03.2018

11. CURRENT INVESTMENTS [INVESTMENTS IN MUTUAL FUNDS] (Contd.)

(Amount ₹ in Lacs)

Particulars		AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
4	SBI SAVING FUND-REGULAR PLAN (GROWTH)		-		27.07		-
	(Nil Unit as on 31.03.18, 1,06,80,852 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
5	SBI SHORT TERM DEBT FUND-REGULAR PLAN (GROWTH)		-		1,560.17		-
	(Nil Unit as on 31.03.18, 82,54,457.41 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
6	SBI DYNAMIC BOND FUND- REGULAR PLAN (GROWTH)		-		1,512.50		-
	(Nil Unit as on 31.03.18, 73,42,994.97 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
			1,909.56		**8,609.47**		**-**
	Aggregate value of unquoted investments		-		-		-
	Aggregate value of quoted investments		1,909.56		8,609.47		-
	Market value of quoted investments		1,909.56		8,609.47		-
	Aggregate value of diminition other than temporary in value of investments		-		-		-

12. CASH AND CASH EQUIVALENTS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Balances with Banks in current account		50.62		71.83		43.02
b) Deposits with original maturity of less than three months		14.25		2,037.08		29.36
c) Cash on Hand		45.49		38.85		36.71
d) Remittance Money In Transit		-		122.88		-
TOTAL		**110.36**		**2,270.64**		**109.08**

13. OTHER BANK BALANCES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
1) Unpaid Dividend Account	2.85		3.46		8.59	
2) Margin money deposit with original maturity for more than 3 months but less than 12 months	40.11		9.49		250.38	
		42.95		12.95		258.97
TOTAL		**42.95**		**12.95**		**258.97**

Notes on Financial Statements for the year ended 31.03.2018

14. EQUITY SHARE CAPITAL

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
Authorised						
3,00,00,000 (as at 31.03.17 and as at 01.04.2016 -3,00,00,000) Equity shares of ₹ 10 each		3,000.00		3,000.00		3,000.00
Issued, Subscribed and Paid-up						
1,31,59,830 (as at 31.03.17- 1,31,59,830, as at 01.04.2016 1,19,62,226) Equity Shares of ₹ 10/- each fully paid up		1,315.98		1,315.98		1,196.22
TOTAL		**1,315.98**		**1,315.98**		**1,196.22**

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 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
	No of shares	% held	No of shares	% held	No of shares	% held
1) J.K. Jain	29,60,000	22.49%	29,60,000	22.49%	29,60,000	24.74%
2) Seema Jain	29,60,000	22.49%	29,60,000	22.49%	29,60,000	24.74%
3) Rahul Jain	15,52,340	11.80%	15,52,340	11.80%	15,52,340	12.98%
4) Aanchal Jain	8,00,000	6.08%	8,00,000	6.08%	8,00,000	6.69%
5) Saif India V Fii Holdings Limited	9,62,081	7.31%	7,92,617	6.02%	-	-

c) **Reconciliation of Number of Shares**

Equity shares	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
	No of shares	Amount (In ₹ Lacs)	No of shares	Amount (In ₹ Lacs)	No of shares	Amount (In ₹ Lacs)
Opening Balance	1,31,59,830	1,315.98	1,19,62,226	1,196.22	1,19,62,226	1,196.22
Issued During the Year *	-	-	11,97,604	119.76	-	-
Closing balance	1,31,59,830	**1,315.98**	1,31,59,830	**1,315.98**	1,19,62,226	**1,196.22**

*During previous year FY 16-17 The Company has issued and allotted 11,97,604 equity shares on private placement basis to Qualified Institutional Buyers on September 20,2016

15. OTHER EQUITY

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
SECURITIES PREMIUM RESERVE						
As Per Last Balance Sheet	16,722.77		5,099.72		5,099.72	
Add:- Addition during Fy 16-17-Premium of ₹992 on issue of 11,97,604 equity shares	-		11,880.23		-	
Less:- Expenses incurred on issue of share during FY 16-17	-		(257.18)		-	
Closing balance		16,722.77		16,722.77		5,099.72
GENERAL RESERVE						
As Per Last Balance Sheet	2,760.00		2,410.00		1,835.00	
Add:- Transferred from Surplus in the statement of Profit and Loss	520.00		350.00		575.00	
Closing balance		3,280.00		2,760.00		2,410.00

Notes on Financial Statements for the year ended 31.03.2018

15. OTHER EQUITY (Contd.)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
Foreign Currency Monetary Item Translation Difference account						
As Per Last Balance Sheet	0.47		1.06		(1.45)	
Add :- Addition/(deduction) during the year	0.80		(0.60)		2.51	
Closing balance		1.27		0.47		1.06
SURPLUS -OPENING BALANCE	20,182.49		17,664.84		13,221.41	
Add :- Depreciation Portion of Revaluation Transfer	-		9.92		19.84	
Add:- Total comprehenshive income transferred from Statement of Profit and Loss	5,183.63		3,289.65		5,718.47	
Amount Available for Appropriation	25,366.12		20,964.41		18,959.71	
Less :- Appropriations						
i) Interim Dividend paid	-		-		598.11	
ii) Corporate Dividend Tax Paid on Interim Dividend	-		-		121.76	
iii) Final Dividend Paid	1,052.79		358.87		-	
iv) Corporate Dividend Tax Paid on Final Dividend	214.32		73.06		-	
v) Transfer to General Reserve	520.00		350.00		575.00	
	1,787.11		781.92		1,294.87	
SURPLUS -CLOSING BALANCE		23,579.01		20,182.49		17,664.84
TOTAL		**43,583.05**		**39,665.73**		**25,175.63**

Description of nature and purpose of each reserve

1 General Reserve - General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

2 Securities premium reserve is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

16. NON-CURRENT BORROWINGS

(Amount ₹ in Lacs)

Particulars	NON CURRENT PORTION			CURRENT MATURITIES		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
(A) SECURED LOANS						
1) TERM LOANS FROM BANKS						
a) Indian Rupee Loan	1,000.00	1,462.50	2,620.50	400.00	1,158.00	1,455.33
b) Foreign Currency Loan	7,467.91	10,329.99	6,141.88	2,894.83	2,817.55	1,436.81
	8,467.91	**11,792.49**	**8,762.38**	**3,294.83**	**3,975.55**	**2,892.14**
2) VEHICLE LOANS						
a) from Banks	174.95	61.24	151.99	128.73	107.95	125.56
b) from Others	7.48	93.29	170.85	85.81	77.56	70.15
	182.43	154.52	322.84	214.54	185.51	195.72
TOTAL	**8,650.34**	**11,947.02**	**9,085.22**	**3,509.37**	**4,161.06**	**3,087.86**

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

a) **From Citibank :-** Loan outstanding as at 31.03.18 - NIL (31.03.17- Nil, 01.04.16 - ₹ 97.33 Lacs) 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 fy 16-17

Notes on Financial Statements for the year ended 31.03.2018

b) **From State bank of Patiala :-** Loan outstanding as on 31.03.18 - NIL (31.03.17- ₹ NIL , 01.04.16- ₹ 400 lacs-). 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 16-17

c) **From Axis Bank :-** Loan outstanding as on 31.03.18- NIL, (31.03.17 ₹ 508 Lacs - 0,1.04.16- ₹ 1016 lacs) :- The loan was for 7 years and had quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The interest rate was 10.10% p.a.. The Loan was 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. The loan has been fully repaid during the FY 17-18

d) **HSBC Bank:-** Loan -1 Outstanding as on 31.03.18- NIL (31.03.17 ₹ 312.50 lacs , 01.04.16 - ₹ 562.50 lacs) The Loan was for 5 year and had quarterly equal repayment beginning after moratorium period of 1 year. Interest was monthly payable. The loan carried fixed interest rate of 10% p.a.. The Loan was 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. The loan has been fully repaid during FY 17-18

e) **HSBC Bank:-** Loan -2 Outstanding as on 31.03.18 is ₹ 1400 lacs, (31.03.17 ₹ 1800 lacs , 01.04.16- ₹ 2000 lacs) 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

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) **From Citibank :-** FCNR Term Loan -1 outstanding as on 31.03.18 -₹ NIL (31.03.17 ₹ 304.69 lacs, 01.04.16 ₹ 500 lacs) 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 fully hedged interest cost of 10.60% p.a. The Loan was 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. The loan has been fully repaid during the FY 17-18

b) **From Citibank :-** FCNR Term Loan -2 outstanding as on 31.03.18 - ₹ 920.93 Lacs, as on 31.03.17- ₹ 1442.61 lacs (as on 1.04.16 ₹ 1875 lacs) 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 31.03.18- ₹ 2709.74 lacs , as on 31.03.17- ₹ 3376.47 lacs (as on 1.04.16 - ₹ 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 31.03.18- NIL, 31.03.17 - NIL (01.04.16 - ₹ 276.19 lacs). 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 31.03.18- ₹ 3235.94 lacs, as on 31.03.17 - ₹ 3566.12 lacs (as on 1.04.16 ₹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 31.03.18- ₹ 3496.13 lacs, as on 31.03.17- ₹ 4457.65 lacs , as on 1.04.16 ₹ 4927.50 lacs . 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 31.03.18- 396.97 lacs, as on 31.03.17 ₹ 340.03 lacs (as on 01.04.16- ₹ 518.56 lacs) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8.50% p.a.to 11.00% p.a.

(Amount ₹ in Lacs)

	1-2 years	2-3 years	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	3,282.95	2,830.89	2,162.50	374.00

Notes on Financial Statements for the year ended 31.03.2018

17. OTHER FINANCIAL LIABILITIES- NON CURRENT

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Derivative Liability -Long term		186.81		257.89		-
TOTAL		**186.81**		**257.89**		**-**

18. PROVISIONS

(Amount ₹ in Lacs)

Particulars	NON-CURRENT			CURRENT		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
1 Provision for Retirement Benefits						
a) Leave Encashment	299.34	266.97	231.16	78.53	73.00	63.95
b) Gratuity	85.62	-	10.96	111.29	58.51	49.38
2 Provision for Warranties	-	-	604.23	61.55	45.52	41.68
3 Excise Duty				-	201.98	140.18
TOTAL	**384.96**	**266.97**	**846.34**	**251.38**	**379.01**	**295.19**

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 31.03.18 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.

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
Opening Balance		45.52		645.91		49.26
Addition		61.55		45.52		645.91
Utilization		45.52		116.97		23.51
Reversal		-		528.94		25.75
Closing Balance		**61.55**		**45.52**		**645.91**
Current Portion		61.55		45.52		41.68
Non Current Portion		-		-		604.23

19. CURRENT BORROWINGS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
SECURED LOANS						
Cash Credit/Working Capital Loans repayable on demand from Banks						
Indian Rupee Loan		3,706.82		6,415.16		1,829.82
TOTAL		**3,706.82**		**6,415.16**		**1,829.82**

Indian Rupee Loan includes

a) **From Citibank NA :-** Loan outstanding as at 31.03.18- ₹1885.68 lacs, as on 31.03.17 ₹2220.20 lacs (1.04.16 - ₹104.43 lacs) 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 31.03.18- ₹1275.75 lacs, as on 31.03.17 is ₹2717.80 lacs (01.04.16 ₹728.01 lacs) 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.

Notes on Financial Statements for the year ended 31.03.2018

c) **From HDFC BANK :-** Loan outstanding as at 31.03.18- ₹ 545.39 lacs , as on 31.03.17 ₹ 1477.16 lacs (as on 01.04.16 - ₹ 997.38 lacs) 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 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 tax.

20. CURRENT TRADE PAYABLES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.16	
- Micro and Small enterprises	159.11		111.86		89.70	
-Other than Micro and Small enterprises	21,813.67		14,961.13		15,006.46	
		21,972.78		15,072.99		15,096.17
TOTAL		**21,972.78**		**15,072.99**		**15,096.17**

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.

21. OTHER FINANCIAL LIABILITIES- CURRENT

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.16	
a) Trade Security Deposits		246.54		216.25		194.47
b) Current Maturity of Long- term debt	3,509.37		4,161.06		3,087.86	
Add/(Less) Derivative liability Short Term	38.34		(25.21)		-	
		3,547.71		4,135.85		3,087.86
c) Interest accrued		59.93		79.96		103.06
d) Liabilities for Expenses		1,477.59		1,150.60		1,017.20
e) Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		2.85		3.46		8.59
f) Creditors for Capital Expenditure		2,072.61		1,070.92		1,684.36
TOTAL		**7,407.22**		**6,657.03**		**6,095.54**

22. OTHER CURRENT LIABILITIES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.16	
a) Advances received from Customers		627.28		1,008.90		1,206.49
b) Statutory Dues payable		928.74		689.90		595.91
TOTAL		**1,556.02**		**1,698.80**		**1,802.39**

23. CURRENT TAX LIABILITIES (NET)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.16	
Provision for Income tax (Net of advance tax)	109.05		-		96.72	
TOTAL		**109.05**		**-**		**96.72**

Notes on Financial Statements for the year ended 31.03.2018

24. GROSS SALES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Sales of Products (inclusive of excise duty upto 30.06.17)				
- Sales of Finished Goods				
Automotive Segment	1,25,425.24		1,01,007.95	
LED Luminaries Segment	322.58		5,795.53	
	1,25,747.83		1,06,803.48	
- Sales of Raw material/Traded goods				
Automotive Segment	552.73		5,185.32	
LED Luminaries Segment	11.57		121.04	
	564.31		5,306.35	
		1,26,312.13		1,12,109.84
b) Sales of Services (Job work charges received)				
Automotive Segment	-		-	
LED Luminaries Segment	11.79		-	
		11.79		**-**
		1,26,323.93		**1,12,109.84**

25. OTHER OPERATING INCOME

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
1) Scrap sales		452.86		395.44
2) Testing charges Received		146.31		248.47
3) Distribution income Received (bulb)		-		121.42
4) Mould, Dies and Tool Design and development charges		24.31		97.24
5) Government subsidy received		49.80		53.01
6) Duty Drawback Received		30.95		37.89
7) Merchandise export Incentive received		115.06		-
8) Rebate and Discount Received		14.47		25.05
9) Difference in foreign exchange		34.29		(6.14)
10) Segregation, Packing and Forwarding charges Received		26.07		3.09
11) Insurance claim (for stock)		95.29		-
TOTAL		**989.40**		**975.46**

26. OTHER INCOME

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
1) Interest income on Fixed Deposits and others Deposits		69.04		123.05
2) Income from Mutual fund		350.47		309.47
3) Sundry Creditors written back		32.50		32.37
4) Other Non Operating Income		2.39		6.00
TOTAL		**454.40**		**470.90**

27. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Opening Stock		5,142.90		3,540.34
Add : Purchases		77,241.28		59,202.56
Less :- Inventories at the end of the year		6,663.76		5,142.90
TOTAL		**75,720.43**		**57,600.00**

Notes on Financial Statements for the year ended 31.03.2018

28. PURCHASE OF STOCK IN TRADE

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Purchase of Traded Goods		467.46		547.20
b) Purchase of Traded Moulds, Dies and Tools		-		2,567.21
TOTAL		**467.46**		**3,114.42**

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Inventories at the end of the year				
a) Finished Goods	3,134.68		1,804.80	
b) Work -in- Progress	3,882.22		2,902.69	
c) Traded Goods - (Mould, Tools and Dies)	-		-	
d) Traded Goods - (Others)	0.14		22.10	
		7,017.04		4,729.60
Inventories at the beginning of the year				
a) Finished Goods	1,804.80		1,537.78	
b) Work -in- Progress	2,902.69		821.20	
c) Traded Goods - (Mould, Tools and Dies)	-		293.34	
d) Traded Goods - (Others)	22.10		34.11	
		4,729.60		2,686.44
		(2,287.45)		**(2,043.15)**

30. EMPLOYEES BENEFITS EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Salaries,Wages and Bonus to employees		16,429.90		13,523.73
Contribution to Provident and other Funds		328.62		276.12
Staff Welfare Expenses		667.99		570.04
Gratuity Expenses		182.88		140.19
Earned Leave to staff		60.39		60.06
TOTAL		**17,669.78**		**14,570.14**

31. FINANCE COSTS

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Interest		2,204.91		2,216.11
Other Borrowing Costs		67.49		108.06
TOTAL		**2,272.41**		**2,324.17**

32. DEPRECIATION AND AMORTIZATION EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Depreciation on Fixed Assets (See Note-2)		4,369.02		3,878.81
Amortization of Intangible assets (See Note-3)		63.45		43.71
TOTAL		**4,432.47**		**3,922.52**

Notes on Financial Statements for the year ended 31.03.2018

33. OTHER EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Manufacturing Expenses				
1) Job Charges	251.38		184.02	
2) Machinery running and Maintenance				
a) Machinery Repair and Service Charges	101.40		70.92	
b) Machinery Spares	1,045.38		879.34	
3) Consumption of Stores and Spare parts	2,081.06		1,756.26	
4) Packing Expenses	2,801.63		2,597.33	
5) Power and Fuel	4,732.52		4,156.36	
6) Variation in Excise duty of FG	(201.98)		61.80	
7) Repair - Dies	195.75		178.16	
8) Factory / Godown Rent	51.77		60.20	
9) Installation expenses for LED Streetlights	-		31.63	
10) Distribution Charges (Bulb) paid	-		121.42	
11) Freight, Cartage & Octroi	883.52		883.99	
12) Testing and Design Fees	217.34		256.81	
13) Segregation Charges Paid	7.09		5.74	
		12,166.87		11,243.97
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Exp.	110.53		126.18	
2) Payment to Auditors	81.57		76.57	
3) Donation	16.84		17.69	
4) Rates and taxes	209.63		164.96	
5) Insurance	53.86		45.64	
6) Bad debt written off	35.33		20.06	
7) Provision for Bad and Doubtful Debt	28.92		22.98	
8) Rent	249.07		253.52	
9) Repair & Maintenance- Building	122.41		38.20	
10) Repair & Maintenance- Other	261.93		190.16	
11) Royalty	50.00		50.00	
12)(Profit)/Loss on sale of Fixed Assets	5.20		-	
13) Selling & Distribution Expenses	2,370.91		1,913.80	
14) Travelling and Conveyance Expenses	499.75		502.73	
15) Contribution toward CSR (Note-51)	123.88		128.42	
16) Other Office Expenses	1,811.55		1,643.58	
		6,031.38		5,194.48
TOTAL		**18,198.25**		**16,438.45**

Notes on Financial Statements for the year ended 31.03.2018

34. EXCEPTIONAL ITEM

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Net Gain (Insurance claim) on Capital Assets (See Note 56)	(575.86)		-	
Less:- Loss on Inventory	38.63		-	
	(537.24)		-	
Less -Exceptional expenses incurred on restroration of supply to customer	196.66		-	
		(340.58)		-
b) Bad Debt Written off	-		1,947.81	
Less - Provision for Warranty Written Back (Maintenance)	-		(528.94)	
		-		1,418.86
		(340.58)		**1,418.86**

Note :- A fire incident happened on 25.01.2018 around noon in one block of Unit-5, situated at Kelamanglam Road, Achettipalli Post, Hosur 635110,Tamilnadu. The incident resulted in substantial damage to plant and machinery and Inventory etc. in the said block. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. Special/urgent actions to restart supplies to the customer post fire incident has temporarily resulted into additional costs during the year have been included in "Exceptional Items" above. The company has estimated net gain of ₹537.24 lac in form of reversal of depreciation charged in earlier years recoverable from the insurance company.

35. CONTINGENT LIABILITIES

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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	**827.27**	827.27	827.27
(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**	43.40	43.40
(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
(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)	**-**	34.44	20.04
(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)	**-**	84.39	87.67
(iv) Sales Tax			
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	**-**	-	5.95
(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	**150.07**	150.07	188.33
(c) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	**20.00**	20.00	20.00
(B) Other Money for which the Company is contingently liable			
(a) Liability in respect of bill of exchange discounted from bank	**4,257.39**	2,747.60	3,071.44
(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.	**-**	44.37	-

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.

Notes on Financial Statements for the year ended 31.03.2018

36. CAPITAL & OTHER COMMITMENTS

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	525.74	725.68	1,704.33
(ii) Estimated amount of contracts remaining to be executed on moulds & others not provided,(net of advances)	540.85	1,104.95	531.49
(iii) Bank Guarantee Charges payable to Banks	13.48	149.93	143.97
(iv) Lease Commitments (non-cancellable in nature)	-	-	50.30

37. AUDITOR'S REMUNERATION

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
For Statutory Audit	43.00	38.00
For Tax Audit	4.00	4.00
For Limited Review	7.00	7.00
For Other Services*	25.00	35.00
Total (a)	**79.00**	**84.00**
(B) COST AUDITOR'S REMUNERATION		
For Cost Audit Fees	2.50	2.50
For Reimbursement of Travelling and Out-of-Pocket Expenses	0.07	0.07
Total (b)	**2.57**	**2.57**
Total (a+b)	**81.57**	**86.57**

*includes ₹ Nil (Previous year ₹ 10 Lakhs) relating to the issue of shares to the Qualified Institutional Placement (QIP) during the year. (charged to Securities Premium Account)

38. DEFERRED TAX LIABILITIES (NET)

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Property, Plant and Equipment & Intangible Assets	5109.36	4100.78	3382.53
Fair Valuation of Liquid Mutual Fund and others	62.82	97.30	-
Total (a)	**5,172.19**	4,198.08	3,382.53
Deferred Tax Assets			
Unused Tax Credits (MAT Credit Entitlement)	401.05	707.99	-
Provision for Bad & Doubtful Debts	32.55	22.24	14.28
Provision for Leave Encashment	132.03	117.66	102.13
Provision for Gratuity	68.80	20.25	20.88
Provision for Bonus	131.21	64.31	55.97
Welfare Fund	0.32	0.31	0.33
Provision for Warranty	21.51	15.75	223.54
Total (b)	**787.47**	**948.51**	**417.14**
Net Deferred Tax Liability (a-b)	**4,384.71**	**3,249.57**	**2,965.39**

Notes on Financial Statements for the year ended 31.03.2018

38. DEFERRED TAX LIABILITIES (NET) (Contd.)

Movement in Deferred Tax Liabilities and Deferred Tax Assets (Amount ₹ in Lacs)

	Property, Plant and Equipment & Intangible Assets	Liquid Mutual Fund and Others	Unused Tax Credits (MAT Credit Entitlement)	Bad & Doubtful Debts	Employee Retirement and other Benefits	Warranty	Total
At 1 April 2016	3382.53	-	-	(14.28)	(179.32)	(223.54)	2,965.39
Charged/(Credited)							
-to profit and loss	718.26	97.30	-	(7.95)	(23.20)	207.78	992.18
-to utilisation of unused tax credit	-	-	(707.99)	-	-	-	(707.99)
-to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2017	4100.78	97.30	(707.99)	(22.24)	(202.53)	(15.75)	3249.57
Charged/(Credited)							
-to profit and loss	1,008.58	(34.47)	306.94	(10.32)	(129.84)	(5.75)	1,135.14
-to retained earnings on the date of transition		-	-	-	-	-	-
-to other comprehensive income		-	-	-	-	-	-
At 31 March 2018	**5109.36**	**62.82**	**(401.05)**	**(32.55)**	**(332.37)**	**(21.51)**	**4384.71**

TAX EXPENSE (Amount ₹ in Lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
(a) Tax expense			
Current Tax			
Current tax on profit for the year		2,092.58	973.09
Adjustment for current tax of prior periods		(18.81)	-
MAT Credit Entitlement		**-**	**(707.99)**
Total current tax expense	A	**2,073.77**	**265.10**
Deferred tax			
Decrease/(Increase) in deferred tax assets		(145.91)	176.62
(Decrease)/Increase in deferred tax liabilities		974.11	815.55
Total deferred tax expense (benefit)	B	**828.20**	**992.18**
Tax Expense	A+B	**2,901.96**	**1,257.27**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate			
(a) Profit before tax		8,156.98	4,539.58
(b) Enacted tax rate in India		34.61%	34.61%
(c) Expected tax expenses		2,822.97	1,571.06
(d) Other than temporary difference			
R&D expenses (Section 352AB)		(162.13)	(266.63)
Investment Allowance (Section 32AC)		-	(230.59)
CSR Expenditure		42.87	44.44
Others		(787.94)	(225.62)
Deferred Tax Liability (net)		828.20	992.18
(e) Net adjustment		(79.00)	313.78
Income Tax Expenses (c+e)		**2,901.96**	**1,257.27**

Notes on Financial Statements for the year ended 31.03.2018

38. DEFERRED TAX LIABILITIES (NET) (Contd.)

Amount on which deferred tax assets has not been created and related expiry period

Deferred tax assets has not been recognised in respect of capital loss on sale of property, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

(Amount ₹ in Lacs)

Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Available Up to A.Y.
2014-15	**644.98**	644.98	644.98	2022-23

Aggregate amount of temporary differences associated with investment in subsidiaries for which deferred tax liability has not been recognised

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Undistributed earnings	**42.51**	37.43	16.89

Deferred Tax Assets on Lease-hold Land

Under IND AS deferred tax has been recognised on the adjustments made on transition to IND AS. Leasehold land is a non-depreciable asset, Management is expecting that its carrying value will not be recovered through sale and indexation benefit at the time of disposal will not be available, accordingly deferred tax asset on the difference between carrying value and indexed value has not been created.

39. 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 Lacs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	-	
Later than one year and not later than five years	-	
Total	-	
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	**300.84**	**313.72**
Total	**300.84**	**313.72**

40. BORROWING COST CAPITALIZED

(Amount ₹ in Lacs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Borrowing Cost Capitalized to Qualifying Assets	-	137.79

41. EXCHANGE DIFFERENCES ON ACCOUNT OF FLUCTUATION IN FOREIGN CURRENCY RATES

(Amount ₹ in Lacs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Exchange Differences recognized in the Statement of Profit & Loss		
(i) Exchange Gain /(Loss) Relating to Export during the year as a part of "Sales"	**21.46**	16.23
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	**61.06**	70.83
(iii) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	**34.29**	(6.14)
Exchange Differences recognized in the Fixed Assets		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	**62.04**	33.08

Notes on Financial Statements for the year ended 31.03.2018

42. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	**(0.47)**	(1.06)	(1.45)
Exchange loss/(gain) during the year	**(1.43)**	0.44	2.78
Less:-Amortization of Exchange Fluctuation for the year	**(0.63)**	0.16	(0.26)
Closing Balance	**(1.27)**	(0.47)	(1.06)

43. EARNING PER SHARE

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit after tax attributable to equity shareholders	**5,183.63**	3,289.65
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	**132**	126
Basic/diluted earning per share* (In ₹)	**39.39**	26.12
Face value per equity share (In ₹)	**10**	10

*There are no dilutive instruments issued by the Company.

44. GOVERNMENT GRANT

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017
Duty Drawback on Export		**30.95**	37.89
Investment Subsidy Under Investment Promotion Scheme		**49.80**	53.01
Merchandise Export Incentive on Export		**115.06**	-
Refund of Electricity Duty	**99.68**		-
Waiver of Electricity Duty (Notional)	**38.64**	**138.32**	**-**
Total		**334.13**	90.90

45. SEGMENT REPORTING

(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".

Notes on Financial Statements for the year ended 31.03.2018

(i) Primary-Business Segments

Revenue

Segment Revenue

(Amount ₹ in Lacs)

Particulars		2017-2018			2016-2017		
		Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
External Sales (Inclusive of excise duty)- See Note-1 below	A	**1,25,982.78**	**341.15**	**1,26,323.93**	1,06,193.27	5,916.57	1,12,109.84
Other Operating Income		**929.62**	**59.78**	**989.40**	752.53	222.93	975.46
Inter-Segment Sales		**-**	**-**	**-**	-	-	-
Total		**1,26,912.40**	**400.93**	**1,27,313.33**	1,06,945.80	6,139.50	1,13,085.30
Results							
Segment Results (Earning Before Interest & Tax) before Exceptional item		**11,982.41**	**(765.33)**	**11,217.08**	9,486.96	(53.55)	9,433.41
Exceptional item (See Note-34)		**(340.58)**	**-**	**(340.58)**	-	1,418.86	1,418.86
Segment Results (Earning Before Interest & Tax)				**11,557.66**			8,014.55
Unallocated corporate expenses				**1,582.68**			1,621.70
Other Income				**454.40**			470.90
Operating Profit				**10,429.38**			6,863.75
Cost of Finance				**2,272.41**			2,324.17
Profit before tax				**8,156.97**			4,539.58
Tax expense				**2,901.96**			1,257.27
Profit after tax (PAT)				**5,255.01**			3,282.31
Other Comprehensive Income (Net of tax)				**(71.38)**			7.34
Total Comprehensive Income				**5,183.63**			3,289.65
Note-1							
Note :- Excise duty Included in sales	B	**3,469.45**	**8.54**	**3,477.99**	11,324.01	347.19	11,671.20
Sales Net of excise Duty	A-B	**1,22,513.33**	**332.61**	**1,22,845.94**	94,869.26	5,569.38	1,00,438.64
DEPRECIATION & AMORTIZATION		**3,976.48**	**455.99**	**4,432.47**	3,566.46	356.06	3,922.52

(Amount ₹ in Lacs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Segment Assets									
Segment Assets	**78,158.32**	**12,782.73**	**90,941.05**	61,888.71	13,943.89	75,832.60	49,752.34	14,732.29	64,484.63
Unallocated Corporate Assets			**2,568.08**			11,093.55			-
Total Assets			**93,509.13**			**86,926.15**			64,484.63

(Amount ₹ in Lacs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Segment Liabilities									
Segment Liabilities	**27,625.49**	**365.09**	**27,990.58**	18,766.49	895.59	19,662.07	17,865.45	2,638.75	20,504.20
Unallocated Corporate Liabilities			**20,619.52**			26,282.37			17,608.57
Total Liabilities			**48,610.10**			45,944.44			38,112.77
Capital Employed (Total Assets Minus Total Liabilities)			**44,899.03**			40,981.71			26,371.86

Notes on Financial Statements for the year ended 31.03.2018

(Amount ₹ in Lacs)

Particulars	As At 31st March, 2018			As At 31st March, 2017			As At 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Capital Expenditure During the year (Net of CWIP)	**12,883.30**	**561.57**	**13,444.87**	8,763.76	2,269.15	11,032.91	7,399.27	4,802.11	12,201.37

(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

Revenue from External Customers

(Amount ₹ in Lacs)

	Year ended 31.03.2018	Year ended 31.03.2017
India	**1,25,488.61**	1,10,889.46
Outside India	**1,824.72**	2,195.84
Total	**1,27,313.33**	**1,13,085.30**

Segment Trade Receivables

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	**14,418.45**	12,782.36	12,518.11
Outside India	**101.50**	155.79	210.64
Total	**14,519.95**	**12,938.15**	**12,728.75**

1. Sales Revenue by geographical market outside India has been re-stated by excluding indirect exports.

2. The segment trade receivables have been re-stated by excluding trade 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 have not be furnished.

46 RELATED PARTY DISCLOSURES UNDER IND AS 24

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
Ashok Kumar Sharma	Independent Director (w.e.f. September 10, 2016)
Iqbal Singh	Independent Director
Jawahar Thakur	Independent Director (w.e.f. November 12, 2016)
Mohan Bir Sahni	Independent Director
Subodh Kumar Jain	Independent Director
Vinod Kumar Malhotra	Independent Director
Abhishek Jain	Independent Director (upto September 8, 2016)
Charoen Sachamuneewongse	Independent Director (upto October 20, 2016)
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary

Notes on Financial Statements for the year ended 31.03.2018

46 RELATED PARTY DISCLOSURES UNDER IND AS 24 (Contd.)

(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
Fiem (Thai) Design & Technology Co., Ltd	100% Subsidiary Company incorporated in Thailand

(iv) Joint Venture

Centro Ricerche Fiem Horustech SRL	JV incorporated in Italy, 50% ownership interest held by the company
Fiem Kyowa (HK) Mould Company Ltd	JV incorporated in Hong Kong, 50% ownership interest held by the company

(Amount ₹ in Lacs)

Particulars	Transaction during the year		Outstanding Amount		
	2017-18	2016-17	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) (Key Management Personnel Compensation/ Sitting fees					
Short-term benefits	**562.85**	551.29			
Post Employment Benefits*	**1.31**	1.31			
Total Compensation	**564.16**	552.60			
Jagjeevan Kumar Jain	**124.80**	124.80	**5.76**	13.93	5.52
Seema Jain	**48.00**	48.00	**2.73**	7.78	4.46
Rahul Jain	**48.00**	48.00	**1.33**	4.58	7.63
Aanchal Jain	**42.00**	42.00	**3.57**	7.66	4.16
JSS Rao	**96.00**	96.00	**4.95**	5.50	4.80
Kashi Ram Yadav	**91.45**	91.45	**5.25**	5.42	5.15
OP Gupta	**52.20**	48.00	**3.17**	3.18	2.97
Arvind Kumar Chauhan	**61.71**	54.35	**3.10**	3.72	2.81
Total Compensation	**564.16**	**552.60**	**29.86**	**51.75**	**37.50**
Sitting fees to Independent Directors					
Ashok Kumar Sharma	**2.50**	1.50			
Iqbal Singh	**3.10**	4.40			
Jawahar Thakur	**2.50**	1.50			
Mohan Bir Sahni	**2.50**	3.50			
Subodh Kumar Jain	**3.10**	4.90			
Vinod Kumar Malhotra	**3.60**	4.90			
Abhishek Jain	**-**	1.50			
Charoen Sachamuneewongse	**-**	0.50			
Total Sitting fees	**17.30**	**22.70**			
Dividend					
Jagjeevan Kumar Jain	**236.80**	88.80			-
Seema Jain	**236.80**	88.80			-
Aanchal Jain	**64.00**	24.00			-
Rahul Jain	**124.19**	46.57			-
JSS Rao	**0.00**	0.00			-
Kashi Ram Yadav	**0.03**	0.01			-
Purchase of Free-hold Land					
Rahul Jain	**-**	1,200.00			-

Notes on Financial Statements for the year ended 31.03.2018

46 RELATED PARTY DISCLOSURES UNDER IND AS 24 (Contd.)

(Amount ₹ in Lacs)

Particulars	Transaction during the year		Outstanding Amount		
	2017-18	2016-17	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rent Paid					
Aanchal Jain	**109.35**	109.35			-
Rahul Jain	**52.65**	52.65			-
Jagjeevan Kumar Jain	**2.67**	-			
Security Deposit Receivables Agst Rent					
Aanchal Jain	**-**	-	**54.68**	54.68	54.68
Rahul Jain	**-**	-	**26.33**	26.33	26.33
Jagjeevan Kumar Jain	**1.20**	-	**1.20**	-	-
(ii) Related Parties Controlled by Key Management personnel					
Corporate Social Responsibility Activities					
Contribution to Fiem Foundation	**123.08**	118.42			
Brand Royalty					
Fiem Auto & Electrical Industries	**50.00**	50.00	**13.50**	13.13	13.06
Dividend					
Jagjeevan Kumar Jain (HUF)	**0.92**	0.35			-
Fiem Auto Private Limited	**6.75**	2.53			**-**
(iii) Subsidiary Company					
Fiem Industries Japan Co. Limited					
Sales of Goods	**46.24**	72.02			
Sales of Services	**16.84**	82.09			
With-holding Tax	**1.77**	12.37			
Fiem (Thai) Design & Technology Co., Ltd					
Investment in Equity Shares	**19.68**	-			
Outstanding Amount Carried at Balance Sheet					
Fiem Industries Japan Co. Limited					
Receivables			**0.54**	19.52	79.70
Payables			**21.85**	20.58	20.96
Long Term Loan Given			**24.62**	23.18	23.62
Investment in Equity Shares			**29.49**	29.49	29.48
With-holding Tax Payable			**1.82**	12.37	-
Fiem (Thai) Design & Technology Co., Ltd					
Investment in Equity Shares			**19.68**	-	-
(iv) Joint Venture Company					
Centro Ricerche Fiem Horustech SRL					
Design Fee Paid	**75.58**	71.28			
Purchases	**0.84**	-			
Advance Agst. Design Fee	**-**	8.56			
Reimbursement of Expenses	**-**	1.07			
Fiem Kyowa (HK) Mould Company Ltd					
Investment in Equity Shares	**8.40**	-			
Outstanding Amount Carried at Balance Sheet					
Centro Ricerche Fiem Horustech SRL					
Payables			**-**	19.13	7.60
Advance Agst. Design Fee			**5.10**	7.80	-
Investment in Equity shares			**33.16**	33.16	33.16
Fiem Kyowa (HK) Mould Company Ltd					
Investment in Equity Shares			**8.40**	-	-

*Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

Notes on Financial Statements for the year ended 31.03.2018

47. 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 Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employer's Contribution to Provident Fund	249.01	217.07
Employer's Contribution to ESI Fund	77.02	56.53
Employer's Contribution to Wages Welfare Fund	2.59	2.52
Total	328.62	276.12

Defined Benefit Plans

(a) Gratuity

The Company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 Indian Accounting Standard on Employee Benefits-Ind AS (19)-As per actuarial valuation as on 31.03.2018 are as follows:

(i) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current service cost	184.29	151.13	71.33	99.95
Interest cost	(1.41)	(0.79)	24.10	21.19
Actuarial (Gain)/Loss	-	-	(35.04)	(61.08)
Expenses recognized in Statement of Profit and Loss	182.88	150.34	60.39	60.06

Amount to be recognised in the Balance Sheet

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Liability at the end of the year	974.62	701.51	377.87	339.97
Fair value of plan assets at the end of the year	777.71	643.00	-	-
Amount to be recognised in Balance Sheet	196.92	58.51	377.87	339.97
Current	111.30	58.51	78.53	73.00
Non-Current	85.62	-	299.34	266.97

Reconciliation of benefit obligation

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Liability at the beginning of the year	58.51	60.33	339.97	295.11
Interest cost	-	-	24.10	21.19
Amount recognised in Accumulated Other Comprehensive Income/ Loss at the beginning of the period	(0.42)	(10.57)	-	-
Current service cost	182.88	150.34	71.33	99.95
Benefits paid	(155.40)	(142.01)	(22.48)	(15.21)
Remeasurement (gain) / loss	111.35	0.42	(35.04)	(61.08)
Liability at the end of the year	196.92	58.51	377.87	339.97

Notes on Financial Statements for the year ended 31.03.2018

47. POST EMPLOYMENT BENEFITS PLAN (Contd.)

Reconciliation of fair value of plan assets: (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Fair value of plan assets at the beginning of the year	643.00	509.08	-	-
Interest income	50.89	40.60	-	-
Contributions	155.40	142.01	22.48	15.21
Benefits paid	(52.96)	(58.53)	(22.48)	(15.21)
Return on plan assets-gain /(loss)	(18.62)	9.83	-	-
Fair value of plan assets at the end of the year	777.71	643.00	-	-
Actual return on plan assets	32.27	50.43	-	-

Amount recognised in statement of other comprehensive income (OCI) (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening amount recognised in OCI	0.42	10.57	-	-
Remeasurement for the year - Obligation (gain)/ loss	92.31	(0.32)	35.04	61.08
Remeasurement for the year - plan assets (gain)/ loss	18.62	(9.83)	(35.04)	61.08
Net Increasing in OCI	110.93	(10.15)	-	-
Total remeasurements cost / (credit) for the year recognised in OCI	111.35	0.42	-	-
Closing amount recognised in OCI	111.35	0.42	-	-

Principal actuarial assumptions (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount rate	7.33%	7.37%	7.33%	7.37%
Salary escalation	8.00%	8.00%	8.00%	8.00%
Expected return on assets	7.33%	7.37%	7.33%	7.37%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Retirement age	58	58	58	58

(a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(b) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(c) Expected return on assets is expected return on plan assets over the accounting period, based on an assumed rete of return.

(d) Attrition rate is employee turnover rate based on the Company's past and expected employee turnover.

(e) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments (discounted values/present value) for the year ending: (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
31st March, 2019	74.41		26.48	
31st March, 2020	33.68		9.99	
31st March, 2021	48.74		22.89	
31st March, 2022	21.39		6.78	
31st March, 2023	58.80		23.35	
31st March, 2024-2028	153.11		42.41	

Notes on Financial Statements for the year ended 31.03.2018

47. POST EMPLOYMENT BENEFITS PLAN (Contd.)

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 19.59 years

(g) Sensitivity analysis:
Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2018 is as shown below:

	Gratuity		Leave Encashment	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31st March 2018	31st March 2018	31st March 2018	31st March 2018
A. Effect of 1% change in the assumed discount rate				
1. Defined Benefit Obligation	877.24	1091.80	354.01	406.45
B. Effect of 1% change in the assumed salary Escalation Rate				
1. Defined Benefit Obligation	1079.31	882.29	387.26	368.81
C. Effect of 1% change in the assumed Attrition Rate				
1. Defined Benefit Obligation	963.34	987.53	375.16	381.07

48. FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments (Amount ₹ in Lacs)

Particulars	Carrying amount			Fair Value		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
FINANCIAL ASSETS						
Financial assets measured at amortised cost						
Security Deposits	**738.53**	690.89	551.39	**738.53**	690.89	551.39
Loan to Employees	**73.66**	59.53	63.59	**73.66**	59.53	63.59
Loan to Subsidiary Company	**24.62**	23.18	23.62	**24.62**	23.18	23.62
Trade receivables	**14,519.95**	12,938.15	12,728.75	**14,519.95**	12,938.15	12,728.75
Term Deposit with more than 12 month maturity	**2.85**	198.38	0.46	**2.85**	198.38	0.46
Income accrued on deposits	**44.88**	30.31	34.66	**44.88**	30.31	34.66
Insurance Claim recoverable	**2,607.18**	-	-	**2,607.18**	-	-
Export Incentive receivables	**114.03**	9.08	3.25	**114.03**	9.08	3.25
Cash & Cash Equivalents	**110.36**	2,270.64	109.08	**110.36**	2,270.64	109.08
Other Bank Balances	**42.95**	12.95	258.97	**42.95**	12.95	258.97
Financial assets measured at fair value through Statement of Profit & Loss (FVTPL)						
Investment in Quoted Mutual Fund	**1,730.18**	8,332.70	-	**1,909.56**	8,609.47	-
Investment in unquoted equity shares	**93.72**	65.64	65.64	**-**	-	-
FINANCIAL LIABILITIES						
Financial liabilities measured at amortised cost						
Non Current Borrowings	**8,650.34**	11,947.02	9,085.22	**8,650.34**	11,947.02	9,085.22
Current maturities of long-term debt	**3,509.37**	4,161.06	3,087.86	**3,509.37**	4,161.06	3,087.86
Current Borrowings	**3,706.82**	6,415.16	1,829.82	**3,706.82**	6,415.16	1,829.82
Trade Security deposits	**246.54**	216.25	194.47	**246.54**	216.25	194.47
Interest accrued on borrowings	**59.93**	79.96	103.06	**59.93**	79.96	103.06
Creditors for capital expenditures	**2,072.61**	1,070.92	1,684.36	**2,072.61**	1,070.92	1,684.36
Trade Payables	**21,972.78**	15,072.99	15,096.17	**21,972.78**	15,072.99	15,096.17
Unpaid Dividend	**2.85**	3.46	8.59	**2.85**	3.46	8.59
Liabilities for expenses	**1,477.59**	1,150.60	1,017.20	**1,477.59**	1,150.60	1,017.20

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

Notes on Financial Statements for the year ended 31.03.2018

48. FAIR VALUE MEASUREMENTS (Contd.)

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.
Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.
The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date.

49. FINANCIAL INSTRUMENTS AND RISK REVIEW

Financial Risk Management Framework

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

i) Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows: (Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debt (A)*	**16,151.60**	22835.88	14,105.96
Equity (B)	**44,899.03**	40981.71	26371.85
Debt Ratio (A / B)	**0.36 : 1**	0.56 : 1	0.53 : 1

*Net debt includes Non Current borrowing, Current borrowing, Current maturities of non current borrowing and interest accrued on borrowings net-off derivative liability on non-current borrowings.

ii) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 14519.95 lakhs, ₹ 12938.15 lakhs and ₹ 12728.75 lakhs as of 31st March, 2018, 31st March, 2017 and 1st April, 2016 respectively, being the total of the carrying amount of balances with trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 57% of total receivables as of 31st March, 2018 (49% as at 31st March, 2017 and 69% as at of 1st April, 2016), however there was no default on account of those customers in the past.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

Notes on Financial Statements for the year ended 31.03.2018

49. FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Movement in the expected credit loss allowance:

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year	**64.25**	41.27	21.59
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**28.92**	22.98	19.68
Balance at the end of the year	**93.17**	64.25	41.27

iii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Amount ₹ in Lacs)

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Financial liabilities						
Trade payables	**21,972.78**	**-**	15,072.99	-	15,096.17	-
Other Financial Liabilities	**3,799.59**	**186.81**	2,541.23	257.89	2,904.62	-
Working capital demand loans /Term loans with accrued interest	**7,314.46**	**8,650.3**	10,630.97	11,947.02	5,020.74	9,085.22

c) Maturities of financial assets

The following table details the Company's expected maturity for financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on such assets.

(Amount ₹ in Lacs)

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets						
Trade receivables	**14,395.05**	**124.90**	11,881.65	1,056.50	11,860.48	868.27
Other Financial Assets	**4,905.50**	**877.34**	11,009.21	988.89	498.57	670.24

iv) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Japanese Yen against the respective functional currencies of the Company. The Company The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

Notes on Financial Statements for the year ended 31.03.2018

49. FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

(a) Foreign Currency exposures that are not hedged by derivative instruments

(Amount ₹ in Lacs)

Particulars	Currency	31st March, 2018		31st March, 2017		1st April, 2016	
		Foreign Currency	Rupees	Foreign Currency	Rupees	Foreign Currency	Rupees
(a) Trade payables (including payable for capital assets)	USD	**9.98**	**649.32**	4.43	287.31	2.44	162.16
	EURO	**0.40**	**32.20**	0.28	19.72	0.16	11.86
	JPY	**92.99**	**57.23**	106.48	61.72	35.50	20.97
	SGD	**0.03**	**1.57**	-	-	-	-
(b) Trade receivables	USD	**0.72**	**46.90**	1.80	116.73	1.93	128.35
	EURO	**0.52**	**41.93**	0.28	19.53	0.06	4.56
	JPY	**0.87**	**0.54**	33.68	19.52	131.62	77.74
	GBP	**0.07**	**6.55**	-	-	-	-
(c) Other financial assets	USD	**0.18**	**11.87**	0.36	23.08	0.01	0.72
	EURO	**0.04**	**3.52**	0.01	1.01	-	-
	JPY	**40.00**	**24.62**	252.01	146.06	56.47	33.35
Total (a-b-c)	USD	**9.08**	**590.55**	2.27	147.50	0.50	33.09
	EURO	**(0.16)**	**(13.25)**	(0.01)	(0.83)	(0.06)	(4.56)
	GBP	**0.07**	**6.55**	-	-	-	-
	JPY	**52.12**	**32.07**	(179.21)	(103.87)	(152.59)	(90.12)
	SGD	**0.03**	**1.57**	-	-	-	-

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD, EURO and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 10% represents management assessment of reasonably possible change in foreign exchange rate.

(Amount ₹ in Lacs)

For the period ended	AS AT 31.03.2018			AS AT 31.03.2017		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.0%	59.05	USD	10.0%	14.75
	USD	-10.0%	(59.05)	USD	-10.0%	(14.75)
	EURO	10.0%	(1.33)	EURO	10.0%	(0.08)
	EURO	-10.0%	1.33	EURO	-10.0%	0.08
	JPY	10.0%	3.21	JPY	10.0%	(10.39)
	JPY	-10.0%	(3.21)	JPY	-10.0%	10.39

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

For the period ended	Currency	Increase /decrease in basis points	Effect on profit before tax	Variable rate Term Loan/CC balances
31st March, 2018	**INR**	**100**	**37.07**	**3706.82**
	INR	**(100)**	**(37.07)**	**3706.82**
31st March, 2017	INR	100	69.23	6923.16
	INR	(100)	(69.23)	6923.16

Notes on Financial Statements for the year ended 31.03.2018

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 Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Capital Expenditure		
Capital Expenditure	**70.78**	67.54
Total (A)	**70.78**	67.54
Revenue Expenditure		
Raw Material Consumed	**22.71**	20.54
Employee Benefits	**672.79**	582.69
Other Expenses	**46.68**	58.41
Finance Cost	**0.02**	0.02
Depreciation & Amortization	**65.29**	49.23
Total (B)	**807.50**	**710.89**
Grand Total (A+B)	**878.28**	**778.42**

51. 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, 2018 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

(Amount ₹ in Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Gross amount required to be spent during the year	**123.88**	128.42
Amount spent during the year :-		
Contribution to the Fiem Foundation	**123.08**	118.42
Amount spent by the company	**0.80**	10.00
	123.88	128.42

52. JOINT VENTURE COMPANY

1. **Centro Ricerche Fiem Horustech SRL**

Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2018	50%

2. **Fiem Kyowa (HK) Mould Company Ltd**

Description of Interest	Jointly Controlled Entity
Country of Incorporation	Hong Kong
Proportion of Ownership Interest as at March 31, 2018	50%

In respect of Jointly control entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows:

(Amount ₹ in Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Non Current Assets	**24.18**	12.19
Current Assets	**73.09**	58.99
Non Current Liabilities	**13.42**	11.21
Current Liabilities	**51.17**	34.25
Revenue	**104.41**	90.21
Expenses	**108.28**	90.42
Contingent Liabilities	**-**	-
Capital Commitments	**-**	-

Notes on Financial Statements for the year ended 31.03.2018

53. DISCLOSURE UNDER SEBI REGULATION

(Amount ₹ in Lacs)

Particulars	Loan Outstanding at year end			Maximum Amount Outstanding in the year		
	Year ended 31.03.18	Year ended 31.03.17	Year ended 1.04.16	Year ended 31.03.18	Year ended 31.03.17	Year ended 1.04.16
Subsidiary Company						
Fiem Industries Japan Co., Limited	**24.62**	23.18	23.62	**24.62**	23.62	23.62

54. UTILIZATION OF QIP PROCEEDS

During the financial year 2016-17, on dated 20th September, 2016, the Company had 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 utilisation of QIP proceeds are as under

(Amount ₹ in Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Gross Proceeds of QIP Issue	11,999.99	11,999.99
Less: Amount utilized for the purpose Received	10,265.19	3,613.39
Balance Amount	1,734.80	8,386.60
Temporarily invested in Mutual Funds	1,730.18	8,306.60
Temporarily invested in Fixed Deposits/Current Account with Banks	4.62	80.00

55. PROPOSED DIVIDEND

The Company has recommended the final dividend of ₹ 9 per equity share (90% of nominal value of ₹ 10 per share) for the financial year ended 31st March, 2018 for amounting to ₹ 1,184,38 lacs on equity share capital of the company. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM).

56. FIRE AT HOSUR-UNIT-V PLANT

There was a major fire on 25th January, 2018 at unit-5 in Hosur plant (Tamilnadu). The loss incurred by the Company is adequately covered under insurance claim. The written down value of property, plant and equipment and costs of inventories destroyed/damaged have been appropriately adjusted in the books of accounts. The break-up of assets damaged (i.e WDV) and other expenses dut to fire as follows.

(Amount ₹ in Lacs)

Particulars	For the year ended 31st March, 2018
Property, Plant and Equipment	1406.02
Inventory	549.37
Others	114.55
Total	**2069.94**

The Company has filed a claim with with its insurers and the claim is expected to settle at a total amount of ₹ 2607.18 Lakhs (based on reinstatement costs of the assets). The same has been disclosed as an 'insurance claim receivables' in the balance sheet.

57. 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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Independent Auditor's Report on Consolidated Ind AS Financial Statements

To The Members of
FIEM INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying Consolidated Ind AS Financial statements of FIEM INDUSTRIES LIMITED ("the Company"), its subsidiaries and jointly controlled entities (the company, its subsidiaries and jointly controlled entities constitute "the Group") , which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity for and Consolidated Cash Flow Statement the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Statement of Changes in Equity and consolidated cash flows of the Group including its Subsidiaries 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.

3. The respective Board of Directors of the companies included in the Group and of its subsidiares 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 Ind AS 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.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit our audit of the Consolidated Ind AS financial statements 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 Ind AS financial statements are free from material misstatement

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

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. 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 2018, and their consolidated profit total comprehensive income, the changes in equity and its consolidated cash flows and for the year ended on that date.

Other Matters

8. The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by previous auditor M/s Anil S. Gupta And Associates and whose reports for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 30th May 2016 respectively, expressed an unmodified opinion on those standalone financial statements and have been restated to comply with Ind AS Adjustments made to the previously issued said statutory financial information for the differences in the accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

   Our opinion on the Consolidated Ind AS financial statements and our report on other legal and regulatory requirements below is not modified in respect of these matters

9. We did not audit the financial statement of two overseas 50:50 Joint Venture, Centro Ricerche Fiem Horustech Srl (CRFH) and Fiem Kyowa (HK) Mould Company Limited, whose net loss of ₹ 3.86 lacs and ₹ 0.32 lacs respectively are included in the accompanying consolidated financial statements, Such financial information have not been audited and have been approved by the Board of directors of the respective Companies. The management of the company has converted these financial statements as per accounting principle generally accepted in India, and certified these financial statements for the purpose of preparation of consolidated financial statement. Our report, in so far as it relates to these jointly controlled entities, 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.

Report on Other Legal and Regulatory Requirements

10. 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 including Other Comprehensive Income, Statement of Changes in Equity 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of written representations received from the directors of the Holding Company as on 31 March, 2018, 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 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" 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 35(A) to the consolidated Ind AS 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 disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018

For V. Sachdeva and Associates
Chartered Accountants
Firm Registration Number -004417N

Sd/-
V. Sachdev
Proprietor
Membership No.:- 083435

Place: Rai, Sonepat (HR.)
Dated: May 30, 2018

Annexure "A" to the Independent Auditor's Report of even date on the Consolidated Ind AS 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")

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company").

2. There is no subsidiary company or jointly controlled company, which are companies incorporated in India as of 31.03.18, 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

3. 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

4. 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.

5. 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.

6. 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

7. 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

8. 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

9. 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. Sachdeva and Associates
Chartered Accountants
Firm Registration Number -004417N

Sd/-
V. Sachdev
Proprietor
Membership No.:- 083435

Place: Rai, Sonepat (HR.)
Dated: May 30, 2018

Consolidated Balance Sheet as at 31.03.2018

(Amount ₹ in Lacs)

	Note No.	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
ASSETS							
1 NON CURRENT ASSETS							
(a) Property, Plant and Equipment	2	55,260.21		47,854.13		40,169.13	
(b) Capital work-in-progress	2	560.98		562.67		1,159.01	
(c) Intangible assets	3	118.69		68.25		44.86	
(d) Intangible assets under development	3	130.81					
(e) Financial Assets							
(i) Investments	4	35.69		28.71		29.91	
(ii) Trade receivables	5	124.90		1,056.50		868.27	
(iii) Loans	6	754.48		701.69		580.51	
(iv) Other Financial Assets	7	4.53		198.38		0.46	
(f) Income tax assets (net)	8	453.31		425.44		-	
(g) Other non-current assets	9	1,143.29		635.80		558.58	
Total Non Current Assets			**58,586.90**		**51,531.56**		**43,410.74**
2 CURRENT ASSETS							
(a) Inventories	10	14,027.11		10,242.49		6,613.04	
(b) Financial Assets							
(i) Investments	11	1,909.56		8,609.47		-	
(ii) Trade receivables	5	14,433.59		11,944.72		11,849.41	
(iii) Cash and cash equivalents	12	176.65		2,292.60		182.03	
(iv) Bank balances other than (iii) above	13	42.95		12.95		258.97	
(v) Loans	6	58.19		49.19		35.75	
(vi) Other Financial Assets	7	2,784.92		67.41		96.05	
(c) Current Tax Assets (Net)	8	-		-		-	
(d) Other current assets	9	1,518.28		2,199.45		2,041.80	
Total Current Assets			**34,951.24**		**35,418.28**		**21,077.05**
TOTAL ASSETS			**93,538.14**		**86,949.84**		**64,487.79**
EQUITY AND LIABILITIES							
1 EQUITY							
(a) Equity Share capital	14	1,315.98		1,315.98		1,196.22	
(b) Other Equity	15	43,618.46		39,695.81		25,187.07	
Total Equity			**44,934.44**		**41,011.80**		**26,383.29**
2 LIABILITIES							
NON CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings	16	8,650.34		11,947.02		9,085.22	
(ii) Trade payables		-		-		-	
(iii) Other financial liabilities	17	186.81		257.89		-	
(b) Provisions	18	384.96		266.97		846.34	
(c) Deferred tax liabilities (Net)	37	4,384.71		3,249.57		2,965.39	
(d) Other non-current liabilities		-		-		-	
Total Non Current Liabilities			**13,606.82**		**15,721.44**		**12,896.95**
CURRENT LIABILITIES							
(a) Financial Liabilities							
(i) Borrowings	19	3,706.82		6,415.16		1,829.82	
(ii) Trade payables	20						
- Micro and Small Enterprises		159.11		111.86		89.70	
-Other than Micro and Small enterprises		21,794.65		14,930.99		15,001.31	
		21,953.76		15,042.85		15,091.01	
(iii) Other financial liabilities	21	7,413.86		6,659.39		6,079.32	
(b) Other current liabilities	22	1,561.79		1,716.48		1,808.68	
(c) Provisions	18	251.38		379.01		295.19	
(d) Current Tax Liabilities (Net)	23	109.27		3.71		103.53	
Total Current Liabilities			**34,996.88**		**30,216.60**		**25,207.55**
TOTAL LIABILITIES			**48,603.70**		**45,938.04**		**38,104.50**
TOTAL EQUITY AND LIABILITIES			**93,538.14**		**86,949.84**		**64,487.79**
Significant Accounting Policies and Notes to Consolidated financial Statements.	1 to 53						

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants
Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Consolidated Statement of Profit and Loss for the year ended 31.03.2018

(Amount ₹ in Lacs)

		Note No.	Current Year F.Y. 2017-18		Previous Year F.Y. 2016-17	
	INCOME					
	Revenue From Operations					
	a) Gross Sales	24	1,26,477.47		1,12,238.60	
	b) Other Operating Income	25	972.77		895.76	
I.	Revenue from Operations (a+b)			1,27,450.24		1,13,134.36
II.	Other Income	26		454.40		470.90
III	TOTAL INCOME (I+II)			**1,27,904.64**		**1,13,605.25**
IV.	EXPENSES					
	a) Cost of Raw Materials and Components Consumed	27		75,720.43		57,600.00
	b) Purchase of Stock-in-Trade	28		537.07		3,132.45
	c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	29		(2,287.45)		(2,042.99)
	d) Excise duty on sales			3,477.99		11,671.20
	e) Employees benefits Expenses	30		17,708.63		14,589.19
	f) Finance Costs	31		2,272.41		2,324.68
	g) Depreciation and amortization Expense	32		4,432.59		3,922.66
	h) Other Expenses	33		18,220.15		16,423.63
	TOTAL EXPENSES			**1,20,081.83**		**1,07,620.83**
V	PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)			**7,822.81**		**5,984.42**
	Exceptional Item	34		(340.58)		1,418.86
VI	PROFIT BEFORE TAX			**8,163.39**		**4,565.56**
VII	TAX EXPENSES					
	a) Current Tax Expense		2,093.75		975.97	
	b) MAT Credit Entitlement		-		(707.99)	
	c) (Excess)/Short Tax provision for earlier years		(18.81)		-	
	d) Deferred Tax Liability/ (Assets)		828.20		992.18	
				2,903.13		1,260.15
VIII	PROFIT AFTER TAX FOR THE YEAR (VI-VII)			**5,260.26**		**3,305.41**
IX	ADD: SHARE OF PROFIT/(LOSS) OF ASSOCIATES			**(4.18)**		**(0.21)**
X	PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT/LOSS OF ASSOCIATE (VIII+IX)			**5,256.07**		**3,305.20**
XI	OTHER COMPREHENSIVE INCOME/(LOSS)					
	A) Items that will not be reclassifed subsequently to the statement of profit and loss					
	(i) Remeasurement of Defined Benefit Plans		(110.93)		10.15	
	(ii) Income tax on items Items that will not be reclassifed subsequently to the statement of profit and loss		39.55		(2.81)	
			(71.38)		7.34	
	B) Items that will be reclassifed subsequently to the statement of profit and loss		-		-	
	TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)			**(71.38)**		**7.34**
XII	TOTAL COMPREHENSIVE INCOME (NET OF TAX) (X+XI)			**5,184.69**		**3,312.54**
	Basic and Diluted Weighted Earning per Equity Share (Nominal value ₹ 10 per share)	41		39.40		26.30
	Significant Accounting Policies and Notes to financial Statements.	1 to 53				

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Consolidated Statement of changes in equity for the year ended 31.03.2018

A. Equity Share Capital

PARTICULARS	Note No.	Number	(Amount ₹ in Lacs)
Equity share of ₹ 10/- each Issued, subscribed and fully paid			
Balance as at 1st April 2016		1,19,62,226	1,196.22
Changes in equity share capital during the year		11,97,604	119.76
Balance as at 31st March 2017		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 31st March 2018	14	**1,31,59,830**	1,315.98

B. Other Equity

(Amount ₹ in Lacs)

PARTICULARS	Note No.	Securities Premium Reserve	General Reserve	Translation reserve	Retained Earnings	Total
Balance as at 1st April 2016 as per INDIAN GAAP		5,099.72	2,410.00	**3.70**	**17,221.89**	**24,735.31**
Addition During The Year						
1) Provision for Dividend (Refer Note 3 of Effect of Ind AS Adoption)					358.87	358.87
2) Provision for CDT (Refer Note 3 of Effect of Ind AS Adoption)					73.06	73.06
3) Depreciation amount of revaluation reserve charged in statement of profit and loss now reversed for FY 14-15, 15-16 (Refer Note 1 of Effect of Ind AS Adoption)					19.84	19.84
Balance as at 1st April 2016 as per IND AS		**5,099.72**	**2,410**	**3.70**	**17,673.66**	**25,187.07**
Addition During The Year						
1) Profit for the year					3,312.54	3,312.54
2) Other Comprehensive Income for the Year-						-
3) Depreciation amount of revaluation reserve charged in statement of profit and loss now reversed for 16-17					9.92	9.92
4) Securities Premium of ₹ 992 per share on issue of 1197604 equity shares		11,880.23				11,880.23
Deduction during The Year						
1) Exchange Difference on translation				(4.85)		(4.85)
2) Transfer to General Reserve			350.00	-	(350.00)	-
3) Final Dividend Paid (₹ 3 per share)					(358.87)	(358.87)
4) Tax on Dividend Paid					(73.06)	(73.06)
5) Expenses incurred on share issue		(257.18)	-			(257.18)
Balance as at 31st March 2017		**16,722.77**	**2,760.00**	**(1.15)**	**20,214.19**	**39,695.81**
Addition During The Year						
1) Profit for the year					5,256.07	5,256.07
2) Other Comprehensive Income/(loss) for the Year					(71.38)	(71.38)
3) Exchange Difference on translation				5.07		5.07
Deduction during The Year						
1) Transfer to General Reserve			520.00		(520.00)	-
2) Dividend Paid (₹ 8 per share)					(1,052.79)	(1,052.79)
3) Tax on dividend paid					(214.32)	(214.32)
Balance as at 31st March 2018	15	**16,722.77**	**3,280.00**	**3.92**	**23,611.77**	**43,618.46**
Significant Accounting Policies and Notes to financial Statements.	1 to 53					

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

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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

Consolidated Cash Flow Statement for the year ended 31.03.2018

(Amount ₹ in Lacs)

		2017-18		2016-17	
A	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit Before Tax As Per Statement of Profit and Loss		8,163.39		4,565.56
	Adjustments for				
	Depreciation & Amortization	4,432.59		3,922.66	
	Loss (Profit) on sale/discarded of Fixed Assets	5.20		(1.58)	
	Unrealised Foreign Exchange (Gain)/Loss	(15.32)		10.06	
	Provision for Bad & Doubtful Debts	28.92		22.98	
	Bad Debt written-off	35.33		20.06	
	Exceptional Item	(340.58)		1,418.86	
	Interest/Income on Fixed Deposit & Current Investment	(419.51)		(432.52)	
	Finance Costs	2,272.41	5,999.04	2,324.68	7,287.21
	Operating Profit before Working Capital Changes		14,162.43		11,852.77
	Adjustment for (Increase)/decrease in Operating Assets				
	Inventories	(3,784.62)		(3,629.45)	
	Trade Receivables	(1,617.63)		(1,745.74)	
	Other Current Financial and non-current assets	(1,571.28)	(6,973.53)	(227.16)	(5,602.35)
	Adjustment for Increase/(decrease) in Operating Liabilities				
	Trade Payable, Financial liabilities and provisions	6,930.02	6,930.02	(187.34)	(187.34)
	Cash Generated from Operating Activities		14,118.92		6,063.08
	Income Tax Paid (Including Tax Deducted at Source)	(1,650.76)	(1,650.76)	(1,504.04)	(1,504.04)
	Net Cash From Operating Activities		**12,468.16**		**4,559.04**
B	CASH FLOW FROM INVESTING ACTIVITIES:				
	Purchase of Fixed Assets (Net of Sales)	(11,545.37)		(11,584.49)	
	Other Investment	(11.16)		(0.99)	
	(Investment)/Redemption in Mutual Fund	6,699.91		(8,609.47)	
	Interest Received on Deposits	419.51		432.52	
	Net Cash (Used) in Investing Activities		**(4,437.11)**		**(19,762.43)**
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	Issue of Share Capital	-		119.76	
	Increase in Securities Premium Reserve (Net of Share Issue Expenses)	-		11,623.05	
	Dividend Paid	(1,052.79)		(358.87)	
	Corporate Dividend Distribution Tax Paid	(214.32)		(73.06)	
	Finance Costs Paid	(2,292.44)		(2,485.56)	
	Increase/(Decrease) in Long-Term Borrowing	(3,884.82)		3,909.79	
	Increase/(Decrease) in Short-Term Borrowing	(2,708.34)		4,585.34	
	Net Cash (used)/from Financing Activities		**(10,152.71)**		**17,320.45**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**(2,121.66)**		**2,117.06**
	Opening Balance of Cash & Cash Equivalents		2,292.60		182.03
	Closing Balance of Cash & Cash Equivalents		**176.65**		**2,292.60**
	Effect of Exchange Rate change Loss/(Gain)		(0.65)		1.64
	Effect of Foreign currency translation reserve		(5.07)		4.85
	Net Increase/(Decrease) in Cash & Cash equivalents		**(2,121.66)**		**2,117.06**

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

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
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/-
V. Sachdev
Prop.
(Membership No. 083435)

Place : Rai, Sonepat (HR.)
Date : 30/05/2018

Notes on Consolidated Financial Statements for the year ended 31.03.2018

1. General Information

Fiem Industries Limited ("The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. 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

(A) Statement of Compliance

The financial statement has been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Act.

Upto the year ended 31st March, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standard notified under the Companies (Accounting Standard) as amended from time to time and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is 1st April, 2016. Refer note for the details of first-time adoption exemption availed by the Company.

(AA) Accounting policies applicable in consolidated financial statements

(i) The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

(ii) Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities are translated at the closing rate at the date of that Balance Sheet

– income and expenses are translated at average exchange rates

– All resulting exchange differences are recognised in statement of profit & loss

(iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(v) In case of foreign subsidiaries being non-integral foreign operations, any exchange difference arising on consolidation is recognised in the Translation reserve.

(vi) The company has two wholly owned foreign subsidiary i.e. Fiem Industries Japan Co. Ltd. incorporated in Japan and Fiem (Thai) Design & Technology Co. Ltd incorporated in Thailand and two Joint Ventures i.e. Centro Ricerche FIEM HorustecH S.r.l. & Fiem Kyowa (HK) Mould Company Limited which have been considered for consolidation.

(B) Accounting Convention

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at end of each reporting period, as explained in the accounting polices mentioned below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(C) Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(D) 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;

Notes on Consolidated Financial Statements for the year ended 31.03.2018

(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

(E) Property, Plant and Equipment
Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes, and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes items directly attributable to the construction or acquisition of the items of property, plant and equipment. For qualifying assets borrowing costs are capitalised in accorance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets is provided on the same basis as-other property assets & commences when the assets are ready for their intended use.

Subsequent costs are included in the assets's carrying amount only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incuured.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate their cost, net of their residual values, over their useful life generally in accordance with that provided in the Schedule II to the Act. Moulds and dies & tools are depreciated over a period of 6 years.

Leasehold land is amortised over the primary period of lease

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1st April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Capital Work-in-Progress
Capital work-in-progress comprises the cost of property, plant and equipment 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. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

Capital Advances
Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

(F) Intangible Assets
Intangible assets acquired sepretary
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are aquired separately are carried at cost less accumulated impairment losses.

Deemed cost on transition to Ind AS
For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible Assets Under Development

Notes on Consolidated Financial Statements for the year ended 31.03.2018

Intangible Assets Under Development comprises the cost of intangible assets that are not yet ready for their intended use at the balance sheet date. Amortization is not charged on intangible assets under development.

(G) Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Investment in subsidiaries and Joint Ventures

Investment in subsidiaries and joint ventures are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Company recognises equity instruments at proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(H) 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.

(iii) Moulds, block & dies 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.

(v) 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.

(vi) 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.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

(vii) 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.

(viii) Excise duty in respect of inventories of finished goods manufactured in pre-GST i.e up to 30.06.2017 has been shown separately as a item of expense and included in valuation of inventories of finished goods.

(I) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for any trade discounts, volume rebates & others similar allowances.

Sale of Goods

The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership of the goods 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.

Revenue from operation up to 30.06.2017 includes excise duty but excludes value added taxes.

Rendering of Services

Service income is recognised as per the terms of contracts/arrangements when related services are performed.

Insurance Claim

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.

Dividend and Interest Income

Dividend income from investments is recognized when the right to receive the dividend is established at the Balance Sheet date.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(J) 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.

(K) Foreign Currency Transactions

Functional and Presentation Currency

The functional currency of the Company is Indian rupee.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

Non-monetary items denominated in foreign currency such as investments, fixed assets, inventories etc., are valued at the exchange rate prevailing on the date of transaction.

Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(L) Research and Development

Revenue expenditure pertaining to reserch is charged to Statement of Profit and Loss . Development costs of products expenses are capitalized when the Company is certain to recover the development cost from future economic benefits. Property, plant and equipment utilized for research and development are capitalized and depreciated/amortised in accordance with the policies stated for property, plant and equipment & intangible assets.

(M) 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 etc. 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:

Provident Fund & Employee State Insurance

Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

Earned Leave

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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Exide Life Insurance Company under its Company's Gratuity Scheme.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in statement of profit or loss.

(N) Provisions and Contingent Liabilities

Provision

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. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate the reflects current market assessment of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

(O) Taxation

Income Tax espense represent the sum of the tax currently payble and deferred tax

Current Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred Income Tax

Deferred income tax is recognised using the balance sheet approach. Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corrosponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset relised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The mesurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when they relate to income taxes levied by the same taxation authority and the relevant entilty intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future econmic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current and Deferred Tax For The Year

Notes on Consolidated Financial Statements for the year ended 31.03.2018

Current and deferred tax are recognised in profit or loss, except when they relate to item that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity repectively.

(P) Borrowing Cost

Borrowing costs are interest and other costs that incurs in connection with the borrowing of funds and include interest expense calculated using the effective interest method as described in Ind AS 39 Financial Instruments: Recognition and Measurement, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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.

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.

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.

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.

Long term foreign currency monetary items

The Company has availed the exemption of continuing the policy adopted for accounting for exchage differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(Q) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets's fair value less costs of disposal and value in use. For the purpose of assesssing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffuered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(R) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS-7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

(S) 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.

(T) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective. 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.

(u) 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.

(v) Earnings Per Share

The Basic and Diulated Earnings Per Share ("EPS") is computed by dividing the profit after tax (loss) 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 (loss) 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.

(w) 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

(x) Dividends

Final dividends on equity shares are recorded on the date of approval by the shareholders of the Company.

First time adoption of Ind AS on Consolidated Financial Statement

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its consolidated financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

a) Balance Sheet as at 1st April, 2016 (Transition date);

b) Balance Sheet as at 31st March, 2017;

c) Statement of Profit and Loss for the year ended 31st March, 2017; and

d) Statement of Cash flows for the year ended 31st March, 2017.

EXEMPTIONS AVAILED:

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

A **Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognized in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

B **Investments in subsidiaries and Joint Ventures**

The carrying amounts of the Company's investments in its subsidiary and jointly controlled entities as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

Effect of Ind AS Adoption on the Consolidated Balance Sheet

(Amount ₹ in Lacs)

	Note No.	CONSOLIDATED B.S. AS AT 31.03.17				CONSOLIDATED B.S. AS AT 01.04.16			
		Previous GAAP	Effect of Transition to IND AS	Joint Venture Consolidation changes (See Note 6)	IND AS	Previous GAAP	Effect of Transition to IND AS	Joint Venture Consolidation changes (See Note 6)	IND AS
ASSETS									
1 NON CURRENT ASSETS									
(a) Property, Plant and Equipment	1	49,206.99	(1,352.74)	(0.12)	47,854.13	41,532.11	(1,362.66)	(0.32)	40,169.13
(b) Capital work-in-progress		562.67			562.67	1,159.01			1,159.01
(c) Intangible assets		79.23		(10.98)	68.25	61.89		(17.03)	44.86
(d) Intangible assets under development					-				-
(e) Financial Assets					-				-
(i) Investments		3.00		25.71	28.71	3.00		26.91	29.91
(ii) Trade receivables		1,056.50			1,056.50	869.41		(1.14)	868.27
(iii) Loans		701.69			701.69	580.51			580.51
(iv) Other Financial Assets		198.38			198.38	0.46			0.46
(f) Income tax assets (net)		425.44			425.44	-			-
(g) Other non-current assets		636.88		(1.09)	635.80	559.33		(0.75)	558.58
Total Non Current Assets		**52,870.78**	**(1,352.74)**	**13.53**	**51,531.56**	**44,765.73**	**(1,362.66)**	**7.67**	**43,410.74**
2 CURRENT ASSETS									
(a) Inventories		10,242.49			10,242.49	6,613.04			6,613.04
(b) Financial Assets									-
(i) Investments	2	8,332.71	276.76		8,609.47	-			-
(ii) Trade receivables		11,980.79		(36.07)	11,944.72	11,860.37		(10.96)	11,849.41
(iii) Cash and cash equivalents		2,301.57		(8.97)	2,292.60	193.28		(11.25)	182.03
(iv) Bank balances other than (iii) above		12.95			12.95	258.97			258.97
(v) Loans		49.19			49.19	35.75			35.75
(vi) Other Financial Assets	2	344.17	(276.76)		67.41	96.05			96.05
(c) Current Tax Assets (Net)									-
(d) Other current assets		2,213.40		(13.94)	2,199.45	2,053.00		(11.20)	2,041.80
Total Current Assets		35,477.26	-	(58.99)	35,418.28	21,110.46	-	(33.41)	21,077.05
TOTAL ASSETS		**88,348.04**	**(1,352.74)**	**(45.46)**	**86,949.84**	**65,876.19**	**(1,362.66)**	**(25.74)**	**64,487.79**
EQUITY AND LIABILITIES									
1 EQUITY									
(a) Equity Share capital		1,315.98			1,315.98	1,196.22			1,196.22
(b) Other Equity	1,3	41,048.56	(1,352.74)		39,695.81	26,117.81	(930.74)		25,187.07
Total Equity		**42,364.54**	**(1,352.74)**		**41,011.80**	**27,314.03**	**(930.74)**		**26,383.29**
LIABILITIES									
2 NON CURRENT LIABILITIES									
(a) Financial Liabilities									
(i) Borrowings		11,947.02			11,947.02	9,085.22			9,085.22
(ii) Trade payables					-				-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		257.89			257.89				-
(b) Provisions		267.28		(0.31)	266.97	847.83		(1.49)	846.34
(c) Deferred tax liabilities (Net)		3,249.57			3,249.57	2,965.39			2,965.39
(d) Other non-current liabilities		10.90		(10.90)	-	4.54		(4.54)	-
Total Non Current Liabilities		**15,732.65**	**-**	**(11.21)**	**15,721.44**	**12,902.97**	**-**	**(6.03)**	**12,896.95**
3 CURRENT LIABILITIES									
(a) Financial Liabilities									
(i) Borrowings		6,415.16			6,415.16	1,829.82			1,829.82
(ii) Trade payables									-
- Micro and Small Enterprises		111.86			111.86	89.70			89.70
-Other than Micro and Small enterprises		14,936.69		(5.70)	14,930.99	15,005.88		(4.58)	15,001.31
		15,048.55		**(5.70)**	**15,042.85**	**15,095.59**		**(4.58)**	**15,091.01**
(iii) Other financial liabilities (other than those specified in item (c)		6,659.39			6,659.39	6,079.32			6,079.32
(b) Other current liabilities		1,745.03		(28.54)	1,716.48	1,823.81		(15.12)	1,808.68
(c) Provisions	3	379.01			379.01	654.07	(358.87)	(0.01)	295.19
(d) Current Tax Liabilities (Net)	3	3.71	-		3.71	176.58	(73.06)		103.53
Total Current Liabilities		**30,250.85**	**-**	**(34.25)**	**30,216.60**	**25,659.18**	**(431.92)**	**(19.71)**	**25,207.55**
TOTAL LIABILITIES		**45,983.50**	**-**	**(45.46)**	**45,938.04**	**38,562.16**	**(431.92)**	**(25.74)**	**38,104.50**
TOTAL EQUITY AND LIABILITIES		**88,348.04**	**(1,352.74)**	**(45.46)**	**86,949.84**	**65,876.19**	**(1,362.66)**	**(25.74)**	**64,487.79**

Effect of Ind AS Adoption on the Statement of Consolidated Profit and loss

for the year ended 31.03.17

(Amount ₹ in Lacs)

	INDIAN GAAP- Previous Year 2016-17	Effect to IND AS transition Note No.		Joint Venture Consolidation change (See Note 6)	IND AS Previous Year 2016-17
I. INCOME					
a) Net Sales	1,00,987.58	4	11,341.23	(90.21)	1,12,238.60
b) Operating Income	895.76		-	-	895.76
Revenue from Operations	1,01,883.34		11,341.23	(90.21)	1,13,134.36
c) Other Income	470.90		-		470.90
TOTAL INCOME (A)	**1,02,354.24**		11,341.23	**(90.21)**	**1,13,605.25**
II. EXPENSES					
a) Cost of Raw Materials and Components Consumed	57,600.00		-		57,600.00
b) Purchase of Stock-in-Trade	3,132.45		-		3,132.45
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	(2,042.99)		-		(2,042.99)
d) Excise duty on sales	-	4	11,671.20		11,671.20
e) Employees benefits Expenses	14,612.21	5	10.15	(33.17)	14,589.19
f) Finance Costs	2,326.58		-	(1.90)	2,324.68
g) Depreciation and amortization Expense	3,928.91		-	(6.25)	3,922.66
h) Other Expenses	16,802.71	4	(329.97)	(49.10)	16,423.63
TOTAL EXPENSES (B)	**96,359.87**		**11,351.38**	**(90.42)**	**1,07,620.83**
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (A-B)	**5,994.37**		**(10.15)**	**0.21**	**5,984.42**
Exceptional Item	1,418.86		-	-	1,418.86
PROFIT FOR THE YEAR BEFORE TAX	**4,575.50**		**(10.15)**	**0.21**	**4,565.56**
TAX EXPENSES					
Current Tax (Mat Payable)	978.78	5	(2.81)		975.97
Less : MAT Credit Entitlement	707.99		-		707.99
a) Current Tax Expense	270.78		(2.81)		267.97
b) Deferred Tax Liability/ (Assets)	992.18		-		992.18
	1,262.96		(2.81)		1,260.15
PROFIT AFTER TAX FOR THE YEAR (A)	**3,312.54**		**(7.34)**		**3,305.41**
ADD:- SHARE OF PROFIT/(LOSS) OF ASSOCIATES	**-**		-		**(0.21)**
PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT/(LOSS) OF ASSOCIATE	**3,312.54**				**3,305.20**
OTHER COMPREHENSIVE (LOSS)/INCOME					
1 a) Items that will not be reclassifed subsequently to the statement of profit and loss					
1) Remeasurement of defined benefit plans	-	5	10.15		10.15
Tax effect of above	-		(2.81)		(2.81)
	-		7.34		7.34
2 b) Items that will be reclassifed subsequently to the statement of profit and loss	-		**-**		-
TOTAL OTHER COMPREHENSIVE INCOME (B=1+2)	**-**				**7.34**
TOTAL COMPREHENSIVE INCOME (NET OF TAX) A+B	**3,312.54**				**3,312.54**

A Reconciliation of Total Comprehensive Income for the year ended 31st March, 201 7

(Amount ₹ in Lacs)

Nature of Adjustments	Footnotes	For the year ended 31.03.17
Net profit as per Previous GAAP		**3,312.54**
Remeasurment benefit of Net Defined Benefit Plans	5	(7.34)
Net profit as per Ind AS		3,305.20
Other Comprehensive Income (Net of Tax)	5	7.34
Total Comprehensive Income as per Ind AS		**3,312.54**

B Reconciliation of Equity as at 31.03.17 and 01.04.2016

(Amount ₹ in Lacs)

Nature of Adjustments	Footnotes	As at 31.03.17	As at 01.04.16
Equity as per Previous GAAP		42,364.54	27,314.03
Adjustments of Revaluation Reserve	1	(1,352.74)	(1,362.66)
Adjustments of Proposed dividend	3	-	431.92
		41,011.80	**26,383.29**

C Effect of Ind AS adoption on the Statement of Cash Flows For the year Ended 31.03.17

There are no material adjustments of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31 March 2017

FOOTNOTES

1 Revaluation reserve

Since ,the Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognized in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet hence the revaluation reserve has been adjusted against the net block of Property Plant and Equipment.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Property, Plant and Equipment	Decrease	(1,382.50)	(1,382.50)	-
Property, Plant and Equipment	Increase	29.76	19.84	-
Other Equity	Decrease	(1,382.50)	(1,382.50)	-
Other Equity	Increase	29.76	19.84	-

2 Fair Value of Investments

In the financial statements prepared under Previous GAAP, Current Investments of the Company were measured at lower of cost or fair value. Under Ind AS, these investments have to be valued at their fair value.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Current Investment	Increase	276.76	-	-
Other Financial Assets	Decrease	(276.76)	-	-

3 Proposed Dividend and Provision for Corporate Dividend Tax

Under Previous GAAP, proposed dividends and related dividend distribution tax was recognized as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognized as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company. As per the companies accounting standard amendment rules 2016 , the effect of same as been done in the financial statement as at 31.03.17, however the effect of same as on transition date i.e 01.04.16 is incorporated now.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Provisions	Decrease	-	(358.87)	-
Current Tax Liabilities (Net)	Decrease	-	(73.06)	-
Other Equity	Increase	-	431.92	-

4 A) EXCISE DUTY ON SALES

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Increase	-	-	11,671.20

B) DISCOUNTS

Under Previous GAAP, revenue was recognized net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognized at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include rebates, price reductions and incentives given to customers, promotional couponing and trade communication costs which have been reclassified from 'administrative and selling expenses' under Previous GAAP and netted from revenue under Ind AS.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Decrease	-	-	(329.97)

CUMULATIVE EFFECT OF THE ABOVE TWO

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Sales	Increase	-	-	11,341.23

5 Remeasurment of Defined benefit Plans

a) In the financial statements prepared under Previous GAAP, measurement benefit of defined plans , arising primarily due to change in actuarial assumptions was recognized as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such measurement benefits relating to defined benefit plans is recognized in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognized in OCI.

(Amount ₹ in Lacs)

Particulars	Effect	Balance sheet		Statement of Profit and Loss
		As at 31.03.17	As at 01.04.16	Year ended 31.03.17
Employees cost	Increase	-	-	10.15
Other Comprehensive Income	Increase	-	-	10.15
Tax effect				(2.81)
Other Comprehensive Income (Net of Tax effect)				**7.34**

6 50% Joint venture company Consolidation method changed from Proportionate Consolidation method to Equity method as per Ind-AS -28 "Interest in associates and Joint Ventures

Under Previous GAAP, the investment in the 50:50 Joint venture in Centro Richerche Fiem Horustech (CRFH) was proportionately consolidated in the consolidated Financial statement as per Proportionate Consolidation Method. However Under Ind AS , the investment in CRFH is required to be measured using the equity method instead of Proportionate Consolidation Method as per IND AS-28 "Interest in associates and Joint Ventures". For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the Group had previously proportionately consolidated.

Derecognition of proportionate consolidation in the JV has resulted in change in Balance Sheet, Statement of Profit and Loss and cash flow statement which is reflected line by line in the reconciliation i.e effect of IND AS transition.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL-WORK-IN-PROGRESS

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Nature of Assets	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land Free hold (Note-1)	3,268.51	366.90	-	3,635.40	-	-		-	3,635.40	3,268.51
Land Lease hold	1,843.43	-		1,843.43	161.36	25.27		186.63	1,656.80	1,682.07
Buildings	17,105.95	2,715.56	390.11	19,431.40	2,384.37	603.71	93.67	2,894.41	16,537.00	14,721.58
Plant & Equipment	40,416.88	8,598.09	1,673.54	47,341.43	15,602.04	3,065.49	642.61	18,024.92	29,316.51	24,814.84
Furniture & Fixtures	1,919.00	614.69	40.22	2,493.47	704.24	182.60	18.65	868.18	1,625.29	1,214.77
Motor Vehicles	1,787.80	383.01	150.23	2,020.58	840.61	213.18	130.64	923.15	1,097.43	947.18
Office Equipment	520.41	126.58	4.99	641.99	332.96	64.24	0.55	396.66	245.33	187.44
Electrical Installation	1,785.68	321.56	88.47	2,018.78	865.70	155.07	38.71	982.07	1,036.71	919.98
Computer	544.35	75.48	10.36	609.47	446.61	59.59	6.45	499.75	109.73	97.75
Total	**69,192.02**	**13,201.86**	**2,357.91**	**80,035.97**	**21,337.90**	**4,369.15**	**931.28**	**24,775.76**	**55,260.21**	**47,854.13**
Previous Year	57,661.24	11,562.16	31.38	69,192.02	17,492.11	3,878.95	33.17	21,337.90	47,854.13	
Capital work-in-progress	**562.67**	**560.98**	**562.67**	**560.98**					**560.98**	**562.67**

NOTES:

1. Gross block to land free hold includes an amount of ₹ 18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company

3.INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				AMORTIZATION				NET BLOCK	
Nature of Assets	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	For the Year	Deductions	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Software	247.14	73.65	-	320.79	185.18	51.13	-	236.30	84.49	61.96
Technical Know-how	31.12	40.24	31.12	40.24	24.89	12.26	31.12	6.04	34.20	6.22
Trademarks	0.32	-	0.32	-	0.26	0.06	0.32	-	-	0.06
Total	**278.58**	**113.89**	**31.44**	**361.03**	**210.33**	**63.45**	**31.44**	**242.34**	**118.69**	**68.25**
Previous Year	211.48	67.10	-	278.58	166.62	43.71	-	210.33	68.25	-
Intangible assets under development	**-**	**130.81**	**-**	**130.81**					**130.81**	**-**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL-WORK-IN-PROGRESS

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				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
Land Free hold (Note-1)	1,984.28	1,284.23	-	3,268.51	-	-		-	3,268.51	1,984.28
Land Lease hold	1,843.43	-		1,843.43	136.34	25.02		161.36	1,682.07	1,707.09
Buildings	13,349.38	3,756.58	-	17,105.95	1,933.31	460.98	9.92	2,384.37	14,721.58	11,416.07
Plant & Equipment	34,632.11	5,790.01	5.24	40,416.88	12,817.39	2,784.65	-	15,602.04	24,814.84	21,814.71
Furniture & Fixtures	1,535.81	383.20	-	1,919.00	545.48	158.76	-	704.23	1,214.77	990.33
Motor Vehicles	1,763.70	49.44	25.34	1,787.80	669.18	194.33	22.90	840.61	947.19	1,094.51
Office Equipment	441.11	79.29	-	520.40	283.03	49.93	-	332.96	187.44	158.08
Electrical Installation	1,618.05	167.63	-	1,785.68	713.39	152.32	-	865.70	919.98	904.67
Computer	493.38	51.78	0.81	544.35	393.99	52.96	0.35	446.61	97.74	99.39
Total	**57,661.24**	**11,562.16**	**31.38**	**69,192.02**	**17,492.11**	**3,878.95**	**33.17**	**21,337.90**	**47,854.13**	**40,169.13**
Previous Year	46,303.48	11,480.70	122.94	57,661.24	14,296.17	3,276.83	80.89	17,492.11	40,169.13	
Capital work-in-progress	**1,159.01**	**562.67**	**1,159.01**	**562.67**					**562.67**	**1,159.01**

NOTES:

1. Gross block to land free hold includes an amount of ₹ 18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company

3.INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount ₹ in Lacs)

Particulars	GROSS BLOCK				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
Computer Software	180.04	67.10	-	247.14	147.75	37.42	-	185.18	61.96	32.29
Technical Know-how	31.12	-	-	31.12	18.67	6.22	-	24.89	6.22	12.45
Trademarks	0.32	-	-	0.32	0.19	0.06	-	0.26	0.06	0.13
Total	**211.48**	**67.10**	**-**	**278.58**	**166.62**	**43.71**	**-**	**210.33**	**68.25**	**44.86**
Previous Year	187.31	24.17	-	211.48	139.71	26.91	-	166.62	44.86	-
Intangible Assets Under Development	**-**	**-**	**-**	**-**					**-**	**-**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

4. NON - CURRENT INVESTMENTS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.2016	
UNQUOTED EQUITY SHARES (At cost)						
1 In Joint Venture (JV)						
a) 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 0.40 Lacs Euros. (Previous Year 0.40 Lacs Euros)	24.61			25.71		26.91
b) Fiem Kyowa (HK) Mould Company Limited						
Company incorporated in Hong Kong on 50:50 basis with Kyowa Co., ltd. Japan. Investment of 1 Lac Hongkong Dollar for 1,000 fully paid shares of 100 Hong Kong dollar each (Prevous year -Nil)	8.08					
		32.69				
2 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		2.00		2.00	
b) Elcina Electronic Manufacturing (p) Ltd.						
10,000 (P. Y. 10,000) equity shares of ₹ 10 each fully paid up	1.00		1.00		1.00	
		3.00		3.00		3.00
TOTAL		35.69		28.71		29.91

5. TRADE RECEIVABLES

(Unsecured but considered Good)

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Retention money with Customers (Unsecured but considered good)	124.90	1,056.50	868.27	-		
b) Trade receivables (Unsecured)						
Considered Good			-	14,433.59	11,944.72	11,849.41
Considered Doubtful			-	93.17	64.25	41.27
Total			-	14,526.75	12,008.97	11,890.68
Less:- Provision for Doubtful Debts	-	-	-	93.17	64.25	41.27
TOTAL	124.90	1,056.50	868.27	14,433.59	11,944.72	11,849.41

Notes on Consolidated Financial Statements for the year ended 31.03.2018

6. LOANS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Loan to employees	37.19	29.49	37.69	36.47	30.04	25.90
b) Security deposit	717.29	672.20	542.82	21.73	19.15	9.85
TOTAL	**754.48**	**701.69**	**580.51**	**58.19**	**49.19**	**35.75**

7. OTHER FINANCIAL ASSETS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Term deposit with more than 12 months maturity	2.85	198.38	0.46	-	-	-
b) Income accrued on deposits	1.68	-	-	43.20	30.31	34.66
c) Subsidy Receivables	-	-	-	-	28.02	58.14
d) Insurance Claim Recoverable	-	-	-	2,607.18	-	-
e) Export Incentive Receivables	-	-	-	114.03	9.08	3.25
f) Other Advances recoverable	-	-	-	20.51	-	-
TOTAL	**4.53**	**198.38**	**0.46**	**2,784.92**	**67.41**	**96.05**

8. INCOME TAX ASSETS (NET)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Advance tax (Net of Provision for Tax)	453.31	425.44	-
TOTAL	**453.31**	**425.44**	**-**

9. OTHER ASSETS

Unsecured but considered Good

(Amount ₹ in Lacs)

Particulars	NON CURRENT			CURRENT		
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
a) Capital Advances	1,138.74	615.11	529.49	-		
b) Advances other than capital advances						
i) Advances to Suppliers	-	-	-	811.83	596.78	698.04
ii) Balance with Customs or Excise/GST balances	-	-	-	537.89	1,454.54	1,181.25
iii) Prepaid Expenses	4.56	20.69	29.09	138.88	108.20	122.54
iv) Other Advances/claims recoverable in cash or in kind	-	-	-	29.68	39.93	39.98
TOTAL	**1,143.29**	**635.80**	**558.58**	**1,518.28**	**2,199.45**	**2,041.80**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

10. INVENTORIES

(As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value) (Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Raw Materials and Components	6,663.76		5,142.90		3,540.34	
b) Raw Materials and Components in transit	53.01		123.20		162.96	
c) Work in Progress	3,882.22		2,902.69		821.20	
d) Finished Goods	3,134.68		1,804.80		1,537.78	
e) Stock in trade (Mould, Tools and Dies)	-		-		293.34	
f) Stock in trade (Others)	0.14		22.10		34.28	
g) Stores and Spares (including Packing Material)	293.11		241.33		218.93	
h) Stores and Spares (including Packing Material) in transit	0.18		5.46		4.21	
		14,027.11		10,242.49		6,613.04
TOTAL		**14,027.11**		**10,242.49**		**6,613.04**

11. CURRENT INVESTMENTS [INVESTMENTS IN MUTUAL FUNDS]

(Amount ₹ in Lacs)

Particulars		AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
INVESTMENT IN LIQUID MUTUAL FUNDS (QUOTED)							
1	HDFC BANKING AND PSU DEBT FUND- REGULAR PLAN (GROWTH)		-		1,561.43		-
	(Nil Unit as on 31.03.18, 1,18,15,675.463 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹10 each)						
2	KOTAK INCOME OPPORTUNITIES-REGULAR PLAN (GROWTH)		1,909.56		2,594.52		-
	(99,84,448.177 Unit as on 31.03.18, 1,44,58,875.76 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹10 each)						
3	RELIANCE SHORT TERM FUND (GROWTH)		-		1,353.78		-
	(Nil Unit as on 31.03.18, 43,93,001.50 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
4	SBI SAVING FUND-REGULAR PLAN (GROWTH)		-		27.07		-
	(Nil Unit as on 31.03.18, 1,06,80,852 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
5	SBI SHORT TERM DEBT FUND-REGULAR PLAN (GROWTH)		-		1,560.17		-
	(Nil Unit as on 31.03.18, 82,54,457.41 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹10 each)						

Notes on Consolidated Financial Statements for the year ended 31.03.2018

11. CURRENT INVESTMENTS [INVESTMENTS IN MUTUAL FUNDS](Contd.)

(Amount ₹ in Lacs)

Particulars		AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
6	SBI DYNAMIC BOND FUND- REGULAR PLAN (GROWTH)		-		1,512.50		-
	(Nil Unit as on 31.03.18, 73,42,994.97 units as on 31.03.17, Nil Units as on 01.04.16 face Value of ₹ 10 each)						
			1,909.56		**8,609.47**		**-**
	Aggregate value of unquoted investments		-		-		-
	Aggregate value of quoted investments		1,909.56		8,609.47		-
	Market value of quoted investments		1,909.56		8,609.47		-
	Aggregate value of diminition other than temporary in value of investments		-		-		-

12. CASH AND CASH EQUIVALENTS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Balances with Banks in current account		116.76		93.76		115.26
b) Deposits with original maturity of less than three months		14.25		2,037.08		29.36
c) Cash on Hand		45.64		38.87		37.41
d) Remittance Money In Transit		-		122.88		
TOTAL		**176.65**		**2,292.60**		**182.03**

13. OTHER BANK BALANCES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
1) Unpaid Dividend Account	2.85		3.46		8.59	
2) Margin money deposit with original maturity for more than 3 months but less than 12 months	40.11		9.49		250.38	
		42.95		12.95		258.97
TOTAL		**42.95**		**12.95**		**258.97**

14. EQUITY SHARE CAPITAL

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
Authorised						
3,00,00,000 (as at 31.03.17 and as at 01.04.2016 -3,00,00,000) Equity shares of ₹ 10 each		3,000.00		3,000.00		3,000.00
Issued, Subscribed and Paid-up						
1,31,59,830 (as at 31.03.17- 1,31,59,830, as at 01.04.2016 1,19,62,226) Equity Shares of ₹ 10/- each fully paid up		1,315.98		1,315.98		1,196.22
TOTAL		**1,315.98**		**1,315.98**		**1,196.22**

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.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

14. EQUITY SHARE CAPITAL (Contd.)

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 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
	No of shares	% held	No of shares	% held	No of shares	% held
1) J.K. Jain	29,60,000	22.49%	29,60,000	22.49%	29,60,000	24.74%
2) Seema Jain	29,60,000	22.49%	29,60,000	22.49%	29,60,000	24.74%
3) Rahul Jain	15,52,340	11.80%	15,52,340	11.80%	15,52,340	12.98%
4) Aanchal Jain	8,00,000	6.08%	8,00,000	6.08%	8,00,000	6.69%
5) Saif India V Fii Holdings Limited	9,62,081	7.31%	7,92,617	6.02%	-	-

c) Reconciliation of Number of Shares

Equity shares	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
	No of shares	Amount (In ₹ Lacs)	No of shares	Amount (In ₹ Lacs)	No of shares	Amount (In ₹ Lacs)
Opening Balance	1,31,59,830	1,315.98	1,19,62,226	1,196.22	1,19,62,226	1,196.22
Issued During the Year *	-	-	11,97,604	119.76	-	-
Closing balance	1,31,59,830	**1,315.98**	1,31,59,830	**1,315.98**	1,19,62,226	**1,196.22**

*During previous year FY 16-17 The Company has issued and allotted 11,97,604 equity shares on private placement basis to Qualified Institutional Buyers on September 20,2016.

15. OTHER EQUITY

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
SECURITIES PREMIUM RESERVE						
As Per Last Balance Sheet	16,722.77		5,099.72		5,099.72	
Add:- Addition during Fy 16-17-Premium of ₹992 on issue of 11,97,604 equity shares	-		11,880.23		-	
Less :- Expenses incurred on issue of share during FY 16-17	-		(257.18)		-	
Closing balance		16,722.77		16,722.77		5,099.72
GENERAL RESERVE						
As Per Last Balance Sheet	2,760.00		2,410.00		1,835.00	
Add :- Transferred from Surplus in the statement of Profit and Loss	520.00		350.00		575.00	
Closing balance		3,280.00		2,760.00		2,410.00
TRANSLATION RESERVE		3.92		(1.15)		3.70
SURPLUS -OPENING BALANCE	20,214.19		17,673.65		13,215.38	
Add :- Depreciation Portion of Revaluation Transfer	-		9.92		19.84	
Add:- Total comprehenshive income transferred from Statement of Profit and Loss	5,184.69		3,312.54		5,733.30	
Amount Available for Appropriation	25,398.88		20,996.11		18,968.52	
Less :- Appropriations						
i) Interim Dividend paid	-		-		598.11	
ii) Corporate Dividend Tax Paid on Interim Dividend	-		-		121.76	
iii) Final Dividend Paid	1,052.79		358.87		-	

Notes on Consolidated Financial Statements for the year ended 31.03.2018

15. OTHER EQUITY (Contd.)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
iv) Corporate Dividend Tax Paid on Final Dividend	214.32		73.06		-	
v) Transfer to General Reserve	520.00		350.00		575.00	
	1,787.11		781.92		1,294.87	
SURPLUS -CLOSING BALANCE		23,611.77		20,214.19		17,673.65
TOTAL		**43,618.46**		**39,695.81**		**25,187.07**

Description of nature and purpose of each reserve

1 General Reserve - General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

2 Securities premium reserve is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the Companies Act, 2013.

16. NON-CURRENT BORROWINGS

(Amount ₹ in Lacs)

Particulars	NON CURRENT PORTION			CURRENT MATURITIES		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
(A) SECURED LOANS						
1) TERM LOANS FROM BANKS						
a) Indian Rupee Loan	1,000.00	1,462.50	2,620.50	400.00	1,158.00	1,455.33
b) Foreign Currency Loan	7,467.91	10,329.99	6,141.88	2,894.83	2,817.55	1,436.81
	8,467.91	**11,792.49**	**8,762.38**	**3,294.83**	**3,975.55**	**2,892.14**
2) VEHICLE LOANS						
a) from Banks	174.95	61.24	151.99	128.73	107.95	125.56
b) from Others	7.48	93.29	170.85	85.81	77.56	70.15
	182.43	154.52	322.84	214.54	185.51	195.72
TOTAL	**8,650.34**	**11,947.02**	**9,085.22**	**3,509.37**	**4,161.06**	**3,087.86**

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

a) **From Citibank:-** Loan outstanding as at 31.03.18 - NIL (31.03.17- Nil, 01.04.16 - ₹97.33 Lacs) 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 FY 16-17

b) **From State bank of Patiala:-** Loan outstanding as on 31.03.18 - NIL (31.03.17- ₹ NIL , 01.04.16- ₹400 lacs). 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 16-17

c) **From Axis Bank:-** Loan outstanding as on 31.03.18- NIL, (31.03.17 ₹ 508 Lacs - 0,1.04.16- ₹1016 lacs) :- The loan was for 7 years and had quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The interest rate was 10.10% p.a.. The Loan was 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. The loan has been fully repaid during the FY 17-18

d) **HSBC Bank:-** Loan -1 Outstanding as on 31.03.18- NIL (31.03.17 ₹312.50 lacs , 01.04.16 - ₹562.50 lacs) The Loan was for 5 year and had quarterly equal repayment beginning after moratorium period of 1 year. Interest was monthly payable. The loan carried fixed interest rate of 10% p.a.. The Loan was 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. The loan has been fully repaid during FY 17-18

e) **HSBC Bank:-** Loan -2 Outstanding as on 31.03.18 is ₹1400 lacs, (31.03.17 ₹1800 lacs, 01.04.16- ₹2000 lacs) 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

Notes on Consolidated Financial Statements for the year ended 31.03.2018

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

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) **From Citibank:-** FCNR Term Loan -1 outstanding as on 31.03.18 -₹ NIL (31.03.17 ₹ 304.69 lacs, 01.04.16 ₹ 500 lacs) 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 fully hedged interest cost of 10.60% p.a. The Loan was 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. The loan has been fully repaid during the FY 17-18

b) **From Citibank:-** FCNR Term Loan -2 outstanding as on 31.03.18 - ₹920.93 Lacs, as on 31.03.17- ₹1442.61 lacs (as on 1.04.16 ₹ 1875 lacs) 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 31.03.18- ₹2709.74 lacs , as on 31.03.17- ₹3376.47 lacs (as on 1.04.16 - ₹ 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 31.03.18- NIL, 31.03.17 - NIL (01.04.16 - ₹ 276.19 lacs). 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 31.03.18- ₹3235.94 lacs, as on 31.03.17 - ₹ 3566.12 lacs (as on 1.04.16 ₹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 31.03.18- ₹3496.13 lacs, as on 31.03.17- ₹ 4457.65 lacs , as on 1.04.16 ₹4927.50 lacs . 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 31.03.18- 396.97 lacs, as on 31.03.17 ₹340.03 lacs (as on 01.04.16- ₹518.56 lacs) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8.50% p.a.to 11.00% p.a.

(Amount ₹ in Lacs)

	1-2 years	2-3 years	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	3,282.95	2,830.89	2,162.50	374.00

17. OTHER FINANCIAL LIABILITIES- NON CURRENT

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Derivative Liability -Long term		186.81		257.89		-
TOTAL		**186.81**		**257.89**		**-**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

18. PROVISIONS

(Amount ₹ in Lacs)

Particulars	NON-CURRENT			CURRENT		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
1 Provision for Retirement Benefits						
a) Leave Encashment	299.34	266.97	231.16	78.53	73.00	63.94
b) Gratuity	85.62	-	10.96	111.29	58.51	49.39
2 Provision for Warranties	-	-	604.23	61.55	45.52	41.68
3 Excise Duty	-	-	-	-	201.98	140.18
TOTAL	**384.96**	**266.97**	**846.34**	**251.38**	**379.01**	**295.19**

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 31.03.18 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.

Particulars	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
Opening Balance	45.52	645.91	49.26
Addition	61.55	45.52	645.91
Utilization	45.52	116.97	23.51
Reversal	-	528.94	25.75
Closing Balance	**61.55**	**45.52**	**645.91**
Current Portion	61.55	45.52	41.68
Non Current Portion	-	-	604.23

19. CURRENT BORROWINGS

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 1.04.16
SECURED LOANS			
Cash Credit/Working Capital Loans repayable on demand from Banks			
Indian Rupee Loan	3,706.82	6,415.16	1,829.82
TOTAL	**3,706.82**	**6,415.16**	**1,829.82**

Indian Rupee Loan includes

a) **From Citibank NA :-** Loan outstanding as at 31.03.18- ₹1885.68 lacs, as on 31.03.17 ₹ 2220.20 lacs (1.04.16 - ₹104.43 lacs) 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 31.03.18- ₹1275.75 lacs, as on 31.03.17 is ₹2717.80 lacs (01.04.16 ₹728.01 lacs) 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 31.03.18- ₹545.39 lacs , as on 31.03.17 ₹1477.16 lacs (as on 01.04.16 - ₹997.38 lacs) 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 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.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

19. CURRENT BORROWINGS (Contd.)

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 tax.

20. CURRENT TRADE PAYABLES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
- Micro and Small enterprises	159.11		111.86		89.70	
-Other than Micro and Small enterprises	21,794.65		14,930.99		15,001.31	
		21,953.76		15,042.85		15,091.01
TOTAL		**21,953.76**		**15,042.85**		**15,091.01**

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,

21. OTHER FINANCIAL LIABILITIES- CURRENT

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Trade Security Deposits		246.54		216.25		194.47
b) Current Maturity of Long- term debt	3,509.37		4,161.06		3,087.86	
Add/(Less) Derivative liability Short Term	38.34		(25.21)		-	
		3,547.71		4,135.85		3,087.86
c) Interest accrued		59.93		79.96		103.06
d) Liabilities for Expenses		1,484.23		1,152.96		1,000.98
e) Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		2.85		3.46		8.59
f) Creditors for Capital Expenditure		2,072.61		1,070.92		1,684.36
TOTAL		**7,413.86**		**6,659.39**		**6,079.32**

22. OTHER CURRENT LIABILITIES

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
a) Advances received from Customers		627.28		1,005.00		1,191.36
b) Statutory Dues payable		934.51		711.48		617.32
TOTAL		**1,561.79**		**1,716.48**		**1,808.68**

23. CURRENT TAX LIABILITIES (NET)

(Amount ₹ in Lacs)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 1.04.16	
Provision for Income tax (Net of advance tax)	109.27		3.71		103.53	
TOTAL		**109.27**		**3.71**		**103.53**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

24. GROSS SALES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Sales of Products (inclusive of excise duty upto 30.06.17)				
- Sales of Finished Goods				
Automotive Segment	1,25,425.24		1,00,897.97	
LED Luminaries Segment	322.58		5,795.53	
	1,25,747.83		1,06,693.50	
- Sales of Raw material/Traded goods				
Automotive Segment	706.27		5,424.06	
LED Luminaries Segment	11.57		121.04	
	717.85		5,545.10	
		1,26,465.67		1,12,238.60
b) Sales of Services (Job work charges received)				
Automotive Segment	-		-	
LED Luminaries Segment	11.79		-	
		11.79		-
		1,26,477.47		**1,12,238.60**

25. OTHER OPERATING INCOME

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
1) Scrap sales		452.86		395.44
2) Testing charges Received		129.47		166.38
3) Distribution income Received (bulb)		-		121.42
4) Mould, Dies and Tool Design and development charges		24.31		97.24
5) Government subsidy received		49.80		53.01
6) Duty Drawback Received		30.95		37.89
7) Merchandise export Incentive received		115.06		-
8) Rebate and Discount Received		14.47		25.05
9) Difference in foreign exchange		34.50		(3.75)
10) Segregation, Packing and Forwarding charges Received		26.07		3.09
11) Insurance claim (for stock)		95.29		-
TOTAL		**972.77**		**895.76**

26. OTHER INCOME

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
1) Interest income on Fixed Deposits and others Deposits		69.04		123.05
2) Income from Mutual fund		350.47		309.47
3) Sundry Creditors written back		32.50		32.37
4) Other Non Operating Income		2.39		6.01
TOTAL		**454.40**		**470.90**

27. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Opening Stock		5,142.90		3,540.34
Add : Purchases		77,241.28		59,202.56
Less :- Inventories at the end of the year		6,663.76		5,142.90
TOTAL		**75,720.43**		**57,600.00**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

28. PURCHASE OF STOCK IN TRADE

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Purchase of Traded Goods		537.07		565.24
b) Purchase of Traded Moulds, Dies and Tools		-		2,567.21
TOTAL		**537.07**		**3,132.45**

29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Inventories at the end of the year				
a) Finished Goods	3,134.68		1,804.80	
b) Work-in-Progress	3,882.22		2,902.69	
c) Traded Goods - (Mould, Tools and Dies)	-		-	
d) Traded Goods - (Others)	0.14		22.10	
		7,017.04		4,729.60
Inventories at the beginning of the year				
a) Finished Goods	1,804.80		1,537.78	
b) Work -in- Progress	2,902.69		821.20	
c) Traded Goods - (Mould, Tools and Dies)	-		293.34	
d) Traded Goods - (Others)	22.10		34.28	
		4,729.60		2,686.61
		(2,287.45)		**(2,042.99)**

30. EMPLOYEES BENEFITS EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Salaries,Wages and Bonus to employees		16,468.40		13,542.60
Contribution to Provident and other Funds		328.97		276.31
Staff Welfare Expenses		667.99		570.04
Gratuity Expenses		182.88		141.49
Earned Leave to staff		60.39		58.76
TOTAL		**17,708.63**		**14,589.19**

31. FINANCE COSTS

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Interest		2,204.91		2,216.11
Other Borrowing Costs		67.49		108.57
TOTAL		**2,272.41**		**2,324.68**

32. DEPRECIATION AND AMORTIZATION EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Depreciation on Fixed Assets (See Note-2)		4,369.14		3,879.15
Amortization of Intangible assets (See Note-3)		63.45		43.51
TOTAL		**4,432.59**		**3,922.66**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

33. OTHER EXPENSES

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
Manufacturing Expenses				
1) Job Charges	251.38		184.02	
2) Machinery running and Maintenance				
a) Machinery Repair and Service Charges	101.40		70.92	
b) Machinery Spares	1,045.38		879.34	
3) Consumption of Stores and Spare parts	2,081.06		1,756.26	
4) Packing Expenses	2,801.63		2,597.33	
5) Power and Fuel	4,732.52		4,156.36	
6) Variation in Excise duty of FG	(201.98)		61.80	
7) Repair - Dies	195.75		178.16	
8) Factory / Godown Rent	51.77		60.20	
9) Installation expenses for LED Streetlights	-		31.63	
10) Distribution Charges (Bulb) paid	-		121.42	
11) Freight, Cartage & Octroi	883.52		883.99	
12) Testing and Design Fees	217.34		221.17	
13) Segregation Charges Paid	7.09		5.74	
		12,166.87		**11,208.33**
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Exp.	110.55		126.18	
2) Payment to Auditors	81.57		76.57	
3) Donation	16.84		17.69	
4) Rates and taxes	210.26		165.16	
5) Insurance	53.94		45.71	
6) Bad debt written off	35.33		20.76	
7) Provision for Bad and Doubtful Debt	28.92		22.98	
8) Rent	255.47		261.74	
9) Repair & Maintenance- Building	122.41		38.20	
10) Repair & Maintenance- Other	262.59		190.16	
11) Royalty	50.00		50.00	
12)(Profit)/Loss on sale of Fixed Assets	5.20		-	
13) Selling & Distribution Expenses	2,371.53		1,913.81	
14) Travelling and Conveyance Expenses	503.27		504.57	
15) Contribution toward CSR	123.88		128.42	
16) Other Office Expenses	1,821.54		1,653.35	
		6,053.29		5,215.30
TOTAL		**18,220.15**		**16,423.63**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

34. EXCEPTIONAL ITEM

(Amount ₹ in Lacs)

Particulars	Current Year 2017-18		Previous Year 2016-17	
a) Net Gain (Insurance claim) on Capital Assets (See Note 51)	(575.86)		-	
Less:- Loss on Inventory	38.63		-	
	(537.24)		-	
Less -Exceptional expenses incurred on restroration of supply to customer	196.66		-	
		(340.58)		-
b) Bad Debt Written off	-		1,947.81	
Less - Provision for Warranty Written Back (Maintenance)	-		(528.94)	
		-		1,418.86
		(340.58)		**1,418.86**

Note:- A fire incident happened on 25.01.2018 around noon in one block of Unit-5, situated at Kelamanglam Road, Achettipalli Post, Hosur 635110,Tamilnadu. The incident resulted in substantial damage to plant and machinery and Inventory etc. in the said block. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. Special/urgent actions to restart supplies to the customer post fire incident has temporarily resulted into additional costs during the year have been included in "Exceptional Items" above. The company has estimated net gain of ₹ 537.24 lac in form of reversal of depreciation charged in earlier years recoverable from the insurance company.

35. CONTINGENT LIABILITIES

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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 First Appellate Authorities and for which the department has filed further appeals	**827.27**	827.27	827.27
(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**	43.40	43.40
(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
(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)	**-**	34.44	20.04
(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)	**-**	84.39	87.67
(iv) Sales Tax			
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	**-**	-	5.95
(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	**150.07**	150.07	188.33
(c) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	**20.00**	20.00	20.00
(B) Other Money for which the Company is contingently liable			
(a) Liability in respect of bill of exchange discounted from bank	**4,257.39**	2,747.60	3,071.44
(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.	**-**	44.37	-

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.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

36. CAPITAL & OTHER COMMITMENTS

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	525.74	725.68	1,704.33
(ii) Estimated amount of contracts remaining to be executed on moulds & others not provided,(net of advances)	540.85	1,083.61	531.49
(iii) Bank Guarantee Charges payable to Banks	13.48	149.93	143.97
(iv) Lease Commitments (non-cancellable in nature)	-	-	50.30

37. DEFERRED TAX LIABILITIES (NET)

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability			
Property, Plant and Equipment & Intangible Assets	5109.36	4100.78	3382.53
Fair Valuation of Liquid Mutual Fund and others	62.82	97.30	-
Total (a)	5,172.19	4,198.08	3,382.53
Deferred Tax Assets			
Unused Tax Credits (MAT Credit Entitlement)	401.05	707.99	-
Provision for Bad & Doubtful Debts	32.55	22.24	14.28
Provision for Leave Encashment	132.03	117.66	102.13
Provision for Gratuity	68.80	20.25	20.88
Provision for Bonus	131.21	64.31	55.97
Welfare Fund	0.32	0.31	0.33
Provision for Warranty	21.51	15.75	223.54
Total (b)	787.47	948.51	417.14
Net Deferred Tax Liability (a-b)	4,384.71	3,249.57	2,965.39

Movement in Deferred Tax Liabilities and Deferred Tax Assets

(Amount ₹ in Lacs)

	Property, Plant and Equipment & Intangible Assets	Liquid Mutual Fund and Others	Unused Tax Credits (MAT Credit Entitlement)	Bad & Doubtful Debts	Employee Retirement and other Benefits	Warranty	Total
At 1 April 2016	3382.53	-	-	(14.28)	(179.32)	(223.54)	2,965.39
Charged/(Credited)							
-to profit and loss	718.26	97.30	-	(7.95)	(23.20)	207.78	992.18
-to utilisation of tax credit	-	-	(707.99)	-	-	-	(707.99)
-to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2017	4100.78	97.30	(707.99)	(22.24)	(202.53)	(15.75)	3249.57
Charged/(Credited)							
-to profit and loss	1,008.58	(34.47)	306.94	(10.32)	(129.84)	(5.75)	1,135.14
-to retained earnings on the date of transition		-	-	-	-	-	-
-to other comprehensive income		-	-	-	-	-	-
At 31 March 2018	**5109.36**	**62.82**	**(401.05)**	**(32.55)**	**(332.37)**	**(21.51)**	**4384.71**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

37. DEFERRED TAX LIABILITIES (NET) (Contd.)

TAX EXPENSE

(Amount ₹ in Lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
(a) Tax expense			
Current Tax			
Current tax on profit for the year		2,093.75	975.97
Adjustment for current tax of prior periods		(18.81)	-
MAT Credit Entitlement		-	(707.99)
Total current tax expense	A	**2,074.94**	**267.98**
Deferred tax			
Decrease/(Increase) in deferred tax assets		(145.91)	176.62
(Decrease)/Increase in deferred tax liabilities		974.11	815.55
Total deferred tax expense (benefit)	B	**828.20**	**992.18**
Tax Expenseœ	A+B	**2,903.13**	**1,260.15**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate			
(a) Profit before tax		8,163.39	4,565.56
(b) Enacted tax rate in India		34.61%	34.61%
(c) Expected tax expenses		2,825.19	1,580.05
(d) Other than temporary difference			
R&D expenses (Section 352AB)		(162.13)	(266.63)
Investment Allowance (Section 32AC)		-	(230.59)
CSR Expenditure		42.87	44.44
Profit of subsidiaries not taxable in India		1.04	6.10
Others		(787.94)	(225.62)
Deferred Tax Liability (net)		828.20	992.18
(e) Net adjustment		(77.96)	319.88
Income Tax Expenses (c+e)		**2,903.13**	**1,260.15**

Amount on which deferred tax assets has not been created and related expiry period

Deferred tax assets has not been recognised in respect of capital loss on sale of property, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

(Amount ₹ in Lacs)

Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	Available Up to A.Y.
2014-15	**644.98**	644.98	644.98	2022-23

Deferred Tax Assets on Lease-hold Land

Under IND AS deferred tax has been recognised on the adjustments made on transition to IND AS. Leasehold land is a non-depreciable asset, Management is expecting that its carrying value will not be recovered through sale and indexation benefit at the time of disposal will not be available, accordingly deferred tax asset on the difference between carrying value and indexed value has not been created.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

38. 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 Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	-	
Later than one year and not later than five years	-	
Total	-	
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	**307.24**	**321.94**
Total	**307.24**	**321.94**

39. BORROWING COST CAPITALIZED

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Borrowing Cost Capitalized to Qualifying Assets	-	137.79

40. EXCHANGE DIFFERENCES ON ACCOUNT OF FLUCTUATION IN FOREIGN CURRENCY RATES

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Exchange Differences recognized in the Statement of Profit & Loss		
(i) Exchange Gain /(Loss) Relating to Export during the year as a part of "Sales"	**18.82**	16.23
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	**61.06**	70.83
(iii) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	**34.50**	(3.75)
Exchange Differences recognized in the Fixed Assets		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	**62.04**	33.08

41. EARNING PER SHARE

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit after tax attributable to equity shareholders	**5,184.69**	3,312.54
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	**132**	126
Basic/diluted earning per share* (In ₹)	**39.40**	26.30
Face value per equity share (In ₹)	**10**	10

*There are no dilutive instruments issued by the Company.

42. GOVERNMENT GRANT

(Amount ₹ in Lacs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017
Duty Drawback on Export		**30.95**	37.89
Investment Subsidy Under Investment Promotion Scheme		**49.80**	53.01
Merchandise Export Incentive on Export		**115.06**	-
Refund of Electricity Duty	99.68		-
Waiver of Electricity Duty (Notional)	38.64	**138.32**	-
Total		**334.13**	90.90

Notes on Consolidated Financial Statements for the year ended 31.03.2018

43. SEGMENT REPORTING

(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

Revenue

Segment Revenue

(Amount ₹ in Lacs)

Particulars		2017-2018			2016-2017		
		Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
External Sales (Inclusive of excise duty)- See Note-1	A	**1,26,136.31**	**341.15**	**1,26,477.46**	1,06,322.03	5,916.57	1,12,238.60
Other Operating Income		**912.99**	**59.78**	**972.77**	672.83	222.93	895.76
Inter-Segment Sales		**-**	**-**	**-**	-	-	-
Total		**1,27,049.30**	**400.93**	**1,27,450.23**	1,06,994.86	6,139.50	1,13,134.36
Results							
Segment Results (Earning Before Interest & Tax) before Exceptional item		**11,988.83**	**(765.33)**	**11,223.50**	9,512.94	(53.55)	9,459.39
Exceptional item (See Note-34)		**(340.58)**	**-**	**(340.58)**	-	1,418.86	1,418.86
Segment Results (Earning Before Interest & Tax)				**11,564.08**			8,040.53
Unallocated corporate expenses				**1,582.68**			1,621.70
Other Income				**454.40**			470.90
Operating Profit				**10,435.80**			6,889.73
Cost of Finance				**2,272.41**			2,324.17
Profit before tax				**8,163.39**			4,565.56
Tax expense				**2,903.13**			1,260.15
Profit after tax (PAT)				**5,260.26**			3,305.41
Share of Profit/(Loss) of Associates				**(4.18)**			0.21
Profit after tax (PAT) But Before Comprehensive Income				**5,256.07**			3,305.20
Other Comprehensive Income (Net of tax)				**(71.38)**			7.34
Total Comprehensive Income				**5,184.69**			**3,312.54**
Note-1							
Note :- Excise duty Included in sales	**B**	**3,469.45**	**8.54**	**3,477.99**	**11,324.01**	**347.19**	**11,671.20**
Sales Net of excise Duty	**A-B**	**1,22,666.86**	**332.61**	**1,22,999.47**	**94,998.02**	**5,569.38**	**1,00,567.40**
Depreciation & Amortization		**3,976.60**	**455.99**	**4,432.59**	**3,566.60**	**356.06**	**3,922.66**

Notes on Consolidated Financial Statements for the year ended 31.03.2018

(Amount ₹ in Lacs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Segment Assets									
Segment Assets	**78,183.16**	**12,782.73**	**90,965.89**	61,912.40	13,943.89	75,856.29	49,755.50	14,732.29	64,487.79
Unallocated Corporate Assets			**2,572.25**			11,093.55			-
Total Assets			**93,538.14**			**86,949.84**			**64,487.79**

(Amount ₹ in Lacs)

Particulars	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Segment Liabilities									
Segment Liabilities	**27,618.87**	**365.09**	**27,983.97**	18,756.38	895.59	19,651.97	17,857.18	2,638.75	20,495.93
Unallocated Corporate Liabilities			**20,619.73**			26,286.07			17,608.57
Total Liabilities			**48,603.70**			**45,938.04**			**38,104.50**
Capital Employed (Total Assets Minus Total Liabilities)			**44,934.45**			**41,011.80**			**26,383.29**

(Amount ₹ in Lacs)

Particulars	As At 31st March, 2018			As At 31st March, 2017			As At 1st April, 2016		
	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total	Automotive	LED Luminaries	Total
Capital Expenditure During the year (Net of CWIP)	**12,883.30**	**561.57**	**13,444.87**	8,763.76	2,269.15	11,032.91	7,399.27	4,802.11	12,201.37

(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

Revenue from External Customers

(Amount ₹ in Lacs)

	Year ended 31.03.2018	Year ended 31.03.2017
India	**1,25,491.46**	1,10,854.26
Outside India	**1,958.77**	2,280.10
Total	**1,27,450.23**	**1,13,134.36**

Segment Trade Receivables

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	**14,396.60**	12,752.23	12,488.44
Outside India	**161.89**	248.99	229.24
Total	**14,558.49**	**13,001.22**	**12,717.68**

1.Sales Revenue by geographical market outside India has been re-stated by excluding indirect exports.

2.The segment trade receivables have been re-stated by excluding trade 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 have not be furnished.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

44. RELATED PARTY DISCLOSURES UNDER IND AS 24

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
Ashok Kumar Sharma	Independent Director (w.e.f. September 10, 2016)
Iqbal Singh	Independent Director
Jawahar Thakur	Independent Director (w.e.f. November 12, 2016)
Mohan Bir Sahni	Independent Director
Subodh Kumar Jain	Independent Director
Vinod Kumar Malhotra	Independent Director
Abhishek Jain	Independent Director (upto September 8, 2016)
Charoen Sachamuneewongse	Independent Director (upto October 20, 2016)
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 Lacs)

Particulars	Transaction during the year		Outstanding Amount		
	2017-18	2016-17	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) (Key Management Personnel Compensation/ Sitting fees					
Short-term benefits	**562.85**	551.29			
Post Employment Benefits*	**1.31**	1.31			
Total Compensation	**564.16**	552.60			
Jagjeevan Kumar Jain	**124.80**	124.80	**5.76**	13.93	5.52
Seema Jain	**48.00**	48.00	**2.73**	7.78	4.46
Rahul Jain	**48.00**	48.00	**1.33**	4.58	7.63
Aanchal Jain	**42.00**	42.00	**3.57**	7.66	4.16
JSS Rao	**96.00**	96.00	**4.95**	5.50	4.80
Kashi Ram Yadav	**91.45**	91.45	**5.25**	5.42	5.15
OP Gupta	**52.20**	48.00	**3.17**	3.18	2.97
Arvind Kumar Chauhan	**61.71**	54.35	**3.10**	3.72	2.81
Total Compensation	**564.16**	**552.60**	**29.86**	**51.75**	**37.50**
Sitting fees to Independent Directors					
Ashok Kumar Sharma	**2.50**	1.50			
Iqbal Singh	**3.10**	4.40			
Jawahar Thakur	**2.50**	1.50			

Notes on Consolidated Financial Statements for the year ended 31.03.2018

44. RELATED PARTY DISCLOSURES UNDER IND AS 24 (Contd.)

(Amount ₹ in Lacs)

Particulars		Transaction during the year		Outstanding Amount		
		2017-18	2016-17	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Mohan Bir Sahni	2.50	3.50			
	Subodh Kumar Jain	3.10	4.90			
	Vinod Kumar Malhotra	3.60	4.90			
	Abhishek Jain	-	1.50			
	Charoen Sachamuneewongse	-	0.50			
	Total Sitting fees	17.30	22.70			
	Dividend					
	Jagjeevan Kumar Jain	236.80	88.80			-
	Seema Jain	236.80	88.80			-
	Aanchal Jain	64.00	24.00			-
	Rahul Jain	124.19	46.57			-
	JSS Rao	0.00	0.00			-
	Kashi Ram Yadav	0.03	0.01			-
	Purchase of Free-hold Land					
	Rahul Jain	-	1,200.00			-
	Rent Paid					
	Aanchal Jain	109.35	109.35			-
	Rahul Jain	52.65	52.65			-
	Jagjeevan Kumar Jain	2.67	-			
	Security Deposit Receivables Agst Rent					
	Aanchal Jain	-	-	54.68	54.68	54.68
	Rahul Jain	-	-	26.33	26.33	26.33
	Jagjeevan Kumar Jain	1.20	-	1.20	-	-
(ii)	**Related Parties Controlled by Key Management personnel**					
	Corporate Social Responsibility Activities					
	Contribution to Fiem Foundation	123.08	118.42			
	Brand Royalty					
	Fiem Auto & Electrical Industries	50.00	50.00	13.50	13.13	13.06
	Dividend					
	Jagjeevan Kumar Jain (HUF)	0.92	0.35			-
	Fiem Auto Private Limited	6.75	2.53			-

*Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

45. 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 Lacs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employer's Contribution to Provident Fund	249.01	217.07
Employer's Contribution to ESI Fund	77.02	56.53
Employer's Contribution to Wages Welfare Fund	2.59	2.52
Others	0.35	0.19
Total	**328.97**	**276.31**

Defined Benefit Plans

(a) Gratuity

The Company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 Indian Accounting Standard on Employee Benefits-Ind AS (19)-As per actuarial valuation as on 31.03.2018 are as follows:

(i) Expenses recognised in the Statement of Profit and Loss under the head employee benefits expense

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Current service cost	**184.29**	151.13	**71.33**	98.65
Interest cost	**(1.41)**	(0.79)	**24.10**	21.19
Actuarial (Gain)/Loss	**-**	-	**(35.04)**	(61.08)
Expenses recognized in Statement of Profit and Loss	**182.88**	150.34	**60.39**	58.76

Amount to be recognised in the Balance Sheet

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Liability at the end of the year	**974.62**	701.51	**377.87**	339.97
Fair value of plan assets at the end of the year	**777.71**	643.00	**-**	-
Amount to be recognised in Balance Sheet	**196.92**	58.51	**377.87**	339.97
Current	**111.30**	58.51	**78.53**	73.00
Non-Current	**85.62**	-	**299.34**	266.97

Reconciliation of benefit obligation

(Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Liability at the beginning of the year	**58.51**	60.33	**339.97**	295.11
Interest cost	**-**	-	**24.10**	21.19
Amount recognised in Accumulated Other Comprehensive Income/ Loss at the beginning of the period	**(0.42)**	(10.57)	**-**	-
Current service cost	**182.88**	150.34	**71.33**	99.95
Benefits paid	**(155.40)**	(142.01)	**(22.48)**	(15.21)
Remeasurement (gain) / loss	**111.35**	0.42	**(35.04)**	(61.08)
Liability at the end of the year	**196.92**	58.51	**377.87**	339.97

Notes on Consolidated Financial Statements for the year ended 31.03.2018

45. POST EMPLOYMENT BENEFITS PLAN (Contd.)

Reconciliation of fair value of plan assets: (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Fair value of plan assets at the beginning of the year	643.00	509.08	-	-
Interest income	50.89	40.60	-	-
Contributions	155.40	142.01	22.48	15.21
Benefits paid	(52.96)	(58.53)	(22.48)	(15.21)
Return on plan assets-gain /(loss)	(18.62)	9.83	-	-
Fair value of plan assets at the end of the year	777.71	643.00	-	-
Actual return on plan assets	32.27	50.43	-	-

Amount recognised in statement of other comprehensive income (OCI) (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening amount recognised in OCI	0.42	10.57	-	-
Remeasurement for the year - Obligation (gain)/ loss	92.31	(0.32)	35.04	61.08
Remeasurement for the year - plan assets (gain)/ loss	18.62	(9.83)	(35.04)	61.08
Net Increasing in OCI	110.93	(10.15)	-	-
Total remeasurements cost / (credit) for the year recognised in OCI	111.35	0.42	-	-
Closing amount recognised in OCI	111.35	0.42	-	-

Principal actuarial assumptions (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Discount rate	7.33%	7.37%	7.33%	7.37%
Salary escalation	8.00%	8.00%	8.00%	8.00%
Expected return on assets	7.33%	7.37%	7.33%	7.37%
Attrition rate	2.00%	2.00%	2.00%	2.00%
Retirement age	58	58	58	58

(a) The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated terms of the obligations.

(b) Salary escalation rate: The estimates of future salary increases considered taking into the account the inflation, seniority, promotion and other relevant factors.

(c) Expected return on assets is expected return on plan assets over the accounting period, based on an assumed rete of return.

(d) Attrition rate is employee turnover rate based on the Company's past and expected employee turnover.

(e) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments (discounted values/present value) for the year ending: (Amount ₹ in Lacs)

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017	For the year ended 31st March, 2018	For the year ended 31st March, 2017
31st March, 2019	74.41		26.48	
31st March, 2020	33.68		9.99	
31st March, 2021	48.74		22.89	
31st March, 2022	21.39		6.78	
31st March, 2023	58.80		23.35	
31st March, 2024-2028	153.11		42.41	

Notes on Consolidated Financial Statements for the year ended 31.03.2018

45. POST EMPLOYMENT BENEFITS PLAN (Contd.)

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 19.59 years

(g) Sensitivity analysis:
Sensitivity analysis indicates the influence of a reasonable change in principal assumptions, while keeping other things constant, on the outcome of the present value of Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2018 is as shown below:

	Gratuity		Leave Encashment	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	31st March 2018	31st March 2018	31st March 2018	31st March 2018
A. Effect of 1% change in the assumed discount rate				
1. Defined Benefit Obligation	877.24	1091.80	354.01	406.45
B. Effect of 1% change in the assumed salary Escalation Rate				
1. Defined Benefit Obligation	1079.31	882.29	387.26	368.81
C. Effect of 1% change in the assumed Attrition Rate				
1. Defined Benefit Obligation	963.34	987.53	375.16	381.07

46. FAIR VALUE MEASUREMENTS

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments (Amount ₹ in Lacs)

Particulars	Carrying amount			Fair Value		
	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16	AS AT 31.03.18	AS AT 31.03.17	AS AT 1.04.16
FINANCIAL ASSETS						
Financial assets measured at amortised cost						
Security Deposits	**739.02**	691.35	552.67	**739.02**	691.35	552.67
Loan to Employees	**73.66**	59.53	63.59	**73.66**	59.53	63.59
Trade receivables	**14,558.49**	13,001.22	12,717.68	**14,519.95**	13,001.22	12,717.68
Term Deposit with more than 12 month maturity	**2.85**	198.38	0.46	**2.85**	198.38	0.46
Income accrued on deposits	**44.88**	30.31	34.66	**44.88**	30.31	34.66
Insurance Claim recoverable	**2,607.18**	-	-	**2,607.18**	-	-
Export Incentive receivables	**114.03**	9.08	3.25	**114.03**	9.08	3.25
Cash & Cash Equivalents	**176.65**	2,292.60	182.03	**176.65**	2,292.60	182.03
Other Bank Balances	**42.95**	12.95	258.97	**42.95**	12.95	258.97
Financial assets measured at fair value through Statement of Profit & Loss (FVTPL)						
Investment in Quoted Mutual Fund	**1,730.18**	8,332.70	-	**1,909.56**	8,609.47	-
Investment in unquoted equity shares	**35.69**	28.71	29.91	**-**	-	-
FINANCIAL LIABILITIES						
Financial liabilities measured at amortised cost						
Non Current Borrowings	**8,650.34**	11,947.02	9,085.22	**8,650.34**	11,947.02	9,085.22
Current maturities of long-term debt	**3,509.37**	4,161.06	3,087.86	**3,509.37**	4,161.06	3,087.86
Current Borrowings	**3,706.82**	6,415.16	1,829.82	**3,706.82**	6,415.16	1,829.82
Trade Security deposits	**246.54**	216.25	194.47	**246.54**	216.25	194.47
Interest accrued on borrowings	**59.93**	79.96	103.06	**59.93**	79.96	103.06
Creditors for capital expenditures	**2,072.61**	1,070.92	1,684.36	**2,072.61**	1,070.92	1,684.36
Trade Payables	**21,953.76**	15,042.85	15,091.01	**21,953.76**	15,042.85	15,091.01
Unpaid Dividend	**2.85**	3.46	8.59	**2.85**	3.46	8.59
Liabilities for expenses	**1,484.23**	1,152.96	1,000.98	**1,484.23**	1,152.96	1,000.98

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

46. FAIR VALUE MEASUREMENTS (Contd.)

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Fair value of quoted mutual funds is based on the net assets value at the reporting date.

47. FINANCIAL INSTRUMENTS AND RISK REVIEW

Financial Risk Management Framework

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

i) Capital Management

The Company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows: (Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debt (A)*	16,151.60	22835.88	14,105.96
Equity (B)	44,934.45	41011.80	26383.29
Debt Ratio (A / B)	0.36 : 1	0.56 : 1	0.53 : 1

*Net debt includes Non Current borrowing, Current borrowing, Current maturities of non current borrowing and interest accrued on borrowings net-off derivative liability on non-current borrowings.

ii) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 14558.49 lakhs, ₹ 13001.22 lakhs and ₹ 12717.68 lakhs as of 31st March, 2018, 31st March, 2017 and 1st April, 2016 respectively, being the total of the carrying amount of balances with trade receivables.

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 57% of total receivables as of 31st March, 2018 (49% as at 31st March, 2017 and 69% as at of 1st April, 2016), however there was no default on account of those customers in the past.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis lifetime expected losses and where receivables are due for more than six months.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

47. FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Movement in the expected credit loss allowance:

(Amount ₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year	**64.25**	41.27	21.59
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**28.92**	22.98	19.68
Balance at the end of the year	**93.17**	64.25	41.27

iii) Liquidity Risk

a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Amount ₹ in Lacs)

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Financial liabilities						
Trade payables	**21,953.76**	**-**	15,042.85	-	15,091.01	-
Other Financial Liabilities	**3,806.23**	**186.81**	2,543.59	257.89	2,888.40	-
Working capital demand loans /Term loans with accrued interest	**7,314.46**	**8,650.3**	10,630.97	11,947.02	5,020.74	9,085.22

c) Maturities of financial assets

The following table details the Company's expected maturity for financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on such assets.

(Amount ₹ in Lacs)

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets						
Trade receivables	**14,433.59**	**124.90**	11,944.72	1,056.50	11,849.41	868.27
Other Financial Assets	**4,972.27**	**794.70**	11,031.62	928.78	572.80	610.88

iv) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Japanese Yen against the respective functional currencies of the Company. The Company The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

49. FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

(a) Foreign Currency exposures that are not hedged by derivative instruments

(Amount ₹ in Lacs)

Particulars	Currency	31st March, 2018		31st March, 2017		1st April, 2016	
		Foreign Currency	Rupees	Foreign Currency	Rupees	Foreign Currency	Rupees
(a) Trade payables (including payable for capital assets)	USD	**9.98**	**649.32**	4.43	287.31	2.44	162.16
	EURO	**0.40**	**32.20**	0.28	19.72	0.16	11.86
	JPY	**54.54**	**33.56**	49.63	28.77	-	-
	SGD	**0.03**	**1.57**	-	-	-	-
(b) Trade receivables	USD	**0.72**	**46.90**	1.80	116.73	1.93	128.35
	EURO	**0.52**	**41.93**	0.28	19.53	0.06	4.56
	JPY	**-**	**-**	-	-	-	-
	GBP	**0.07**	**6.55**	-	-	-	-
(c) Other financial assets	USD	**0.18**	**11.87**	0.36	23.08	0.01	0.72
	EURO	**0.04**	**3.52**	0.01	1.01	-	-
	JPY	**-**	**-**	212.01	122.88	16.47	9.73
Total (a-b-c)	USD	**9.08**	**590.55**	2.27	147.50	0.50	33.09
	EURO	**(0.16)**	**(13.25)**	(0.01)	(0.83)	(0.06)	(4.56)
	GBP	**0.07**	**6.55**	-	-	-	-
	JPY	**54.54**	**33.56**	(162.38)	(94.11)	(16.47)	(9.73)
	SGD	**0.03**	**1.57**	-	-	-	-

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD, EURO and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 10% represents management assessment of reasonably possible change in foreign exchange rate.

(Amount ₹ in Lacs)

For the period ended	AS AT 31.03.2018			AS AT 31.03.2017		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.0%	59.05	USD	10.0%	14.75
	USD	-10.0%	(59.05)	USD	-10.0%	(14.75)
	EURO	10.0%	(1.33)	EURO	10.0%	(0.08)
	EURO	-10.0%	1.33	EURO	-10.0%	0.08
	JPY	10.0%	3.36	JPY	10.0%	(9.41)
	JPY	-10.0%	(3.36)	JPY	-10.0%	9.41

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount ₹ in Lacs)

For the period ended	Currency	Increase /decrease in basis points	Effect on profit before tax	Variable rate Term Loan/CC balances
31st March, 2018	**INR**	**100**	**37.07**	**3706.82**
	INR	**(100)**	**(37.07)**	**3706.82**
31st March, 2017	INR	100	69.23	6923.16
	INR	(100)	(69.23)	6923.16

Notes on Consolidated Financial Statements for the year ended 31.03.2018

48. JOINT VENTURE COMPANY

1. **Centro Ricerche Fiem Horustech SRL**

Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2018	50%

2. **Fiem Kyowa (HK) Mould Company Ltd**

Description of Interest	Jointly Controlled Entity
Country of Incorporation	Hong Kong
Proportion of Ownership Interest as at March 31, 2018	50%

In respect of Jointly control entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows: (Amount ₹ in Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Non Current Assets	**24.18**	12.19
Current Assets	**73.09**	58.99
Non Current Liabilities	**13.42**	11.21
Current Liabilities	**51.17**	34.25
Revenue	**104.41**	90.21
Expenses	**108.28**	90.42
Contingent Liabilities	-	-
Capital Commitments	-	-

49. UTILIZATION OF QIP PROCEEDS

During the financial year 2016-17, on dated 20th September, 2016, the Company had 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 utilisation of QIP Proceeds are as under

(Amount ₹ in Lacs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Gross Proceeds of QIP Issue	11,999.99	11,999.99
Less: Amount utilized for the purpose Received	10,265.19	3,613.39
Balance Amount	1,734.80	8,386.60
Temporarily invested in Mutual Funds	1,730.18	8,306.60
Temporarily invested in Fixed Deposits/Current Account with Banks	4.62	80.00

50. PROPOSED DIVIDEND

The Company has recommended the final dividend of ₹ 9 per equity share (90% of nominal value of ₹ 10 per share) for the financial year ended 31st March, 2018 for amounting to ₹ 1,184.38 lacs on equity share capital of the company. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM).

51. FIRE AT HOSUR-UNIT-V PLANT

There was a major fire on 25th January, 2018 at unit-5 in Hosur plant (Tamilnadu). The loss incurred by the Company is adequately covered under insurance claim. The written down value of property, plant and equipment and costs of inventories destroyed/damaged have been appropriately adjusted in the books of accounts. The break-up of assets damaged (i.e. WDV) and other expenses dut to fire as follows.

(Amount ₹ in Lacs)

Particulars	Year ended 31st March, 2018
Property, Plant and Equipment	1406.02
Inventory	549.37
Others	114.55
Total	**2069.94**

The Company has filed a claim with with its insurers and the claim is expected to settle at a total amount of ₹ 2607.18 Lakhs (based on reinstatement costs of the assets). The same has been disclosed as an 'insurance claim receivables' in the balance sheet.

Notes on Consolidated Financial Statements for the year ended 31.03.2018

52. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY.

(Amount ₹ in Lacs)

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2018		2017-18	
	As % of Consolidated Net Assets	Amount in Lakhs	As % of Consolidated Profit and Loss	Amount in Lakhs
(i) Parent				
Fiem Industries Ltd	99.79%	44,841.01	99.95%	5,182.11
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.16%	73.77	0.05%	2.58
Fiem (Thai) Design & Technology Co. Ltd	0.04%	19.68	0.00%	0.00
Total		**44,934.44**		**5,184.69**

(Amount ₹ in Lacs)

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 in Lakhs	As % of Consolidated Profit and Loss	Amount in Lakhs
(i) Parent				
Fiem Industries Ltd	99.84%	40,944.79	99.37%	3,291.60
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.16%	67.01	0.63%	20.94
Fiem (Thai) Design & Technology Co. Ltd	0.00%	-	0.00%	0.00
Total		**41,011.80**		**3,312.54**

53. 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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

AOC-1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT, 2013

(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 31.03.18	N.A.
4.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**	
	a) Reporing Currency	Japanese Yen
	b) Exchange rate as on the last date of the relevant Financial year	0.6154
5.	Share capital	29.49
6.	Reserves & surplus	44.28
7.	Total Assets	115.97
8.	Total Equity and Liabilities	115.97
9.	Investments	-
10.	Turnover	199.78
11.	Profit/(Loss) before taxation	3.74
12.	Provision for taxation	1.17
13.	Profit/ (Loss) after taxation	2.58
14.	Proposed Dividend	NA
15.	% of shareholding	100%
	OTHER MATTERS	
	1. Names of subsidiaries which are yet to commence operations	Fiem (THAI) Design and Technology Co. Ltd.
	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**	31.03.18
2	**Shares of Associate/Joint Ventures held by the company on the year end**	
	No.	50%
	Amount of Investment in Associates/Joint Venture	33.16
	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**	24.61
6	**Profit / (Loss) for the year**	
	i. Considered in Consolidation	-3.86
	ii. Not Considered in Consolidation	-3.86
	OTHER MATTERS	
1	Names of associates or joint ventures which are yet to commence operations	Fiem Kyowa(HK) Mould Company Ltd.
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 : 30/05/2018

As per our report of even date
For V. Sachdeva & Associates
Firm Registration Number: 004417N
Chartered Accountants

Sd/-
V. Sachdev
Prop.
(Membership No. 083435)

LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

(CIN: L36999DL1989PLC034928)

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