LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED

Unit-VII : Plot No. 1915, Rai Industrial Estate, Phase -V, Sonepat-131029 Haryana (INDIA)
Tel. : +91-130-2367905/906/907/908/909/910 Fax : +91-130-2369703
E-mail : fiemunit7@fiemindustries.com

August 28, 2021 **(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 2020-21.
Ref: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Pursuant to Regulation 34 (1) (a) and 30(6) of Listing Regulations read with Para A of Part A of Schedule III, please find attached the Annual Report for Financial Year 2020-21, being sent to shareholders through e-mail for 32nd Annual General Meeting of the Company to be held on 21st September, 2021 at 10.30 am through Video Conferencing/ Other Audio Video Means (VC/OAVM).

This is for your information and records please.

Thanking you.

Yours faithfully,

For Fiem Industries Limited

Arvind K. Chauhan
Company Secretary

Encl: A/a

FIEM INDUSTRIES LIMITED

ANNUAL REPORT 2020-21

LIGHT UP THE WORLD



Disclaimer:

This document contains statements about expected future events and financial and operating results of Fiem Industries Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place any 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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Scan this QR code to view Annual Report at one go on your hand-held device

Design & Development of

Our Strengths

- Excellent Optical, Mechanical, Electronic, Thermal integration capabilities.
- Offer optimized and innovative solutions to customers in terms of quality, cost and lead time.
- Provide customized service flexibly in Design, Development, Sampling and Production

Design Integration

- LED light source application become widely, It has given more possibility and flexibility for lamp aesthetic and size.
- The more complex geometries of lamp structure and thermal management are the main challenge.
- FIEM/FRT has good experience and ability to manage at thermal, mechanical, optical and electronic design integration to ensure the product reliability and lifetime

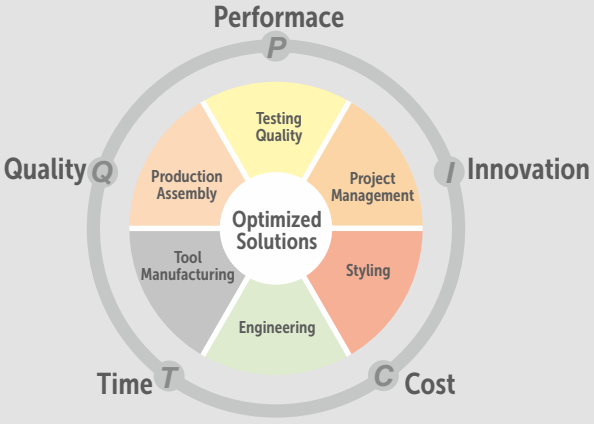
Styling Design

- Innovative aesthetic design.
- Sketch for initial lamp styling, function and structure communication.
- CG rendering to conclude styling feature. (colour, shape, pattern, texturing)
- Lit appearance simulation.

R&D and Design Centres

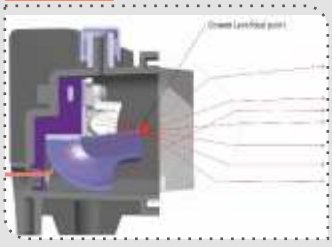
In our In-house Govt. approved R&D Centre at Rai, Haryana and Design Centre at Fiem Research & Technology s.r.l. in Italy we are Designing and Developing a large range of New, Innovative and Futuristic LED Lighting Products with latest Technology to cater the increasing demand of our valued OEMs.

Innovative & Futuristic LED Lighting Products...

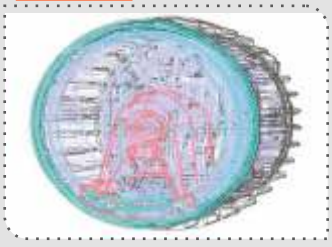




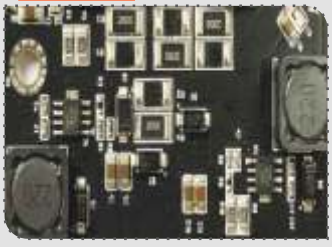
Optics



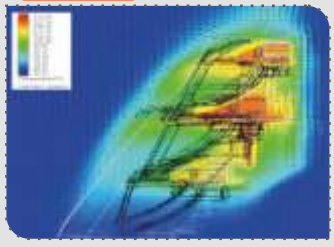
Mechanics



Electronics



Thermal



Sketch to fix the styling layout



CG lit rendering



Different styling optics



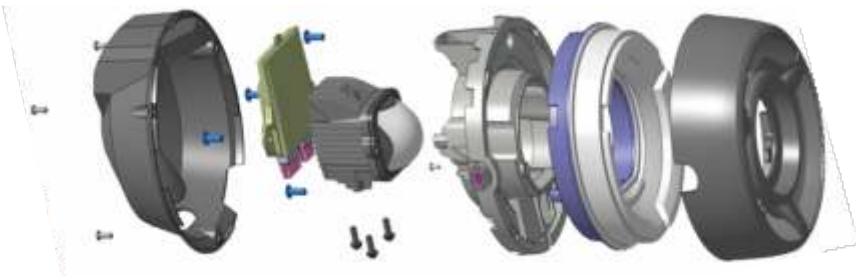
R&D Centre in Rai, Haryana



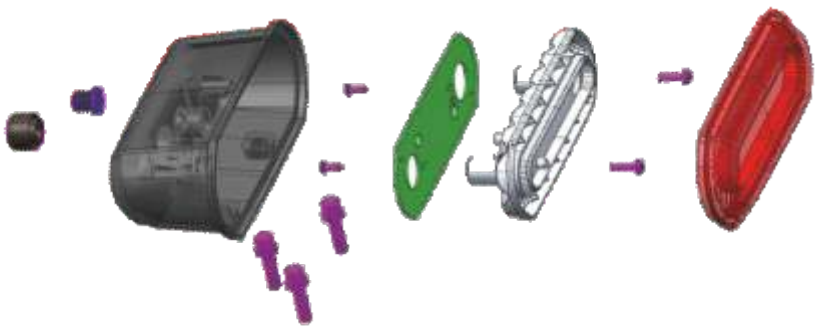
Design Centre in Italy



...Continuing the Innovation with World's Smallest LED Bi-function Lighting Module: LED DRL Function also added in the LED Head Lamp and introduced in YAMAHA FZ-X in India.









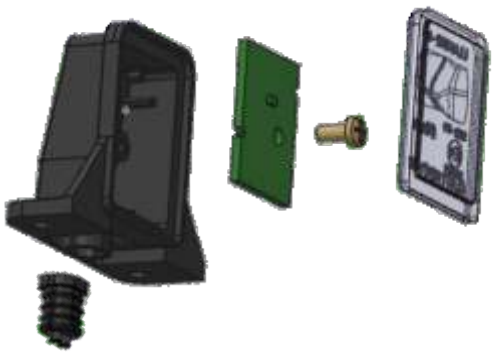


...Continuing the journey of innovation using world's smallest LED Bi-Functional Projector Head Lamp module, patented by Fiem and Yamaha and already a hit in the market, Fiem has introduced for the first time in India its variant with DRL for Yamaha's latest bike FZ-X. The small size of the HL module made it possible to encircle it with a perfect DRL design to give a very stylish looking round HL. The LED head light & DRL makes it hard to miss during the day and stand out in the night. The unique design of the lamp is one of the distinguished feature of the bike. This lamp meets the regulatory requirements of AIS, ECE.

Introduced IR welding technology to develop sleek & single LED winker for Honda Hornet









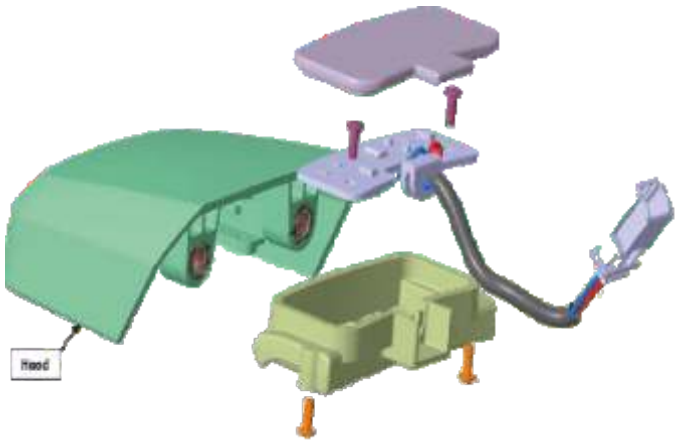
This Winker lamp's sleek design with superb finish complements well to the stylish looking bike. This is no ordinary Winker lamp; it is the best the technology has to offer. Firstly, that perfect optics and illumination has been achieved with only single high end LED. Then, thanks to the latest Technology "Infra-red welding", introduced first time for Winker Lamp to have that perfect aesthetic look.

The Licence lamp is of smallest size with single LED and optical lens. It is for Domestic as well as export markets.

Both lamps meet the regulatory requirements of AIS and ECE.



Introduced LED Modular Licence Lamp, enabling customer to use the same Lamp in multiple models by changing the hood.











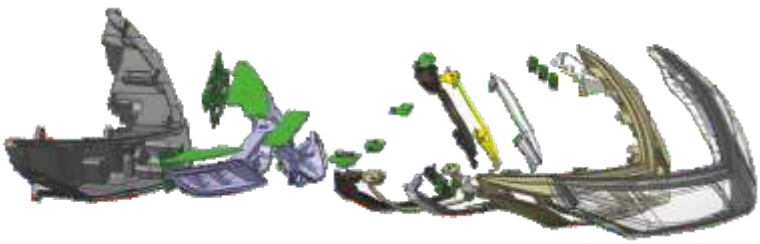
Fiem has developed LED Winkers, Tail lamps and moduler License Lamp for Harley Davidson's latest bike "Silverback" for international markets. The parts are being exported to their York, USA and Thailand Plants.

The Tail lamp is having light guide technology

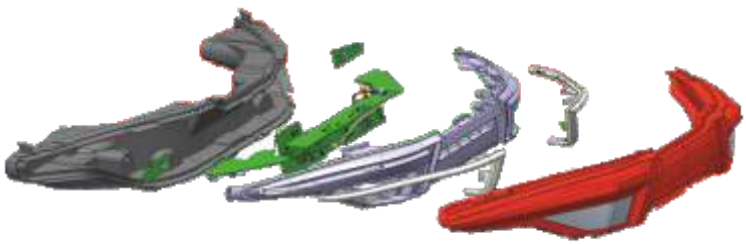
The Indicator lamp is being illuminated with a single LED.

The license lamp has been developed as a modular design, where by just changing the hood it can be adopted to different models. This lamp meets the regulatory requirements of FMVSS, AIS, ECE & CCC.

Introduced all functions like High & Low Beamwith separate Aiming Mechanism, Position Lamp & Front Indicators in LED Head Lamp itself for the Scooter









Fiem developed a sleek LED HL for Piaggio's prestigious new vehicle SXR 160. For the very first time for any scooter in India, this lamp has all the possible functions included like High beam, Low beam, Position and Front side indicators. It's position function is with light guide technology. As a first time feature in India for this segment, it also has both low and High beam aiming mechanism

A LED Tail lamp is also developed for this vehicle. It has tail, stop and Rear Indicator function. Light guide technology is being used to provide tail function.

The lamps meet the regulatory requirement of AIS & ECE.

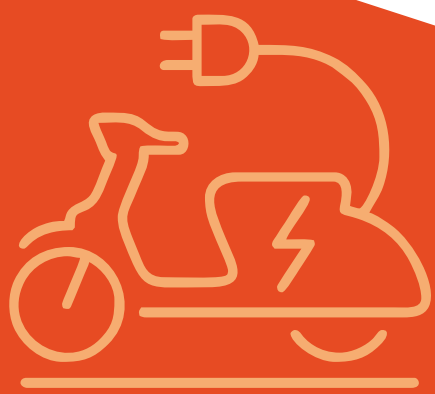
Other than domestic use, the Head lamp is also being exported to Italy, Europe.



Chairman's Message



We see a huge potential in the Indian EV segment and are confident of capturing greater market share over the medium to long term. We are proactively ready to move forward with speed & scale to seize this opportunity.



Dear Shareholders,

The year gone by has been an extremely challenging year for all of us personally and professionally, with the COVID-19 pandemic continuing to be a cause of sufferings across the globe. Recently, during the month of April-May, 2021, a more deadly and fierce second wave of the pandemic hit the entire country and overwhelmed and crippled the healthcare system, leaving hospitals struggling to cope with the supply of critical drugs and oxygen, which were rather in a shockingly short supply.

Owing to the COVID -19, whole of the financial year 2020-21 remained a very tough year on all the fronts, with severe business disruptions and restrictions on mobility. During this pandemic our focus was to ensure the safety of everyone in the ecosystem. Our top priority remained the safety of our employees and their wellbeing. As things standing as such today, we continue to keep health and safety as our top priority.

In above circumstances, during FY2020-21, the Indian automobile industry registered a negative growth across all the vehicle segments with 2Wheeler segment registering a 12.8% Y-o-Y decline in production volumes. On the other hand, the 3Wheeler segment reported a 46% decline in the overall production volume. Within the 2Wheeler segment, the scooters declined by 24.40%, while motorcycles registered a decline by 8.37% and mopeds by 2.07%.

We were also significantly hit with the plant shutdown in Q1 of the FY 2020-21. However, as we witnessed a strong recovery from Q2 onwards, backed by our continued focus on operational efficiencies, we swiftly ramped up production and moved fast to serve our customers' demand, and by the end of the year we were able to clock highest ever quarterly sales in Q4 of FY2020-21. Though, for full year FY2020-21, the Company has been able to achieve net sales of Rs. 1,207 crores as against the sale of Rs. 1,366 crores during FY2019-20, which represented a decline of 11.6% on yearly basis.

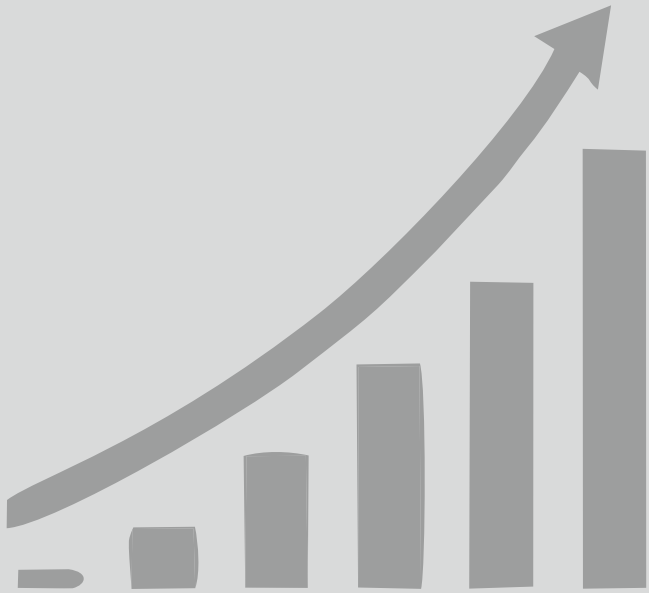
On profitability, the Company has been able to earn an EBITDA of Rs.130.60 crores, being 10.82% during FY2020-21 as against EBITDA of Rs.155.77 crores being 11.4% during the FY2019-20. PAT of the Company for FY2020-21 was Rs.47.12 crores as against Rs.78.92 crores during FY2019-20. The decline in EBIDTA and PAT is because of the lower sale for the year due to COVID-19 pandemic. Moreover, the PAT of FY2019-20 included a reversal of deferred tax expense of Rs.14.52 crores on account of that the Company exercised option of payment of lower income tax as per the amended Income Tax provisions. If the effect of lower income taxes is excluded from the PAT of FY2019-20, then a net decline in the PAT on year-on-year basis will work out to Rs.17.28 crores only.

During these difficult times, your Company has worked with agility and demonstrated steadfast resilience by further strengthening the fundamentals and financial position. Our focus remained on optimum continuity of operations, maintaining fiscal prudence and strengthening the internal efficiencies. This resulted in an improved financial health, reduction of debts and minimal usage of working capital facilities. This track record gives us the confidence that as the growth momentum in economy picks-up, the Company would be able to scale-up operations in minimum time to deliver stronger performance in the coming years.

We believe that in the near term, the impact of the pandemic is expected to gradually recede as more people get vaccinated. At the same time, it is clearly visible that consumers' preference is shifting towards personal mobility rather than using shared mobility or public transport. This consumers' preference is expected to translate more demand for 2Wheelers.

Our focus remained on optimum continuity of operations, maintaining fiscal prudence and strengthening the internal efficiencies. This resulted in an improved financial health, reduction of debts and minimal usage of working capital facilities.

Backed by our continued focus on operational efficiencies, we swiftly ramped up production and moved fast to serve our customers' demand, and by the end of the year we were able to clock highest ever quarterly sales in Q4 of FY2020-21



Further, in our opinion, the next big thing or development taking shape in our Industry is emergence of the Electric Vehicles (EVs). We strongly believe that EVs is the future of automobile as a sustainable & green mobility solution. More importantly for us, we see the 2Wheeler EVs as next growth opportunity for our Company. For EVs, LED is the most compatible lighting solution and our Company being the preferred supplier for LED 2Wheeler lighting solutions, is focussed on this new growth area. We see a huge potential in the Indian EV segment and are confident of capturing greater market share over the medium to long term. We are proactively ready to move forward with speed & scale to seize this opportunity.

To encourage the faster adoption of the EVs, the government of India has made a partial modification in the FAME-II scheme in June, 2021, increasing the demand incentive for electric two-wheelers to Rs. 15,000 per KWh from the earlier uniform subsidy of Rs. 10,000 per KWh for all EVs, including plug in hybrids and strong hybrids except buses. The improved incentives would increase the penetration of electric two-wheelers in the country. The department of Heavy Industries has also capped incentives for electric two-wheelers at 40 per cent of the cost of vehicles, which was 20 per cent earlier.

At Company level, we continue to strengthen our Design & Development capabilities and accelerating New Product Development in LED Lighting to cater the increasing demand of LED Lighting across the vehicle models by almost all OEMs. In FY2020-21 automotive LED constitutes 40% of the total automotive lighting sales. This has remained stable this year due to the pandemic but we expect this to increase to around 60% over the next 2-3 years.

We have been actively engaged with the emerging leaders in EV segment and are developing several products with them. We expect 2Wheeler EVs to be a significant driver in our growth over the medium to long term.

I express my sincerest gratitude to our valued OEM customers and investors for their continued support and trust reposed on us. I am also thankful to all our employees and other stakeholders for their co-operation during these difficult times.

I wish you all a good health!!

Kind Regards,

J. K. Jain,
Chairman & Managing Director

VISION

To be a dominant player in...

Automotive Lamps, Mirrors, LED Products,
Safety and electronic parts
for Indian and Global OEMs.

MISSION

- We are committed to give our Customers, Total Satisfaction in terms of Quality, Cost and On time delivery.
- We shall pursue Continual Improvement in Product Quality by upgrading the Technology and Training to employees.
- We aim to be the market leader in all our products through Global Competitiveness.
- We aim to continuously enhancing the value of stakeholders.

VALUES

- Customer Focused Approach
- Strive for Quality, Technology & Innovation
- Continuous Improvement
- Respect for Individual and Company Ethics

Our Global Presence



Map not to Scale



FIEM INDUSTRIES JAPAN CO., LTD.
JAPAN



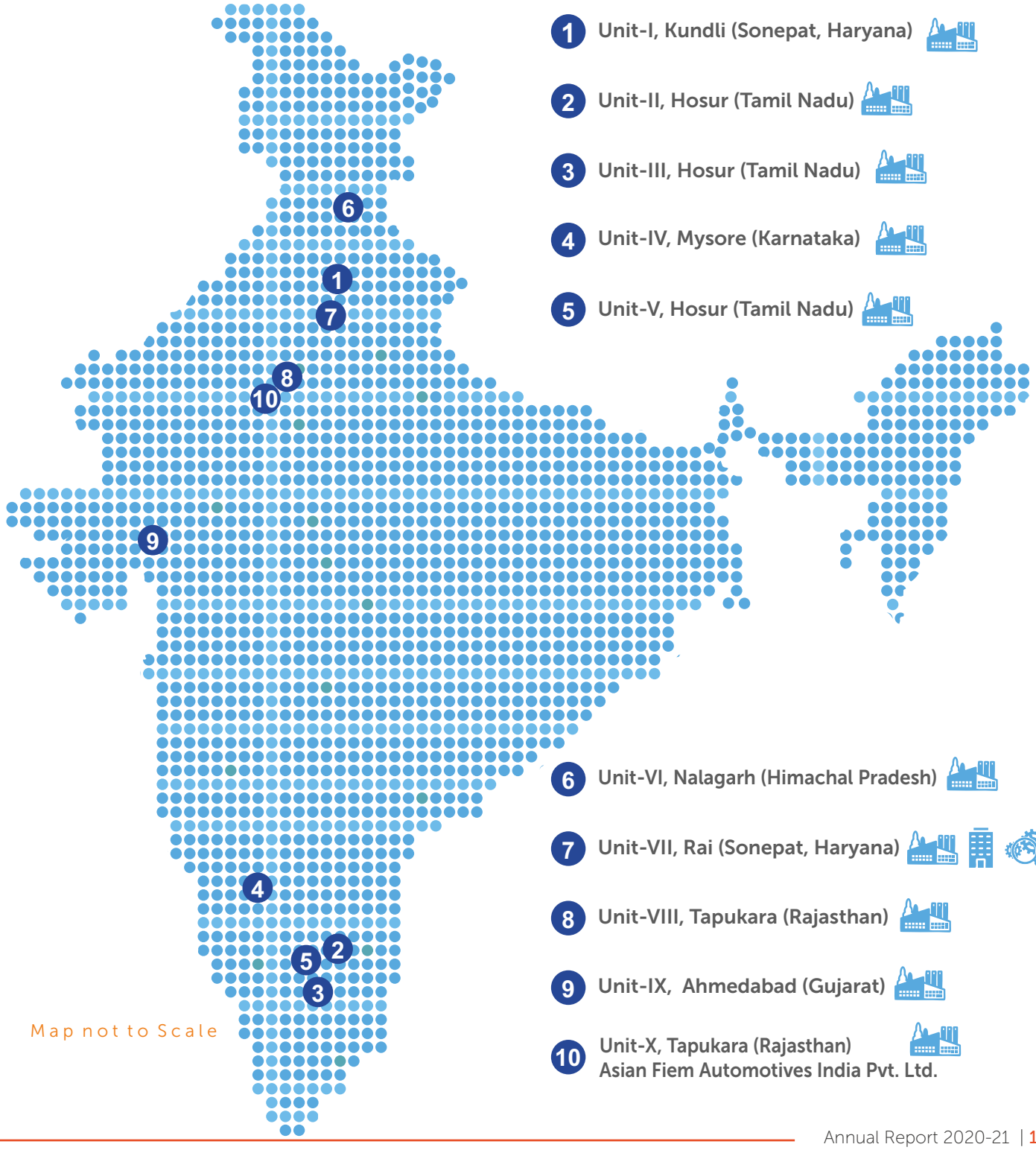
FIEM RESEARCH AND TECHNOLOGY S.r.l.
ITALY



FIEM KYOWA (HK) MOULD CO. LTD.
HONG KONG

Our Pan-India Manufacturing Footprint

The Company's 9 state-of-the-art manufacturing facilities are located close to OEM customers, offering logistic cost savings and just-in-time delivery as well as the operational flexibility.



1. Unit-I, Kundli (Sonepat, Haryana)
2. Unit-II, Hosur (Tamil Nadu)
3. Unit-III, Hosur (Tamil Nadu)
4. Unit-IV, Mysore (Karnataka)
5. Unit-V, Hosur (Tamil Nadu)
6. Unit-VI, Nalagarh (Himachal Pradesh)
7. Unit-VII, Rai (Sonepat, Haryana)
8. Unit-VIII, Tapukara (Rajasthan)
9. Unit-IX, Ahmedabad (Gujarat)
10. Unit-X, Tapukara (Rajasthan)
    Asian Fiem Automotives India Pvt. Ltd.

All Manufacturing Facilities at Strategic Locations



Corporate Office & Unit-VII, Rai (Haryana)



Unit-I, Kundli (Sonepat, Haryana)



Unit-II, Hosur (Tamil Nadu)



Unit-III, Hosur (Tamil Nadu)



Unit-IV, Mysore (Karnataka)



Unit-V, Hosur (Tamil Nadu)



Unit-VI, Nalagarh (Himachal Pradesh)



Unit-VIII, Tapukara (Rajasthan)



Unit-IX, Ahmedabad (Gujarat)



Tapukara (Rajasthan)
Asian Fiem Automotives India Pvt. Ltd.

Sr.	Unit No.	Location	Quality, Environment & Safety System Certifications			
			QMS		EMS	SAFETY
1	Unit-1	Kundli, Haryana		IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
2	Unit-2	Hosur, Tamilnadu		IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
3	Unit-3	Hosur, Tamilnadu		IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
4	Unit-4	Mysore, Karnatka		IATF 16949:2016	-	-
5	Unit-5	Hosur, Tamilnadu		IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
6	Unit-6	Nalagarh, H.P.		IATF 16949:2016	-	-
7	Unit-7	Rai, Haryana	ISO 9001:2015	IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
8	Unit-8	Tapukara, Rajasthan	ISO 9001:2015	IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
9	Unit-9	Ahmedabad, Gujarat		IATF 16949:2016	ISO 14001:2015	OHSAS 18001:2017
10	Unit-10	Tapukara, Rajasthan (AFI)	-	-	-	-

Strategic Collaborations for Diversification in New Technology Products



Bank (lean) Angle Sensor

Technical Assistance Agreement With

TEL TOYODENSO JAPAN



Supply to HMSI



Features
Oil less type, non-contact detection type with Hall IC.

Concept
Small size, lightweight and high mount ability overturn detection sensor for motorcycles.

Canister

Technical Assistance Agreement With

Aisan JAPAN





Supply to TVS & YAMAHA

Evaporated fuel vapor is absorbed in Canister during parking.

The vapor absorbed to canister is vacuumed into engine (Purging) and burned when motorcycle is driving.



Fuel Pump Module And Ic Connector

Joint Venture With Aisan JAPAN

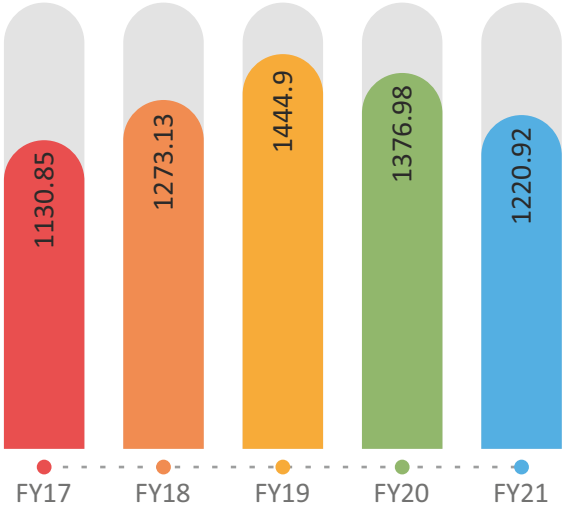


Supply to Bajaj

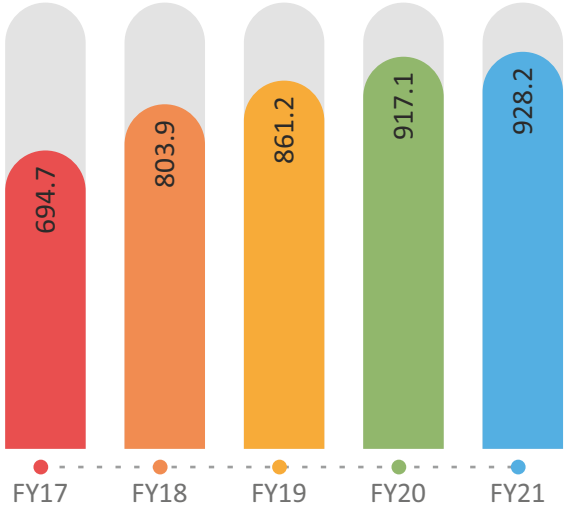
Function
By either name, the module controls the voltage delivered to a vehicle's fuel pump. By controlling the voltage, the fuel-pump driver module maintains the optimum fuel pressure and fuel delivery to the engine throughout its full operating range.

Financial performance at a glance...

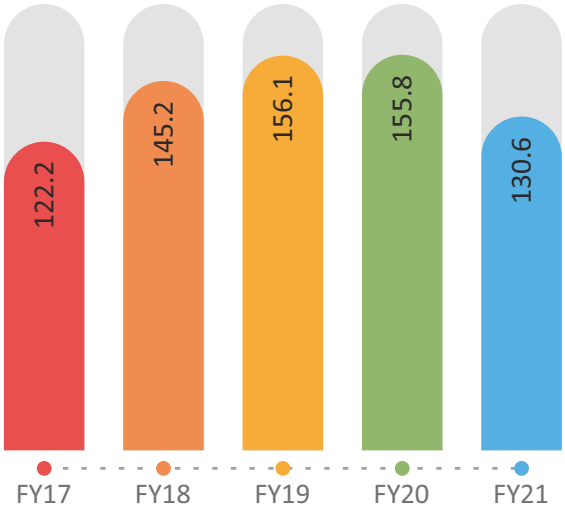
REVENUE FROM OPERATIONS (Rs Crore)



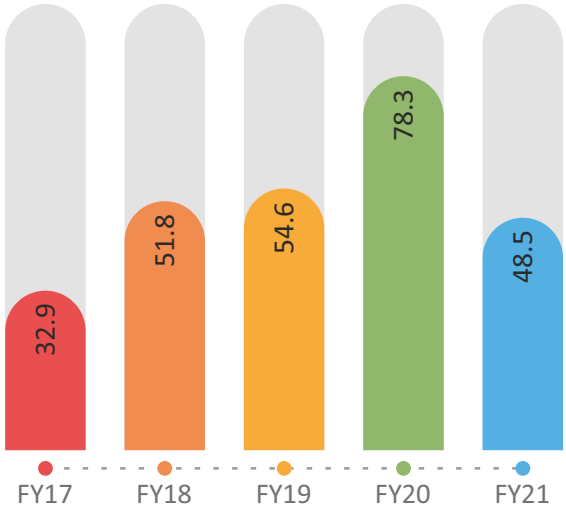
GROSS BLOCK (Rs Crore)



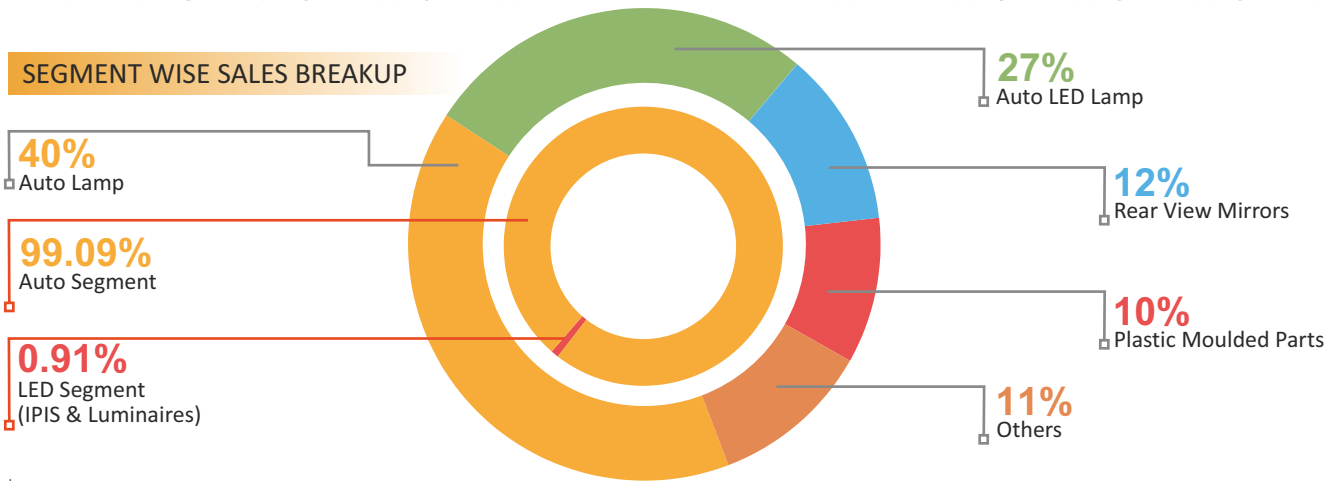
EBITA (Rs Crore)



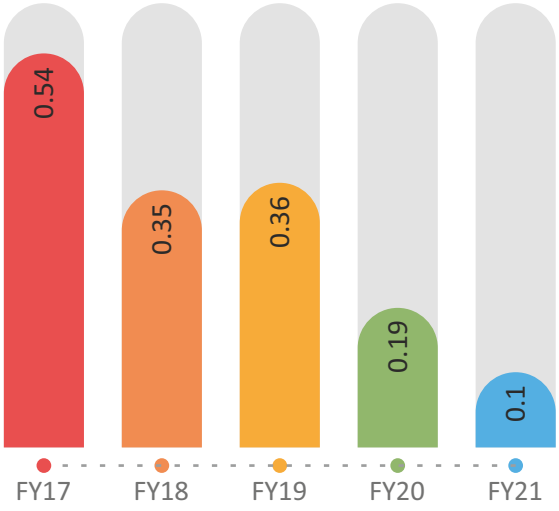
NET PROFIT (Rs Crore)



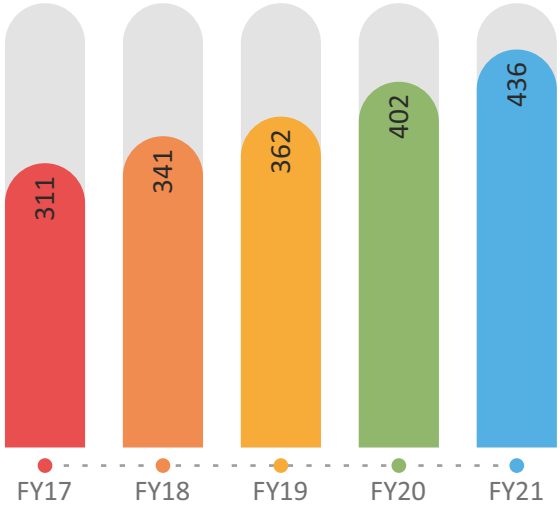
SEGMENT WISE SALES BREAKUP



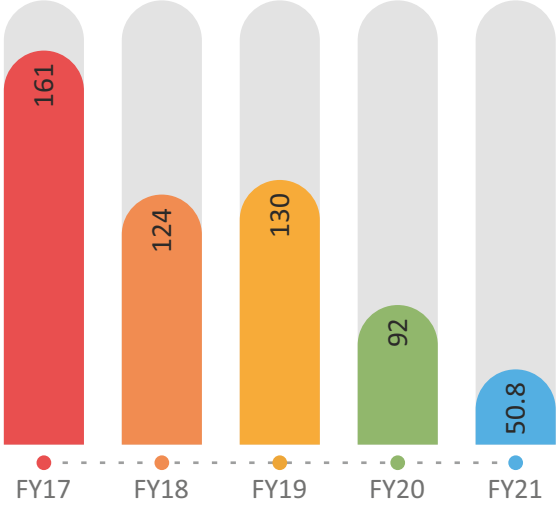
GROSS DEBT / EQUITY RATIO

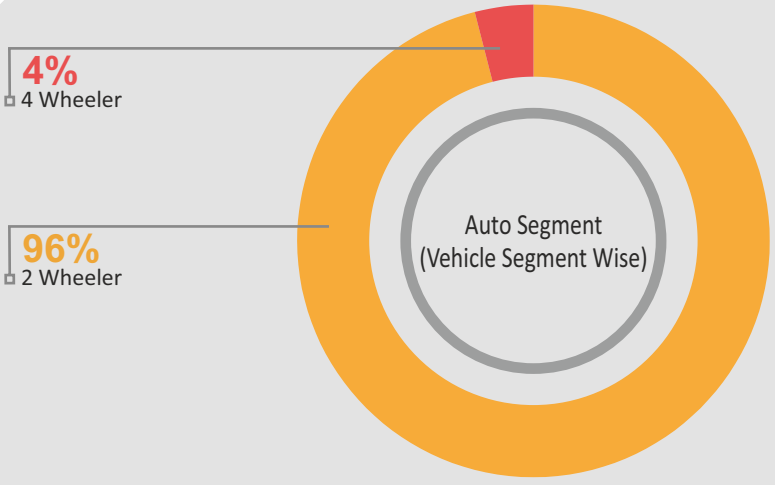


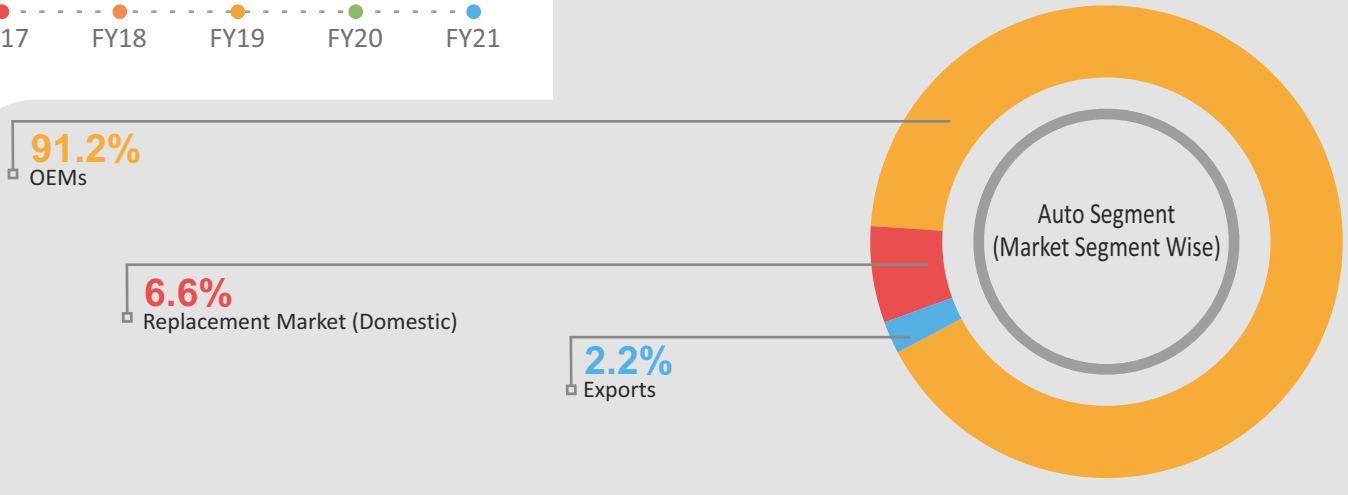
BOOK VALUE PER SHARE



LONG TERM LOAN (RS Crore)







Our Valued OEM Customers.

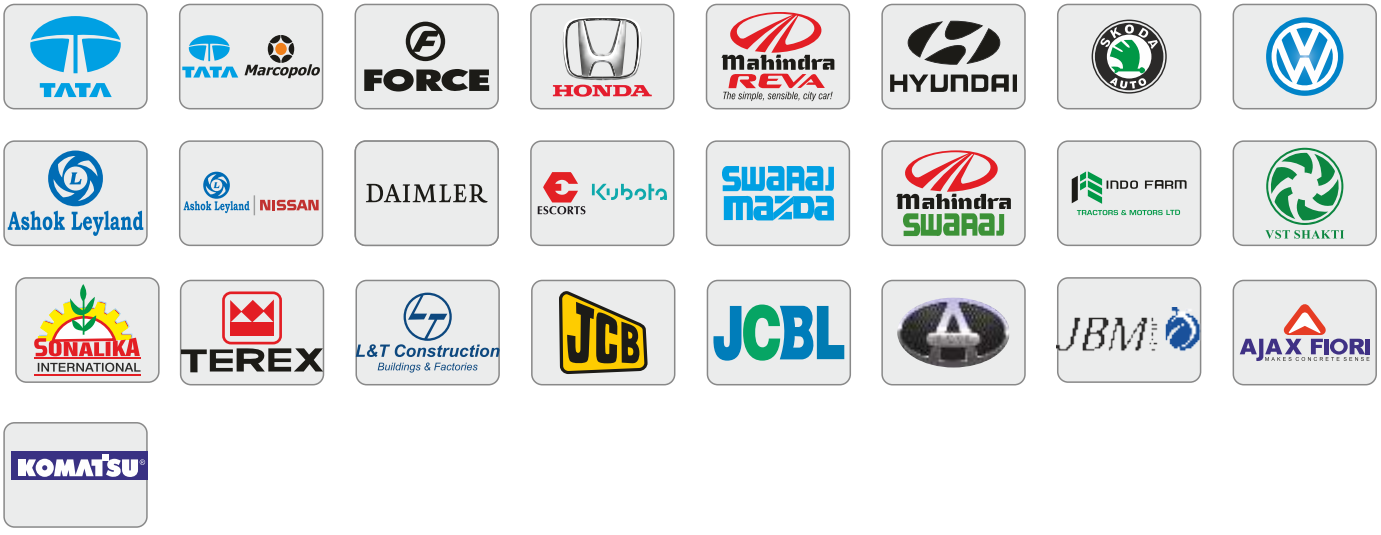
TWO-WHEELER SEGMENT (DOMESTIC CUSTOMERS)



TWO-WHEELER SEGMENT (GLOBAL CUSTOMERS)



FOUR-WHEELER SEGMENT (DOMESTIC CUSTOMERS)



FOUR-WHEELER SEGMENT (GLOBAL CUSTOMERS)



Diversified Product Portfolio

The Company is a leading manufacturer of automotive lighting and signaling equipment and rear view mirrors for two and four wheelers. Over the years our Automotive LED Product Portfolio is increasing.

AUTOMOTIVE LAMPS



REAR VIEW MIRRORS



PLASTIC PARTS



OTHERS

Sheet Metal Parts



Canister



Bank (Lean) Angle Sensor



Fuel Pump Module & Ic Connector



IPIS








LED LUMINAIRES


















Fight against COVID-19:

Company promptly and generously contributed Rs. 30 Lac for setting-up 1000 LPM, PSA Technology based Oxygen Plant at BPS Govt. Medical College, Khanpur, Distt. Sonipat, Haryana.

Care and supporting the communities have always been the focus area of CSR initiatives of the Company. During this unprecedented difficult times, individuals, societies and organisations were required to go beyond the usual extent to support the humanity.

During this difficult COVID-19 pandemic times, the Company whole-heartedly not only remain ready to protect and support the people connected with the Company but also took the lead in proactively supporting society at large. We enhanced our efforts towards supporting the less privileged people. We worked with multiple state governments to support the local administration and extended all possible support to fight COVID-19 pandemic.

Financial aid to poor & needy patients

Under this CSR Programme, in collaboration with **'Social Welfare Unit of AIIMS, Delhi'** we provide financial aid to poor patients **suffering from cancer** and other life-threatening diseases. Patients from all over India like Bihar, U.P., Delhi, J&K etc. have benefitted . Till now nearly **260** such patients have been extended financial aid of more than **Rs. 3.10 crore.** .

FIEM FOUNDATION
CORPORATE SOCIAL REPONSIBILITY

AIIMS



Dev Ranjan
4 years from Bihar



Arun Kumar Sharma
58 years from Bihar



Sanjog Prasad
31 years from Delhi



Fazar Mohammad
40 years from Delhi



Sanjana
13 years from U.P.



Simrat Kaur
27 years from Deljhi

Fight against the COVID-19: Providing Ambulance



Hon'ble Member of Parliament & Himachal Pradesh B.J.P. President, Sh. Suresh Kashyap dedicating the Ambulance to Administration of Primary Health Centre, Chalog, District Sirmour, H.P.

When COVID-19 infection increased in rural & hilly area of Himachal Pradesh and bringing the patients to nearest hospital or Covid Care Centre in the normal vehicle has become very difficult, expressing the solidarity with the local administration to fight COVID-19 in a more effective way, Company provided a fully loaded Ambulance under its CSR initiative.

Fight against the COVID-19: Providing Ambulance



Smt. Meenakshi Lekhi, Hon'ble Minister of State for External Affairs dedicating the Ambulance to Rotary Charitable Diagnostic Centre, New Delhi

Ambulance donated by Fiem Industries Limited / Fiem Foundation under its CSR initiative to fight against COVID-19.

Promoting Education in Rural Govt. Schools by providing water-resistant and sturdy School Bags to Students of Govt. Schools in rural areas of Pauri & Tehri Garhwal, Uttarakhand in association with AITYS (NGO)





COVID-19 Sample & Testing Room provided for urgent need at Govt. CHC, Badhkhalsa, Distt. Sonipat, Haryana



We reach wherever home is...









Providing Holistic Home based Palliative Care for people living with Cancer in Delhi, in association with CanSupport (NGO) Delhi

Women Empowerment: Set-up Sanitary Pad Making Machine



Sh. Tarkishor Prasad, Deputy CM, Bihar and Sh. Janardan Singh Sigriwal, MP from Bihar inaugurated the Pad Making Machine.

Stepping forward towards its cause of women empowerment and in solidarity with Prime Minister's Swachh Bharat Mission, Fiem Foundation set-up Sanitary Pad Making Machine in Jalalpur, District Saran, Bihar for free distribution of Sanitary Pad to poor women and girls towards creating awareness among them about importance of menstrual hygiene.





A happy group of underprivileged women after getting the free Sanitary Pads.





Company Provided 100 Medical Beds to Old Age Home to look after homeless-abandoned senior citizens & Rescue centre to look after mentally disabled people run by The Earth Saviours Foundation (NGO), Gurugram, Haryana

Healthcare for the needy



Comprehensive Eye Care Camps conducted in Kutch District of Gujarat in association with Kutch Vikas Trust (NGO) - More than 2000 poor people benefitted in around 15 Villages

Fight against the COVID-19



On outbreak of COVID-19 second wave, Company expressed solidarity with Delhi Administration and provided Medical Beds, Oxy-meters, Water Dispensers, Juices, Face Masks, Face Shields etc. in Covid Care Centers.

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. Rajesh Sharma
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. Jawahar Thakur
Independent Director



Mr. Ashok Kumar Sharma
Independent Director



Ms. Shobha Khatri
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. Kashi Ram Yadav – Whole–time Director
Mr. Rajesh Sharma – 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
Ms. Shobha Khatri – Independent Director

Chief Financial Officer

Mr. O.P. Gupta

Company Secretary & 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

Statutory Auditors

M/s V. Sachdeva & Associates, Chartered Accountants

Risk Management Committee

Mr. Rajesh Sharma – Chairman
Mr. S. K. Jain – Member
Mr. Ashok Kumar Sharma – Member

Registered Office	Corporate Office & Unit VII	Registrar & Share Transfer Agent
D–34, DSIDC Packaging Complex, Kirti Nagar, New Delhi–110015 (India) Tel: +91–11–25927820, 25927919, Fax: +91–11–25927740 CIN: L36999DL1989PLC034928 Email:investor@fiemindustries.com Website: www.fiemindustries.com	Plot No. 1915, Rai Industrial Estate, Phase – V, Distt. Sonepat, Haryana –131029 (India) Tel: +91-130-2367905-910, Fax: +91-130-2367903	Link Intime India Pvt. Ltd. Noble Heights, 1st Floor, Plot No. 2 C-1 Block ISC, Near Savitri Market Janakpuri, New Delhi – 110058 Ph: 011–41410592/93/94 Fax No: 011–41410591

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	Village Karsanpura, Taluka-Mandal, Distt. Ahmedabad, Gujarat

Directors' Report

Dear Members,

The Directors of your Company have the pleasure in presenting the 32nd Annual Report of the Company, along with standalone and consolidated audited financial statements for the financial year ended March 31, 2021. The standalone and consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

Financial Results: Standalone & Consolidated

The Directors' Report is prepared on the basis of Standalone Financial Statements of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014. However, this report also contains highlights of performance of subsidiaries and joint venture companies and their contribution to the overall performance of the Company during the period under review. Financials of following Wholly-owned Subsidiaries (WOS), and Joint Venture Companies (JVs) are consolidated in Consolidated Financial Statements.

Sr	Name of Entities	Country of Incorporation	WOS/JV
1.	Aisan Fiem Automotives India Private Limited (AFI)	India	69:26:5 JV
2.	Fiem Kyowa (HK) Mould Company Limited.	Hong Kong	50:50 JV
3.	Centro Ricerche Fiem Horustech S.r.l	Italy	50:50 JV
4.	Fiem Industries Japan Co., Ltd.	Japan	WOS
5.	Fiem Research and Technology S.r.l (FRT)	Italy	WOS

The key financial highlights of standalone and consolidated financials of your Company are as under: **(Amount Rs In Lakhs)**

Sr	Particulars	Standalone		Consolidated	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
1	**Income from Operations**				
	a) Net Sales	120749.99	136624.87	120764.67	136870.92
	b) Other Operating Income	1342.32	1073.11	1350.95	1073.20
	Total Income from operations (Net)	**122092.31**	**137697.98**	**122115.62**	**137944.12**
2	**Total Expenses (excluding depreciation and finance cost)**	**108713.89**	**122032.24**	**108734.71**	**122255.62**
3	**Profit from operations before other income, finance costs, depreciation and exceptional items (1-2)**	**13378.42**	**15665.74**	**13380.91**	**15688.50**
4	Add:- Other income	336.98	173.30	318.98	172.03
5	**Profit from ordinary activities before finance costs, depreciation and exceptional items (3+4)**	**13715.40**	**15839.04**	**13699.89**	**15860.53**
6	Less :- Finance costs	1163.65	1766.66	1163.66	1766.66
	Less :-Depreciation	5709.33	5272.14	5723.40	5320.28
7	**Profit from ordinary activities after finance costs, depreciation but before exceptional items (5-6)**	**6842.42**	**8800.24**	**6812.83**	**8773.59**
8	Exceptional Items	(318.40)	(88.23)	(318.40)	(88.23)
9	**Profit/(Loss) from Ordinary Activities Before Tax (7-8)**	**6524.02**	**8712.01**	**6494.43**	**8685.36**
10	Tax expense	1812.06	819.16	1803.18	816.81
11	**Net Profit/(Loss) from Ordinary Activities After Tax (9-10)**	**4711.96**	**7892.85**	**4691.25**	**7868.55**
12	**Share of profit/(loss) of associates**	**-**	**-**	**(22.29)**	**(412.06)**
13	**Profit after tax for the year after share of profit/loss of associate**	**4711.96**	**7892.85**	**4668.96**	**7456.49**
14	**Other comprehensive income/(loss) (net of tax)**	**133.64**	**(63.78)**	**133.64**	**(63.78)**
15	**Total other comprehensive income (net of tax)**	**4845.60**	**7829.07**	**4802.60**	**7392.71**
16	**Weighted Earnings Per Share (EPS)**	35.81	59.98	35.48	56.66

State of the Company's affairs and Business Review

During this COVID-19 pandemic, domestic two-wheeler industry in Financial Year (FY) 2020-21 went through a tough time and overall domestic industry declined by 3.2% from 17.4 million units to 15.1 million units. The Company was also significantly hit with the plant shutdown in Quarter-1 of FY 2020-21. However, Company has been able to recover from Quarter-2 onwards, which are reflected in the strong Quarter-4 i.e. Quarter ended March, 2021 results.

During FY 2020-21, the Company has been able to achieve net sales of Rs.120749.99 lacs as against the sale of Rs.136624.87 lacs during the Financial Year 2019-20. This represent a decline of 11.62% on yearly basis. The decline in sales is due to lockdown because of COVID-19 pandemic in Quarter-1 of FY 2020-21. The Company has been able to earn an EBITDA of Rs.13060.02 lacs, being 10.82% during FY 2020-21 as against EBITDA of Rs.15577.51 lacs being 11.4% during the FY 2019-20. The marginal fall in EBITDA was due to effect of lockdown because of COVID-19 pandemic in Quarter-1 of FY 2020-21. PAT of the Company for FY 2020-21 was Rs.4711.96 lacs as against Rs.7892.85 lacs during FY 2019-20. The decline in PAT is because of lockdown due to COVID-19 pandemic and resultant lower sale for the year. Moreover, the PAT of FY 2019-20 included a reversal of deferred tax expense of Rs.1452.00 lacs on account of the Company exercised option of payment of lower income tax as per amended provisions. If the effect of lower income taxes excluded from the PAT of FY 2019-20, then a net decline in the PAT on year-on-year basis will work out to Rs.1728.89 lacs only.

Impact of the COVID-19 on the business of the Company

Due to outbreak of COVID-19 in March, 2020 and the consequent lockdown(s), operations of the Company remain suspended for part of Quarter-1 of FY 2020-21. Accordingly, there is resultant lower sales during FY 2020-21 in comparison to previous year. Situation starting normalizing from 2nd Quarter of FY 2020-21 onwards and 4th Quarter of FY 2020-21 registered highest ever sales. While Company registered its highest quarterly sales in Quarter ended March, 2021, the onset of more deadly second wave of COVID-19 has impacted market demand as well as Company's business in April-May-June, 2021 months. Though, there were lockdown imposed by the state governments, however running of the factories remain allowed, hence all factories of the Company remained open during the COVID-19 second wave. Management is taking all due care and precautions across all locations to contain the spread of COVID-19. Further, the future impact of COVID-19 on operations, supply chain, demand for its products/services will depend upon the impact on overall automobile industry, however the Management is fully prepared and geared-up for running the operations smoothly.

SAP Implementation

Company is in the process of implementation of SAP system across its all units and offices - SAP S/4HANA Enterprise Management.

Dividend

The Board in its meeting held on June 30, 2021, had recommended a Final Dividend at the rate of 160% i.e. Rs. 16 /- per equity share of Rs. 10/- each for the financial year ended on March 31, 2021.

The Final Dividend payout is subject to approval of members at the ensuing Annual General Meeting of the Company. The final dividend, if approved by the members would involve a cash outflow of Rs. 2105.57 lacs.

Further, pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board of Directors has approved and adopted a Dividend Distribution Policy in its meeting held on 30th June, 2021. The Dividend Distribution Policy is available on the Company's website at link:

https://www.fiemindustries.com/wp-content/uploads/DDP_FIEM_F_30-06-21.pdf

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

1. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return on website of the Company, which can be seen at following link:

https://fiemindustries.com/wp-content/uploads/Annual%20Return%2020-21.pdf

2. 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 2020-21, five (5) Board Meetings and one separate meeting of Independent Directors of the Company were held.

Detailed information on the meetings of the Board is included in the Corporate Governance Report, which forms an integral part of this Annual Report.

3. Directors' Responsibility Statement

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

a) in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards (IndAs) 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, 2021 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 2020-21.

4. Independent Directors' Declaration

The Company has received necessary declaration from each of Independent Director of the Company under Section 149(7) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations.

5. Directors' Appointment Criteria and Remuneration Policy etc.

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

There has been no change in the Remuneration Policy of the Company during the year. The Remuneration Policy is enclosed as **Annexure - I.** This Policy is also available under Investor section of website of the Company and can be viewed at the following link:

https://fiemindustries.com/wp-content/uploads/Remuneration%20Policy_LODR.pdf

6. Auditors & Auditor's Reports

(a) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s. V. Sachdeva & Associates, Chartered Accountants (Firm Registration No-004417N) were appointed as Statutory Auditors of the Company at 28th AGM of the Company held on August 21, 2017, for a term of 5 (five) years, starting from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2022, 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. 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 2020-21 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 has not reported any matter of offence of fraud 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 June 30, 2021 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 2021-22. The Company has received their consent for appointment.

(d) Secretarial Audit Report

The Secretarial Audit under section 204 of Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as in compliance of Regulation 24A of the Listing Regulations was conducted by M/s Ranjana Gupta & Associates, Company Secretaries (C.P. No. 9920) for the financial year 2020-21. The Report in Form No, MR-3 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.

In addition to above, 'Annual Secretarial Compliance Report' in compliance with Regulation 24A of Listing Regulations and as per format prescribed under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 was also obtained from M/s Ranjana Gupta & Associates, Company Secretaries (C.P. No. 9920) and submitted to stock exchanges i.e. BSE and NSE with in stipulated (extended) period.

During the year under review, the Secretarial Auditors has not reported any matter of offence of fraud 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 in their meeting held on June 30, 2020 had appointed Mr. Krishan Singh Berk, Cost Accountants (Membership No. 2724) as Cost Auditor of the Company to conduct the Cost Audit for the financial year 2020-21 at a remuneration of Rs. 2,10,000/-. This remuneration was also ratified by the shareholders in the Annual General Meeting held on September 21, 2020.

However, Mr. Krishan Singh Berk, has tendered his resignation on December 24, 2020 through e-mail. In his letter, he cited personal and health reasons for his resignation. To fill this casual vacancy, on recommendation of Audit Committee, the Board of Directors in its meeting held on January 23, 2021, appointed M/s H. Tara & Co., Cost Accountants, (FRN 100265) (Proprietor, Mr. Harkesh Tara, Memb. No. 17321) as the Cost Auditor to conduct Cost Audit for the Financial Year 2020-21 at a remuneration of Rs. 2,90,000/-.

Further, in terms of 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 in their meeting held on June 30, 2021 has also re-appointed M/s H. Tara & Co., Cost Accountants, (FRN 100265) as the Cost Auditor to conduct Cost Audit for the Financial Year 2021-22 at a remuneration of Rs. 2,90,000/-.

The Company had received his consent that the appointment / reappointment is in accordance with the applicable provisions of the Act and rules framed thereunder and he is not disqualified to be appointed as Cost Auditor.

The above remuneration of new Cost Auditors for both years, need to be ratified by the shareholders. The Notice of the ensuing Annual General Meeting of the Company has requisite resolution for ratification of remuneration of Cost Auditors by the members of the Company.

The Cost Audit Report for Financial Year 2019-20 was filed to Registrar of Companies on September 26, 2020. Further, the Cost Audit Report for Financial Year 2020-21 will be filed with the Registrar of Companies in due course.

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

Details of the loans given, guarantees or securities provided (if any) and investments made by the Company along with their purposes, have been disclosed in the financial statements. Please refer to **Note No.5** in the standalone financial statement.

8. Contracts and Arrangements with Related Parties

All contracts/ arrangement/ transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business. Due approvals from Audit Committee were taken under the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder read with applicable Listing Regulations. As all the transactions with Related Parties during the year under review were on arm's length basis and in the ordinary course of business, so no approval from Board was applicable. During the year under review, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered 'material' in accordance with Related Party Transactions Policy of the Company. Hence, no approval from shareholder required for any related party transaction during the year under review.

As all the transactions with Related Parties were on arm's length basis and there was no 'material' transaction during the year, hence disclosure in form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013 are not required.

Further, during the year under review, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other senior management personnel, which might have potential conflict with the interest of the Company at large.

Members may refer **Note No. 45** to the financial statements which sets out related party disclosures pursuant to Ind AS.

Your Company has formulated a policy on related party transactions. The policy is 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.

9. Transfer to Reserves

Your Company has transferred Rs. 500.00 lacs to the General Reserve from the profits of the Company.

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

There is no material change and/or commitment affecting the financial position of your Company has occurred between April 1, 2021 and the date of signing of this report. Though, in general, COVID-19 continue to be a cause of concern throughout the world.

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

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

12. Risk Management

Risk management remained an important function of the management, especially during COVID-19 pandemic. Though risk management is an ongoing activity considering the dynamic business environment in which Company operates. Risk management is an area of continuous focus across all functions and operations, so that risk mitigation can be implemented on immediate basis to minimize adverse effect of any risk.

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" which comprises the risk management framework and the same has been approved by the Board of Directors of the Company. The framework covers various categories of risks including cyber security risks, market risks, natural calamities etc. and measures & controls that have been implemented to prevent such risks and continuous improvement of such systems and processes.

A brief about the risk and concern is also given in the Management Discussion and Analysis Report.

13. Corporate Social Responsibility (CSR)

CSR Policy of the Company is based on the premise of helping the underprivileged in the hour of need. Towards this cause, we have selected 'healthcare' as one of the major areas of intervention under Corporate Social Responsibility (CSR) and way of serving the humanity. The underlying reason for selecting this as a major area under CSR is that in India, affordable medical treatment to the poor in disease like cancer and other life threatening is scarcely available, hence poor suffer a lot and at times not able to bear the burden of treatment. Therefore, we want to stand with poor and underprivileged by extending them the financial-aid for treatment, when patient and their family are in dire necessity of such support.

During the year under review, the Company continued its collaboration with Social Welfare Unit of AIIMS, New Delhi, and provided financial aid to poor and needy patients suffering from cancer and other life threatening diseases for getting their treatment done in 'All India Institute of Medical Sciences', New Delhi (AIIMS). Though most of the help is done through Social Welfare Unit of AIIMS, New Delhi, however in acute and emergent situation direct financial-aid is also extended to needy patients for getting treatment in other hospitals.

Company also extended full support and financial help to local administration to fight against COVID-19 pandemic, besides undertaking all measures on its own and through 'Fiem Foundation' - the trust set-up by the Company dedicatedly for undertaking CSR activities.

Among other initiatives, during the year under review, Company also engaged NGOs / implementation agencies for undertaking projects on promoting education, organizing free eye operation camp, helping the cancer patients and supported one shelter home which is caring the 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.

During the year under review the CSR Policy has not been amended. The salient features and brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the CSR initiatives undertaken by the Company 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, as amended. For details regarding the CSR Committee, please refer the Corporate Governance Report, which forms part of Annual Report.

14. Annual Evaluation of the Performance of the Board, its Committees and Individual Directors

Performance Evaluation is aimed to use constructively as a mechanism to improve Board's effectiveness, maximize strengths and tackle weaknesses of Board members. 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/she is a Member. At the time of individual performance evaluation of the respective director, he himself remains outside the evaluation process.

Initially, Nomination & Remuneration Committee (NRC) 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 NRC 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 NRC members and any other information as may be required by the NRC.

The outcome of NRC in respect of Independent Directors is subject to final evaluation by the Board. Outcome of NRC 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. The performance evaluation of the Committees is conducted by the Board.

The final outcome is collated and presented before the NRC in its next meeting for its consideration as well as before the Board for noting and future reference.

15. Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under review.

At present, there are 3 JV Companies (JVC) and 2 Wholly-owned subsidiaries (WOS) as listed in initial paragraph of this report. The highlights of performance of each of these companies are as under:

a) Aisan Fiem Automotives India Pvt. Ltd. (AFI):

This JV Company was incorporated on 7th June, 2018, in India. Total equity investment in the JV Company is Rs. 100 Crore, wherein Fiem Industries hold 26%, Aisan hold 69% and Toyota Tsusho hold 5%. The JV Company has established its factory in ELCINA Electronic Manufacturing Cluster in Tapukara, Rajasthan for production of Fuel Pump Module. The company has incurred losses during the year, hence consolidated profits of Fiem Industries Limited has accordingly impacted.

The Financial highlights of AFI is as under: (Amount Rs In Lakhs)

Particulars	FY 2020-21	FY 2019-20
% of shareholding	26%	26%
Total Income	2680.50	920.96
Total Expenses	2722.40	1342.69
Profit or (Loss) after tax	(41.90)	(421.59)
Total comprehensive income	(41.07)	(421.73)

b) Fiem Kyowa (HK) Mould Company Limited:

This JV Company was 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 started its operations during FY 2018-19. There is no major investment in this company and this company is providing support for mould development for OEMs. The contribution / or impact on performance of Fiem Industries is very small.

The Financial highlights of Fiem Kyowa (HK) Mould Company is as under: (Amount Rs In Lakhs)

Particulars	FY 2020-21	FY 2019-20
% of shareholding	50%	50%
Total Income	139.98	540.72
Total Expenses	142.19	528.90
Profit or (loss) after tax	(2.21)	11.82
Total comprehensive income	(2.21)	11.82

c) Centro Ricerche Fiem HorustecH S.r.l. (CRFH) (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. However, due to some financial problems in Horustech group companies, the management of both companies i.e. Horustech Lighting and Fiem Industries Limited has mutually decided to move ahead to liquidate the CRFH. Currently this company is under liquidation. There is no major investment in this company and this company was providing Design Services to Fiem Industries and other customers. The contribution or impact on performance of Fiem Industries is nil or negligible.

The Financial highlights of CRFH is as under: (Amount Rs In Lakhs)

Particulars	FY 2020-21	FY 2019-20
% of shareholding	50%	50%
Total Income	-	22.91
Total Expenses	3.70	25.06
Profit or (loss) after tax	(3.70)	(2.15)
Total comprehensive income	(3.70)	(2.15)

d) Fiem Industries Japan Co., Ltd. (Wholly-owned Subsidiary):

This WOS 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. There is no major financial contribution or impact on performance of Fiem Industries.

Financial Highlights of Fiem Industries Japan Co. Ltd. (Japan): (Amount Rs In lacs)

Particulars	FY 2020-21	FY 2019-20
% of shareholding	100%	100%
Revenue	56.85	330.57
Total Income	57.30	327.68
Total expenses	81.29	324.93
Profit/(Loss) before taxation	(23.99)	2.76
Provision for taxation	1.48	0.46
Profit/ (Loss) after taxation	(25.47)	2.30

e) Fiem Research and Technology S.r.l. (Wholly-owned Subsidiary in Italy):

This Wholly-owned Subsidiary (WOS) was incorporated in Italy on December 17, 2018 and a Design Centre set-up under this Company in Turin, Italy. Fiem Industries is getting Design Services from this WOS on regular basis on Automotive LED and other Lamps for esteemed OEM customers. This is a wholly-owned subsidiary and providing Design Services to Fiem Industries only, so working like an extended arm of Fiem Industries for Design Services.

Financial Highlights of Fiem Research and Technology S.r.l (Italy) **(Amount Rs In lacs)**

Particulars	FY 2020-21	FY 2019-20
% of shareholding	100%	100%
Revenue	374.28	415.95
Total expenses	379.89	445.35
Profit/(Loss) before taxation	(5.61)	(29.40)
Provision for taxation	(10.37)	(2.81)
Profit/ (Loss) after taxation	4.76	(26.60)

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

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

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

ii) There is no change in the nature of business of the Company during the year under review.

iii) 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 and Mr. Kashi Ram Yadav, Whole-time Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment and they are not disqualified under Section 164(2) of the Companies Act, 2013.
- The Board of Directors in their Meeting held on June 30, 2021, on recommendation of Nomination & Remuneration Committee and subject to approval by the members in ensuing Annual General Meeting, has re-appointed following Directors:
  - Mrs. Seema Jain (DIN 00013523) as Whole-time Director of the Company w.e.f. April 1, 2022 for a term of 5 years;
  - Ms. Aanchal Jain (DIN 00013350) as Whole-time Director of the Company w.e.f. April 1, 2022 for a term of 5 years;
- In the ensuing Annual General Meeting, the re-appointments of Mrs. Seema Jain and Ms. Aanchal Jain as Whole-time Directors are proposed. The details of Directors being proposed for re-appointment as required under the Listing Regulations are provided in the Notice convening the ensuing Annual General Meeting of the Company. The Board recommend re-appointment of above Directors.
- 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.
- During the financial year, no company become Subsidiary, Joint venture Company or Associate of the Company. The details of subsidiary and joint venture companies already provided in the preceding paragraphs.

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) It is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

viii) It is confirmed that the Company has complied with provisions relating to the constitution of Internal Complaints Committee(s) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ix) It is confirmed that during the year under review, no complaints were received under the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017.

x) It is confirmed that there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

xi) It is confirmed that no settlements have been done with banks or financial institutions.

xii) **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 in 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 and other details of top 10 employees, in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2)&(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.
- Neither the Managing Director nor any Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries, hence no such disclosure applicable.
- The Company duly complied the applicable Secretarial Standards (SS) i.e. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings, respectively.

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.

Business Responsibility Report

Pursuant to Regulation 34 of the Listing Regulations, Business Responsibility Report forms part of Annual Report.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") read with IndAS, 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.

Acknowledgement

The Board of Directors sincerely acknowledge the patronage of valued OEM customers and would like to place on record appreciation for employees of the Company for their sincere working during these difficult times. Your Directors would like to express their sincere thanks to the shareholders and investors of the Company for the trust reposed in the Company. Your Directors would also like to thank all the stakeholders, banks, dealers and vendors for their co-operation and support to 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.)
Dated: 30/06/2021

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.)
Dated: 30/06/2021

ANNEXURE–II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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 the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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, 2021** (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, 2021 according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye–laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent 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;
   (d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
   (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
3. We have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) 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 and 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, as amended) apply 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 auditor and other designated professionals.
7. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors including a Woman Independent 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 the Directors for Board and Committee Meetings. Notice, Agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
9. Decisions by the Board and Committees are carried out unanimously and therefore, no dissenting views were required to be captured and recorded as part of the minutes.
10. There are adequate systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. During the period under review, 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; and
    v) Foreign Technical Collaborations.

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

For **RANJANA GUPTA & ASSOCIATES**
COMPANY SECRETARIES
ICSI Unique Code: S2011DE154200
Peer Review Cert. No.: 921/2020

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

Place: New Delhi
Date : 22nd June, 2021
UDIN: F008613C000495101

ANNEXURE-A

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

Our Secretarial Audit Report on even date is to be read along with this letter:

a) Maintenance of secretarial records 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 records and Books of Account of the Company.

d) We have obtained the Management Representation, wherever required, 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 efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **RANJANA GUPTA & ASSOCIATES**
COMPANY SECRETARIES
ICSI Unique Code: S2011DE154200
Peer Review Cert. No.: 921/2020

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

Place: New Delhi
Date : 22nd June, 2021
UDIN: F008613C000495101

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

Conservation of energy is not only a major focus area in the Company for cost saving but also a duty of each person to save this national resource for better usage and next generations. 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.

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

In general, energy conservation measures are the upgrades and replacements that Company could implement in factories in different processes to become more energy efficient. These measures reduce operating costs while providing operational benefits by allowing to replace old, outdated equipment. Various such measures taken in different units of the Company are as under:

(a) To reduce the unplanned down time due to UV exhaust, protection cover is provided for exhaust in Hosur Unit-II.

(b) Energy saving (Cooling Tower) Temperature cut-off Controller (sensor) fitted for the cooling fan to operate whenever the Temperature exceed 20^0C, avoiding the ideal time of cooling fan in Hosur Unit-II.

(c) By replacing a 10 ton press machine by a pneumatic cylinder press, energy saving achieved. The same has been implemented in different area in Hosur Unit-III.

(d) Two booths for powder spray and air spray for thread cleaning were there, now, a single booth is made to perform both process and hence the power consumption gets reduced in Hosur Unit-III.

(e) Instead of hourly meter, analogous meter installed in compressor in Unit-V.

(f) In Unit-1, Mirror Assembly oven strip heater replaced with tubular-heater and modified the heat circulation in oven resulting in power saving as 36 KW heater replaced by 24 KW heater.

(g) Timer installed for air-conditioning units and auto on/off enabled during lunch and tea time in the Assembly area to eliminate the idle time for air-conditioning units.

(h) Company continued its focus on behaviour awareness, which have 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, whether, in office, general open area or at shop floor.

(i) 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:

One roof-top Solar Power Plant of 750kWp has been installed at Rai Plant with Opex model. Company also exploring more such solar power plants in other factories to maximize the utilization of alternate source of energy. Further, at some places LED 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 of plant upgradation or new plant. During the year under review capital investment made on energy saving equipment was not significant.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

LED technology has been continuously improving with its efficiency and lifespan of lamps with reduced energy consumption & efficiency, small size, and incredible versatility. Automotive Lighting is experiencing an unexpected fast growth combined with technology revolution. We continue our journey with the LED lamps technology development and up-gradation which still form the majority share in new developments for all OEMs. Emphasis is on new technology development and absorption. Towards this objective, we have further upgraded technology in manufacturing processes. The focus remain on alternate materials and up-gradation of the manufacturing facilities. Some of the efforts are as under:

a) Advanced optical materials with high transparency has been introduced for light guides and light bars for LED application lamps.

b) Implementation of advanced sealants in Heat sink and PCB Assy zones to effectively improvise the heat dissipation and compact joint designs.

c) Lamp driving module manufacturing SMT lines are upgraded from PIN support to Block support for solder paste printing to achieve uniformity and consistence.

d) Robotic Lens fixing application is extended to all signaling function lamps to achieve higher productivity and consistent quality.

e) SPI is incorporated in all the existing lines which benefits the solder quality with low rejection in AOI stage.

f) Complete vehicle side simulation for all the functions in the lamp derived at BCM has been implemented in EOL (End of Line) before dispatching.

g) Multiple technology and concepts are combined – collimator + light bar to achieve compactness with high performance in LED tail lamps.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution etc.:

a) Advanced optical materials with high transparency improves the efficacy of the lamp and improves the lit appearance in signaling and signature lamps with higher efficiency.

b) Silicon based sealants are used in PCB zones as a thermal protector and in heat sink zones to effectively transmit heat from the lamp parts to atmosphere which increases the performance of the lamp and reliability as well.

c) Advanced solder paste printing in LDM SMT lines upgraded from PIN support to Block support to obtain uniform and consistence quality on solder paste printing with increase productivity.

d) Implementation of robots improves the production capacity and accuracy over the critical zones. Robotic lens fixing tends to uniform joining of Lens & Housing in Turn signal lamps.

e) Vehicle side simulation is incorporated in EOL which bring down the failure at higher gradients enhancing the quality of the product.

f) Combining multiple technology concepts together fetches us the new optical output with improved homogeneity and performance with super premium lit appearance.

(iii) The following is the information on Imported technology during the last 3 years reckoned from beginning of the financial year 2020-21

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:

In general, the Company keeps on importing latest machines from other countries to keep abreast with the latest manufacturing and technology development worldwide in order to keep developing in-house technology and up-gradation of technology. Company had imported LED SMT machines and automatic assembly lines with latest technology in previous years and also keeps on importing robots and machines with latest technology for various processes. The technology self-absorbs during production as well as improvement being a continuous process.

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

Company has also signed a 'Technology License & Assistance Agreement' with Toyo Denso Co., Ltd., Japan in July 2018 for Bank Angle Sensors. The technology is being imported and absorbed.

(iv) Research & Development (R&D)

In continuation of previous years, LED Lamps remain the most important subject for Research & Development as it is still evolving and lot of innovative things are being done by Company. Company has remained frontrunner in development of new LED Automotive Lamps for 2 Wheelers.

R&D efforts have contributed in new product development, new technology development and improvement in product quality and technology. Company has robust R&D capabilities which keep on strengthened year-by-year and are amply acknowledged and rewarded by its valued OEM customers. The Company had set-up its in-house R&D Unit at Rai Plant, recognized by the Govt. of India, Ministry of Science and Technology, Department of Science and Industrial Research.

A brief on the R&D activities of the Company is as follows:

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

(i) Using advanced transparency polymer, very slim/ sleek Light bar technology used in tail and stop functions.

(ii) For the first time Direct LED- simplified projector headlamps with minimal parts introduced in two-wheeler vehicles.

(iii) LED turn indicator lamps with indirect lighting technology has been designed.

(iv) To extend the benefits to customer electronic vehicle control features has been incorporated in lamp side to save the cost of the customer reasonably.

(v) We have increased our in-house capability on electronics LDM module to meet the stringent EMC & EMI standards like CISPR 25 class 5.

(vi) To design the high-performance compact lamps without compromising the performance – thermally protected drivers has been extended to mid-range of Vehicle lamps (Class-B & C).

(vii) With single IC – low & high beam function has been introduced on High end Class-D LED head lamps.

(viii) Most cost-effective LED headlamp designed without Driver module without adverse impact on performance.

(ix) Single compact PCB for TSL using CCR based circuit with all components mounted in the same PCB has been designed meeting all temperature requirements.

(x) In-house LDM PCB designed to withstand high temperature (85°C) for longer duration of (72 -96 hours).

(xi) Complex shaped position functions with larger lit up area have been made with combined technology of Light guide + diffuser optical system.

(xii) Introduced compact lamp with multiple functions (Low Beam, High Beam, Front Turn signal and Front position lamp) for first time in two-wheeler scooter segment.

(xiii) In-house designed hybrid Individual aiming system introduced for HIGH and Low beam for two-wheeler scooter segments.

(xiv) For the first time circular ring shape light guide for DRL/ POS have been designed and implemented where the POL lamp wrapped around the Bi function LED HL projector.

(xv) Compact Turn signal lamp with single LED without reflector have been introduced with optics in lens for the multiple OEM motorcycle models.

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

Because of Company's in-house R&D capabilities and prowess in LED technology, Company has been able to introduce various LED Head lamps in two-wheeler in India and in global markets. Because of these capabilities, Company is a preferred choice supplier for LED Automotive lighting for prestigious two-wheeler OEMs for **Head lights, Daytime Running lights, Tail light, Directions indicator lights etc.**

(i) Light Bar Technology gives the unique character to the lamps enhancing the vehicle aesthetics with bold design and uniform light output.

(ii) By implementing Lens optics projector technology we can eliminate few resin parts reducing weight and complexity of Projector Lamps arriving the cost effective and compact Headlamps.

(iii) Indirect lighting technology in LED turn signal lamp helps to achieve profile lighting blinkers.

(iv) Electronic vehicle control features incorporated within the lamp helps to being down the cost, improves the quality and lower the risk of failure.

(v) In-house LDM PCB design with high temperature resistance enhances the quality & reliability of the lamp which eventually reduces the risk of failure.

(vi) High performance compact lamps has been designed with the help of thermally protected drivers for mid-range vehicles

(vii) Using advanced single hybrid IC for both low and High beam functions helps to reduce the cost and to gain benefits for both manufacturer and customer.

(viii) Reduced PCB size in Turn signal lamps with good performance gives the compact feature to the lamp fetching a slim and stylish look.

(ix) Multiple functions incorporated in the single two wheeler headlamp to give the compact feature and to cut down other major costs.

(x) Hybrid individual aiming system for high and low beam helps to illuminate the road better and provides more freedom to the rider to optimize the light.

(xi) Single LED turn signal lamps with direct LED technology is an eye catching feature which is sleek and compact contributes much on styling feature to provide the premier look to the vehicle.

c) Future Plan of action :

(i) Introducing minimal PCB size for LED lamps to bring compact profile along with thermal efficiency to the lamps.

(ii) Research on alternative resin based polymer materials with high heat dissipation property than Al for heat sinks to reduce weight and to achieve compactness in lamps.

(iii) Design of semi adaptive LED headlights which is controlled by vehicle side PWM signals.

(iv) Research on usage of silicon transparent lenses for automotive signaling devices.

(v) Introduced dual function by using multi-color automotive LED's in single lamp.

(vi) Implement double side MC PCB's in near future for compactness (majorly for EV-Two-Wheeler segment)

(vii) Analyze the usage of highly reliable automotive grade IC's which is having n-1 function inbuilt.

(viii) Red diffuser lens to eliminate the formal two part construction to minimize the cost in signature functions and for better homogeneity.

(ix) Deep MFR technology combined with diffuser and collimator to bring the identical aesthetic to achieve the ultra-homogeneous light.

(x) Study to use COB (chip on board) LED packages for high power headlamps in near future.

(d) Expenditure on R&D:

Company has built its R&D capabilities over a long time and now it possess one of the best R&D and Design capabilities in the industry. The following expenses have been incurred by the company on its R&D:

Amount in Rs. lacs

Particulars	2020-21	2019-20
Capital Expenditure:	0.66	-
Recurring/Revenue Expenditure:	888.45	1031.54
Total	**889.11**	**1031.54**

In addition to above, the Company has also incurred expenses on its overseas Design Center in Italy and Development activities within and outside India.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year was Rs. 3013.14 lacs and the Foreign Exchange outgo during the year in terms of actual outflows was Rs. 19144.90 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.)
Dated: 30/06/2021

ANNEXURE–IV

ANNUAL REPORT ON CSR ACTIVITIES (FY 2020-21)

1. Brief outline on CSR Policy of the Company:

CSR Policy of the Company is based on the premise of helping the underprivileged in the hour of need. Towards this cause, we have selected **'healthcare'** as one of the major areas of intervention under Corporate Social Responsibility (CSR) and way of serving the humanity. The underlying reason for selecting this as a major area under CSR is that in India, affordable medical treatment to the poor in disease like cancer and other life threatening is scarcely available, hence poor suffer a lot and at times not able to bear the burden of treatment. Therefore, we want to stand with poor and underprivileged by extending them the financial-aid for treatment, when patient and their family are in dire necessity of such support.

During the year under review, the Company continued its collaboration with Social Welfare Unit of AIIMS, New Delhi, and provided financial aid to poor and needy patients suffering from cancer and other life threatening diseases for getting their treatment done in 'All India Institute of Medical Sciences', New Delhi (AIIMS). Though most of the help is done through Social Welfare Unit of AIIMS, New Delhi, however in acute and emergent situation direct financial-aid is also extended to needy patients for getting treatment in other hospitals.

Company also extended full support and financial help to local administration to fight against COVID-19 pandemic, besides undertaking all measures on its own and through 'Fiem Foundation' - the trust set-up by the Company dedicatedly for undertaking CSR activities.

Among other initiatives, during the year under review, Company also engaged NGOs / implementation agencies for undertaking projects on promoting education, organizing free eye operation camp, helping the cancer patients and supported one shelter home which is caring the 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.

2. Composition of CSR Committee:

S.N.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rahul Jain	Chairman / Whole-time Director	2	2
2	Mr. K.R. Yadav	Member / Whole-time Director	2	1
3	Mr. V.K. Malhotra	Member / Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

CSR Policy Web link	:	https://fiemindustries.com/wp-content/uploads/CSR-Policy_FIEM_Revised.pdf
CSR Project & Committee web link	:	https://fiemindustries.com/wp-content/uploads/CSR%20Projects%202021-22%20&%20CSR%20Commitee.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.	:	Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (In Rs)	Amount required to be set- off for the financial year, if any (In Rs)
1	N.A.	Nil	Nil
2	N.A.	Nil	Nil
3	N.A.	Nil	Nil
	TOTAL	**Nil**	**Nil**

6.	Average net profit of the company as per section 135(5)	: 84,77,23,795

7.	(a)	2% of average net profit of the company as per section 135(5)	: 1,69,54,476
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: Nil
	(c)	Amount required to be set off for the financial year, if any	: Nil
	(d)	Total CSR obligation for the financial year (7a+7b- 7c)	: 1,69,54,476

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (In Rs)	Amount Unspent (In Rs.) – Nil				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
1,70,90,996	N.A.	N.A.	N.A.	N.A.	N.A

(b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SN	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project Duration	Amount spent for the project (In Rs.)	Amount spent in the current F.Y. (In Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In Rs.).	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District						Name	CSR Registration Number
1.	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA
	TOTAL						Nil	Nil	Nil			

Continued on next page...

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.N.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (In Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency.	
				State	District			Name	CSR Registration Number
1	COVID-19 Relief & Support	(i) Healthcare/ (xii) disaster management	Yes	Haryana	Sonipat	5,74,100	Direct	NA	NA
2	COVID-19 Relief & Support	(i) Healthcare/ (xii) disaster management	Yes	Delhi	Not restricted to one District	1,55,000	Direct	NA	NA
3	COVID-19 Relief & Support	(i) Healthcare/ (xii) disaster management	Yes	Delhi	Not restricted to one District	1,16,000	No	Hope Humanity Social Welfare Society	NA
4	COVID-19 Relief & Support	(i) Healthcare/ (xii) disaster management	No	Uttrakhand	Tehri Garwal	1,00,000	No	An Initiative -Touch Your Soul (AITYS)	CSR00005195
5	Eye Care Camps for Poor & Needy	(i) Healthcare	No	Gujarat	Kutch	10,24,500	No	Kutch Vikas Trust	NA
6	Financial Aid to Needy Patients	(i) Healthcare	Yes	Delhi	Not restricted to one District	9,17,700	Yes	NA	NA
7	Distribution of Blankets to Poor & Needy	(i) Eradicating hunger, poverty and malnutrition	Yes	Delhi & Haryana	Delhi & Sonipat	1,43,696	Yes	NA	NA
8	Financial Aid to Needy Patients	(i) Healthcare	No	Uttar Pradesh	Ghaziabad	3,40,000	Yes	NA	NA
9	Home Based Palliative Care for Cancer Patients	(i) Healthcare	Yes	Delhi	Not restricted to one District	7,00,000	No	CanSupport	CSR00000673
10	Monthly Support to Old-age Home & Rescue Centre	(iii) Old-age Home / (i) Eradicating hunger, poverty and malnutrition	No	Haryana	Gurugram	8,80,000	No	The Earth Saviours Foundation	CSR00002026
11	Providing Medical Beds to Old-age Home & Rescue Centre	(iii) Old-age Home / (i) Eradicating hunger, poverty and malnutrition/ (i) Healthcare	No	Haryana	Gurugram	12,90,000	No	The Earth Saviours Foundation	CSR00002026
12	Improving School Facilities for Poor Students	(ii) promoting education	No	Uttar Pradesh	Gautam budh Nagar	2,00,000	No	The Kalptaru Society	NA
13	Promoting Education in Rural & Hilly Area	(ii) promoting education	No	Uttrakhand	Tehri Garwal	6,50,000	No	An Initiative -Touch Your Soul (AITYS)	CSR00005195
14	Contribution to corpus of Fiem Foundation (Registered CSR Trust of the Company)	NA	NA	NA	NA	75,00,000	No	Fiem Foundation	CSR00000527
15	Contribution to PM CARES Fund	(viii)	NA	NA	NA	25,00,000	Yes	NA	NA
TOTAL						**1,70,90,996**			

(d) Amount spent in Administrative Overheads	:	Nil
(e) Amount spent on Impact Assessment, if applicable	:	Nil
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	:	1,70,90,996

(g) Excess amount for set off, if any

S.N.	Particular	Amount(In Rs.)
(i)	2% of average net profit of the company as per section 135(5)	1,69,54,476
(ii)	Total amount spent for the Financial Year	1,70,90,996
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,36,520
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years

S.N.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Amount spent in the reporting Financial Year (In Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			
				Name of the Fund	Amount (in Rs).	Date of transfer	Amount remaining to be spent in succeeding financial years. (In Rs.)
1.	2019-20	Nil	NA	NA	NA	NA	NA
2.	2018-19	Nil	NA	NA	NA	NA	NA
3.	2017-18	Nil	NA	NA	NA	NA	NA
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.N.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (In Rs.).	Amount spent on the project in the reporting Financial Year (In Rs).	Cumulative amount spent at the end of reporting Financial Year. (In Rs.)	Status of the project - Completed/ Ongoing.
1.	NA	NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA	NA	NA	NA	NA
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a)	**Date of creation or acquisition of the capital asset(s)**	: NA
(b)	**Amount of CSR spent for creation or acquisition of capital asset**	: NA
(c)	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered,their address etc.**	: NA
(d)	**Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).**	: NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NA

For and on behalf of the Board of
Fiem Industries Limited

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

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

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

ANNEXURE–V

The ratio of the remuneration of Managing Director and each Whole-time 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, as amended:

Sr No.	Requirements	Disclosures
I.	The ratio of the remuneration of Managing Director and each Whole-time Director to the median remuneration of the employees for the financial year	Please refer below **'Table-A'.**
II.	The percentage increase in remuneration of Managing Director each Whole-time Director, Chief Financial Officer and Company Secretary 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 on the rolls of the Company	There were **2210** direct employees on the rolls of the Company at the end of Financial Year 2020-21.
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase/decrease during the year 2020-21 in the salaries of employees (excluding managerial persons) was -7.97% (decrease). Average percentile increase /decrease during the year 2020-21 in managerial remuneration was -16.93% (decrease). 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 2020-21 (Rs.)	% increase / decrease	Ratio of Remuneration with Median Remuneration of all employees
	Median Remuneration of Employees	**2,02,481**	**0.00%**	
1	Mr. J.K. Jain, Chairman & Managing Director	93,60,000	-25.00%	46.23
2	Mr. Rahul Jain, Whole-time Director	54,45,000	-17.50%	26.89
3	Mrs. Seema Jain, Whole-time Director	54,45,000	-17.50%	26.89
4	Mr. Rajesh Sharma, Whole-time Director	1,06,42,500	Note No.3	52.56
5	Ms. Aanchal Jain, Whole-time Director	44,55,000	-17.50%	22.00
6	Mr. K. R. Yadav, Whole-time Director	85,54,404	-17.31%	42.25
7	Mr. O.P. Gupta, Chief Financial Officer	50,98,500	-17.50%	-
8	Mr. Arvind K. Chauhan, Company Secretary	60,04,398	-17.62%	-
	Total Managerial Remuneration	**5,50,04,802**	**-16.93%**	

Notes:

1. All the Non-executive Directors of the Company are paid sitting-fee only for the Board / Committee meetings attended by them, hence above information not applicable for them.
2. The calculation of median remuneration of employees is based on the employees of the Company who were at Company's roll at the beginning as well as at the end of financial year.
3. Mr. Rajesh Sharma was elevated as Whole-time Director w.e.f January 1, 2020. Before this, he was in employment of the Company in Senior Management. Hence, his remuneration as Whole-time Director is not comparable from previous year.
4. During FY 2020-21, due to outbreak of COVID-19 pandemic and consequent lockdowns and slowdown in the business activities, the Management has applied a voluntary reduction in salaries of the employees at the beginning of the financial year across the Company, barring employees, who were drawing salary / wages up to a certain amount. Though, salaries gradually restored during the later part of the financial year.
5. **Company's Performance for FY 2020-21:** 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.)
Dated: 30/06/2021

ANNEXURE–VI

a) Statement showing names and other details of top 10 employees in terms of remuneration drawn under Rule 5(2)/(3)of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

Sr.	Name	Designation	Remuneration Received (Rs. In Lacs)	Qualification	Experience in years	Date of Commencement of employment	Age in years	Last Employment held before joining the Company	%age / No. of Equity Shares held with spouse and dependent children
1	J.K. Jain	Chairman & Managing Director	93.60	Graduate	49	06-02-1989	69	See Notes	23.78% (See Notes)
2	Seema Jain	Whole-time Director	54.45	Graduate	37	06-02-1989	66	See Notes	22.87% (See Notes)
3	Rahul Jain	Whole-time Director	54.45	Management Graduate	12	14-11-2004	34	See Notes	12.35% (See Notes)
4	K. R. Yadav	Whole-time Director	85.54	Matriculation	46	01-11-1997	65	B.P. Plastic Industries	338 (Nos.)
5	Rajesh Sharma	Whole-time Director	106.42	Science Graduate	37	01-09-2003	58	Toshi Auto Industries Pvt. Ltd.	NIL
6	O.P. Gupta	Chief Financial Officer	50.99	CA,CS, ICWA	34	24-05-2006	62	C.L. Gupta Exports Ltd.	NIL
7	Naresh Sharma	President	49.50	B.E.	34	02-02-2018	58	Lumax Automotive Systems Ltd.	NIL
8	Shanmuga sundaram D.	Head (R&D)	60.55	MS	25	04-04-2012	45	TVS Motor Company Ltd.	NIL
9	Arvind Kumar Chauhan	Company Secretary	60.04	CS,LLB	20	07-03-2006	46	Self-employed as Practicing Company Secretary	NIL
10	Dinesh Singal	Vice President (NPD)	48.37	Diploma (DITE), MBA	27	03-07-2017	50	Mindarika Pvt. Ltd.	Nil

Nature of Employment, whether Contractual or Otherwise (for all above employees):

- Mr. J.K Jain, Mrs. Seema Jain. Mr. Rahul Jain, Mr. K.R. Yadav and Mr. Rajesh Sharma are Board members and appointed / re-appointed by the Board and shareholders at the recommendation of Nomination & Remuneration Committee, as per terms and tenure contained in the respective resolution(s).
- All other employees are in regular employment of the Company.

Notes:

1. Mr. J.K. Jain and Mrs. Seema Jain are founder promoters of the Company. Since incorporation they are on the Board of the Company. Before this Company, Mr. J.K. Jain and Mrs. Seema Jain were engaged in automotive lighting business in B.P. Plastic Industries and other family concerns. Mr. Rahul Jain also started his carrier with the Company and he was appointed on the Board on 14.11.2004.
2. Above shareholding as on March 31, 2021, is in individual name of Mr. J.K Jain, Mrs. Seema Jain and Mr. Rahul Jain. All promoters along with related concerns (promoter group) hold **66.56%** of the total share capital of the Company.
3. The above remuneration does not include leave encashment, gratuity and perquisites.

4. **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 husband of Mrs. Seema Jain, Whole-time Director and father of Mr. Rahul Jain and Ms. Aanchal Jain, Whole-time Directors. Hence, all 4 are related to each other. Further, all of these are promoters of the Company and promoter group hold 66.56% shareholding as on March 31, 2021. None of other employees in above list is relative of any Director.

b) Statement showing names and other details of employees, who, if employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.1,02,00,000/-: **The above table cover all such employees.**

c) Statement showing names and other details of employees, who, if employed for a part of the Financial Year, 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: **There is no such employee during the year.**

d) Statement showing names and other details of employees, who, if employed throughout the Financial Year or part thereof, was in receipt of remuneration for that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director, whole-time director or manager and also holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: **There is no such employee during the year.**

e) Particulars of employees, posted and working in a country outside India, not being directors or their relatives, drawing more than Rupees 60 lakh per financial year or Rupees 5 lakh per month, as the case may be: **There is no such employee during the year.**

For and on behalf of the Board of
Fiem Industries Limited
Sd/-
(J. K. Jain)
Chairman & Managing Director
(DIN: 00013356)

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Management Discussion and Analysis

Global Economic Overview

The outlook of the global economy is expected to remain highly uncertain, because of ongoing COVID-19 pandemic and other worldwide disruptions like increase in crude prices, supply chain issues, shortage of semiconductors, geo-political issues etc. Though, growing vaccine coverage giving big relief and improving the sentiments and sense of safety. Still new virus mutations and the intermittently increase in infection cases remain cause of concern for human life. Further, consequent lockdowns limit the mobility and adversely impact the economic activities. If we see the sector-wise impact of pandemic, hospitality, entertainment and travel Industries have suffered most, but pain remain across the sectors due to demand shock, supply chain disruptions and shutdown of operations among other issues.

Nations continue to fight the COVID-19 pandemic and spending a huge share of their resources on vaccination, health infrastructures, fiscal support, incentives and other measures to cope with the changing situations. Though, fast vaccination, global co-operation and new ways to fight the pandemic are giving hope to the world.

The world Gross Domestic Product (GDP) growth is estimated at 6% in 2021 and is projected to stabilize further at 4.4% range in 2022. It is expected that economy of every country or geographical region will grow majorly depending upon the pandemic control situations, its aftereffects coupled with other local factors, like China has already recovered well to pre-COVID GDP in 2020, whereas many other countries are not expected to do so until well into 2023.

Indian Economic Overview

As per National Statistical Office ("NSO"), India's GDP is estimated to contract by 8.0% in FY 2020-21. The reason behind this contraction in GDP is lockdowns in April-May, 2020 months to control the spread of the COVID-19 pandemic, thereby first quarter of FY 2020-21 has remained a washout. June, 2020 onwards operations resumed gradually, the economy witnessed a strong V-shaped recovery because of pent-up demand and many other demand side factors. Third quarter onwards, this V-shaped recovery continued and resulting in a robust fourth quarter in some Industries like automobiles. However, starting April, 2021 second wave of the COVID-19 severely affected the country across states and this wave was not only more fierce and deadly but expanded to rural India as well, resulting unbearable pressure on healthcare infrastructure and states were reeling under the shortage of health workers, vaccines, oxygen, medicines and beds. To contain the spread, states imposed regional lockdowns and industrial activities remain continued at lower levels.

Thankfully, by the end of June, 2021 the situation of COVID-19 started easing out and the impact of the pandemic is expected to further gradually recede as more people get vaccinated coupled with adhering more social distancing and sanitisation norms, owing to hard lessons learnt from deadly second wave of COVID-19. Overall, economy is expected to gather momentum soon, supported by the incentives and growth-enhancing government measures and policies, highly favourable monetary conditions, boosted by the recovery in demand as well as supply side. Though, supply chain issues and commodity prices uncertainty expected to remain for some more time due to disruptions on local and global levels.

In first week of June, 2021 the Reserve Bank of India (RBI) had cut its forecast of real GDP growth at 9.5 per cent for FY 2021-22. Though, RBI had earlier forecasted 10.5 per cent GDP growth for FY 2021-22, mainly citing the reasons of sequential decline of the indicators of rural demand in April and increased spread of COVID-19 infections in rural areas among other things. Though, RBI expressed that rural demand is expected to remain strong as forecast of a normal monsoon bodes well for sustaining its buoyancy going forward.

COVID-19, Lockdown and its impact in general:

Governments in India taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices had to be closed down / operate under restrictions for a considerable period in the beginning of the year. Lockdowns and disruptions impacted the Company during the first quarter of FY 2020-21, though by the end of second quarter, a V-shaped recovery was experienced, resulting highest quarterly sales in fourth quarter of FY 2020-21. However, more recently during the month of April-May, 2021, more deadly second wave of the pandemic has impacted entire country and the operations of the Company has remained at low levels, though by the end of June, 2021 the things started back towards normalcy. Management believes that the impact of the pandemic is expected to further gradually recede as more people get vaccinated.

Indian Automotive Industry

As per Society of Indian Automobile Manufacturers (SIAM) data, Indian Automobile Industry slipped to a six-year low in FY 2020-21. Besides the pandemic, which aggravated sluggish sales, a structural slowdown, led by a slew of regulatory changes in previous years, coupled with a COVID affected economy, had put auto sales in the slow lane. On the sales front, a deep structural slowdown in the industry even before the pandemic, combined with the impact of COVID-19 in FY2020-21, has pushed all vehicle segments back by many years. Further there was uncertainty experienced in the value chain owing to shortage of semiconductors, lockdowns, and raw materials.

India Automobile industry was already under a prolonged slowdown before the COVID-19 Outbreak for past few years.

The pandemic has made things worse for the sector. Shut down of operations has resulted in reduced production and short supply of vehicles & spare parts. FY2020-21 turned to be one of the worst years for the industry, with sales in each segment touching multi-year lows. Passenger vehicle sales touched a six-year low. Similarly, motorcycle and scooter sales in the domestic market were pushed back to the 2015-16 volumes. Three-wheelers, were battered the most, as volumes got dragged to a 19-year low. Commercial vehicles sales, too, declined to the lowest in 11 years.

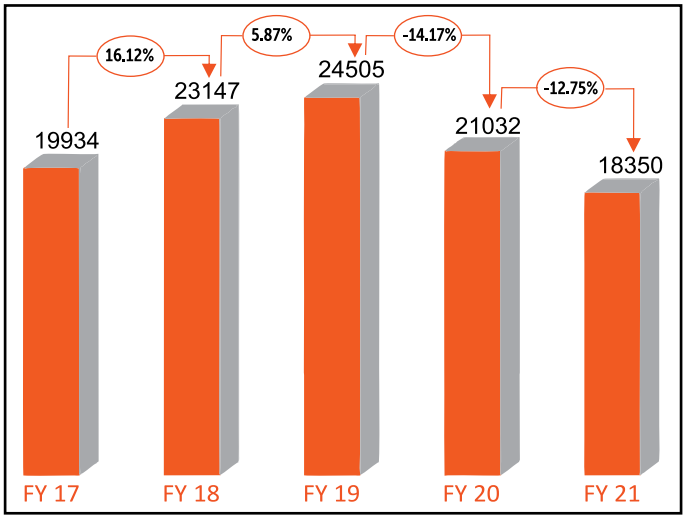
Despite all these setbacks, fundamentals of the Industry remain strong. Helped by a low base of last year and a strong preference for personal mobility, the growth story seems to be intact, however a broad-based turnaround will depend on overall economic recovery.

5 years segment-wise production data for automobiles, as presented below clearly shows that vehicle production for FY 2020-21 has remained lowest in these years:

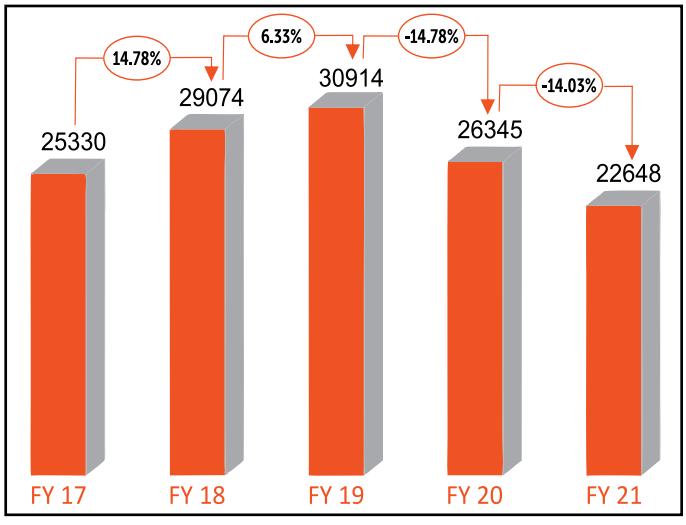
Segment-wise automobile production volume trends of last 5 Years (in '000) **[Source: SIAM data]**

Category	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Passenger vehicles	3,414	3,802	4,010	4,028	3,424	3,062
Commercial vehicles	783	810	895	1,112	756	625
Three-Wheelers	934	784	1,022	1,269	1,133	611
Two-Wheelers	18,830	19,934	23,147	24,505	21,032	18,350
Grand total	**23,961**	**25,330**	**29,074**	**30,914**	**26,345**	**22,648**

5 Years' 2-Wheeler Production Volume Trend ('000)



5 Years' All Vehicles Production Volume Trend ('000)



Like whole automobile Industry, 2Wheeler segment was also not spared during FY 2020-21 and registered a 12.8% Y-o-Y decline in production volumes, 13.19% decline in domestic sales volume and 6.87% decline in export sales volumes.

Despite this challenging year, Indian 2Wheeler industry is expected to remain on growth trajectory in medium to long-term, considering that overall penetration levels are low in India in comparison to other part of the world. India is a young country, as youngsters represent country's demography and two-wheeler is a thing of necessity for most part of Indian population.

On above back round, Company is strongly optimistic about the growth of the two-wheeler segment in the country in medium to long-term and would remain focused on this segment for charting its growth path.

Indian Auto Components Industry

The Indian auto component industry, being a critical part of the OEM value chain, has grown at a healthy pace over the past few years. The organised segment players of this industry caters to OEMs who are engaged in the manufacture of high-value precision instruments, while the unorganized segment comprises of low-valued products catering to after-market services. The industry is highly fragmented with most firms being Indian businesses and relatively lower number of foreign firms and JVs operating in the segment. However, one of the main challenges faced by the indigenous component manufacturers is the low-level of technology adaptation and R&D intensity. Though, over the years, Indian auto component industry has elevated itself to manufacturing of almost all range of parts and components for OEMs on the strength of its R&D capabilities which is supported by collaboration by leading companies from other countries and regions like Japan, Korea, Europe and Americas.

The various product group / segments of the auto component industry in India are.
• Lighting & Signalling Equipment: Head Lamps, Tail Lamps, other Lamps etc.
• Engine parts: Pistons, rings, Engine valves, Fuel pumps, Carburettor etc.
• Electrical parts: - Starter motor, Generators, Ignition system, Spark plug etc.
• Driving transmission and steering parts: Steering gears & systems, Clutch plates, discs, Axle assembly & wheels etc.
• Suspension and braking parts: Leaf springs, Shock, absorbers, Brake assembly & facing
• Other Parts: Rear View Mirrors, Wiping systems, Electric horns, Dashboard instruments, Sheet metal parts, Pressure discs, Castings, Glass Rubber, Plastic parts.

Auto-components industry account for 2.3% of India's Gross Domestic Product (GDP) and employs as many as 1.5 million people directly and indirectly.

Owing to the recent years' overall slowdown in the economy and the fall in demand for automobiles, the auto components industry turnover declined 13.5% YoY to USD 49.3 bn in FY2019-20. FY2020-21 further added to the woes of the industry by creating supply side challenges due to multiple nation-wide and localised lockdowns in most part. Automobile component industry's revenue at US$ 49.3 billion in FY2019-20, is up from US$ 39.05 billion in FY2015-16 and is expected to reach US$ 200 billion by FY2025-26. Export of auto components grew at a CAGR of 7.6% to reach US$ 14.5 billion during the same time. As per Automobile Component Manufacturers Association (ACMA), automobile components export from India is expected to reach US$ 80 billion by 2026.

Outlook, Threats and Opportunities

FY2020-21 was a year of pain and disruptions for the Indian auto component industry as well. The year presented fresh challenges in the form of outbreak of COVID-19 and the resultant supply side disruptions, loss in production of automobiles, rise in input costs, trade disruptions, etc.

However, amid all these pain and threats, government and industry bodies took measures for the betterment of the Industry like announcement of an incentive-based vehicle Scrappage Policy, is expected to lead to a rise in automobile sales in the country, which has a direct benefit for the auto components industry. Additionally, the government's focus on quick adoption of Electric Vehicles would create significant potential for auto component manufacturers. The PLI scheme would encourage investments in the industry. The shift from BS-4 to BS-6 norms, which though is at present an impediment for the industry, will place the industry on par with international regulations on safety and emissions in the long term.

Considering all these developments and based on inherent structural strength of the Industry, a strong recovery is expected after COVID impact slows down, similar to historical trends of previous crisis, as India remains a growth market over the long term on low penetration and increasing aspiration levels.

Preference for personal mobility: Boon for 2 Wheelers

In the near term, the impact of the pandemic is expected to gradually recede as more people get vaccinated. At the same time, it is clearly visible that consumers' preference is shifting towards personal mobility rather than using shared mobility or public transport. This consumers' preference is expected to translate more demand for 2Wheelers.

Electric 2Wheeler to see faster adoption with supportive FAME-II

As per publicly available sources, India's automotive industry contributes 7–8 per cent annual GDP and could potentially face a paradigm shift in case of an economy-wide move to electric vehicles. NITI Aayog, had set an ambition of 70 per cent of all commercial cars, 30 per cent of private cars, 40 per cent of buses, and 80 per cent of two-wheeler (2W) and three-wheeler (3W) sales to be electric by 2030 (NITI Aayog and Rocky Mountain Institute 2019).

To encourage the faster adoption of the EVs, the government of India has made a partial modification in the FAME-II scheme in June, 2021, increasing the demand incentive for electric two-wheelers to Rs. 15,000 per KWh from the earlier uniform subsidy of Rs. 10,000 per KWh for all EVs, including plug in hybrids and strong hybrids except buses. The improved incentives would increase the penetration of electric two-wheelers in the country. The department of Heavy Industries has also capped incentives for electric two-wheelers at 40 per cent of the cost of vehicles, which was 20 per cent earlier.

Company strongly believe that EVs is the future of automobile as a sustainable & green mobility solution. Company see the 2Wheeler EVs as next growth opportunity. For EVs, LED is the most compatible lighting solution and Company being the preferred supplier for LED 2Wheeler lighting solutions, is focused on this new growth area.

Scrappage Policy: Future Opportunity

The Government of India has introduced vehicle scrappage policy, under which recycling clusters may be established near ports. An incentive-based mechanism could make the scheme lucrative and encourage people to scrap their old vehicles and replace them with new ones. This scrappage policy will result in boosting demand for the automotive sector.

COVID-19: Continuing Threat

While there still seems to be uncertainty around the duration for which this threat would continue, and the impact of COVID-19 pandemic, it is expected that demand situation will continue to improve despite ongoing COVID-19 related disruptions. Though, it is expected that in the near term, the impact of the pandemic is expected to gradually recede as more people get vaccinated. The Industry has been in past, and may in the future be, adversely impacted by the COVID-19 pandemic.

Financial and Operational Performance Review

FY2020-21 has been an extremely challenging year with the COVID-19 pandemic continuing to be a cause of sufferings across the globe. Owing to the COVID -19, whole of the financial year 2020-21 remained a very tough year on all fronts, with severe business disruptions and restrictions on mobility.

In above circumstances, during FY2020-21, the Indian automobile industry registered a negative growth across all the vehicle segments with 2Wheeler segment registering a 12.8% Y-o-Y decline in production volumes. On the other hand, the 3Wheeler segment reported a 46% decline in the overall production volume. Within the 2Wheeler segment, the scooters declined by 24.40%, while motorcycles registered a decline by 8.37% and mopeds by 2.07%.

With above backdrop, Company was also significantly hit with the plant shutdown in Q1 of FY 2020-21. However, performance from end of second quarter onwards reflected a V-shape recovery due to pent-up demand and other factors.

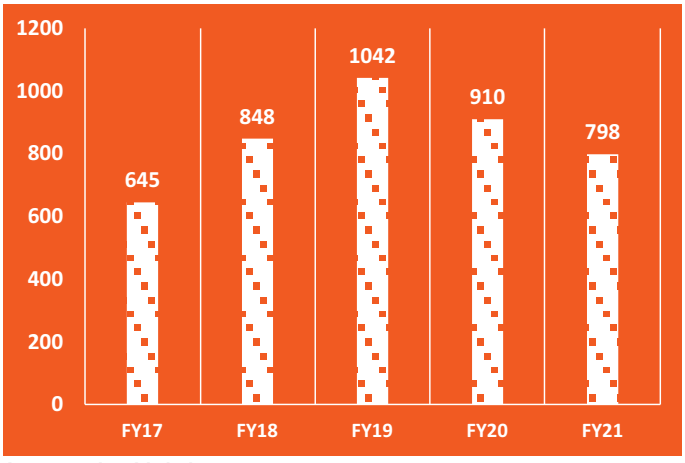
During FY 2020-21, the Company has been able to achieve net sales of Rs.120749.99 lacs as against the sale of Rs.136627.87 lacs during the FY 2019-20. This represent a decline of 11.6% on yearly basis. The decline in sales is due to lockdown because of COVID-19 pandemic in Quarter-1 of FY 2020-21. The Company has been able to earn an EBITDA of Rs.13060.02 lacs, being 10.82% during FY 2020-21 as against EBITDA of Rs.15577.51 lacs being 11.4% during the FY 2019-20. The marginal fall in EBITDA was due to effect of lockdown because of COVID-19 pandemic in Quarter-1 of FY 2020-21. PAT of the Company for FY 2020-21 was Rs.4711.96 lacs as against Rs.7892.85 lacs during FY 2019-20. The decline in PAT is because of lockdown due to COVID-19 pandemic and resultant lower sale for the year. Moreover, the PAT of FY 2019-20 included a reversal of deferred tax expense of Rs.1452.00 lacs on account of the Company exercised option of payment of lower income tax as per amended provisions. If the effect of lower income taxes excluded from the PAT of FY 2019-20, then a net decline in the PAT on year-on-year basis will work out to Rs.1728.86 lacs only.

At Company level, we continue to strengthen our Design & Development capabilities and accelerating New Product Development in LED Lighting to cater the increasing demand of LED Lighting across the vehicle models by almost all OEMs. In FY2020-21 automotive LED constitutes 40% of the total automotive lighting sales. This has remained stable this year due to the pandemic but we expect this to increase to around 60% over the next 2-3 years.

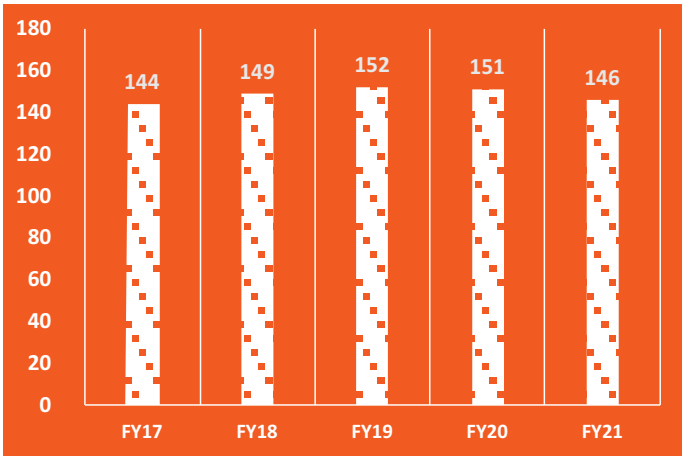
Key Financial Ratios (Standalone)

Ratio		2020-21	2019-20	Change (%)	Reason/ Explanation of Change
Debtors Turnover	Days	24.44	20.49	19.28%	No significant change (change is less than 25%)
Inventory Turnover	Days	56.58	56.10	0.86%	No significant change (change is less than 25%)
Interest Coverage Ratio	Times	6.61	5.93	11.38%	No significant change (change is less than 25%)
Current Ratio	Times	1.40	1.23	13.99%	No significant change (change is less than 25%)
Debt Equity Ratio	Times	0.10	0.19	-50.11%	No fresh loan taken during the year, also repayment of earlier loan during the year has resulted in improvement of the ratio
Operating Profit Margin (%)	Percentage	10.82%	11.40%	-5.14%	No significant change (change is less than 25%)
Net Profit After Tax Margin (%)	Percentage	3.90%	5.78%	-32.45%	Lockdown in first quarter of FY2020-21 due to COVID-19 outbreak and resultant reduction in the business and sales has adversely impacted the margin of the Company.
Return on Net Worth	Percentage	8.22%	14.92%	-44.93%	Same reason as above

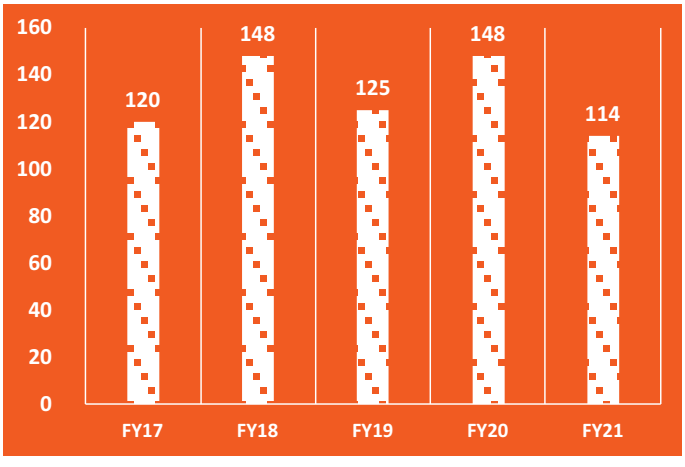
Company's Product Portfolio Review



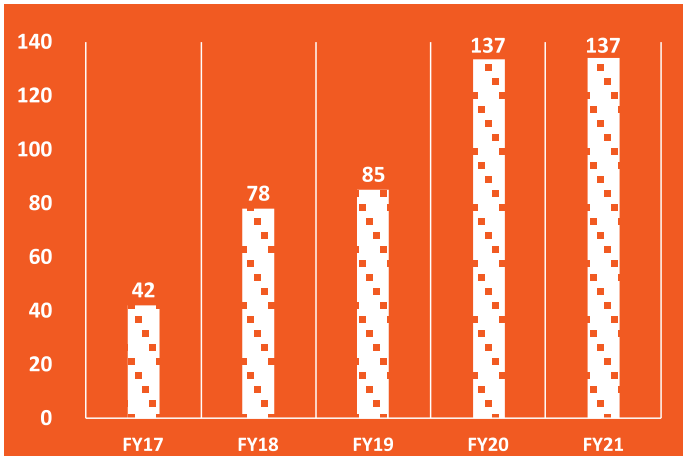
Automotive Lighting:
Revenues (Net) for the last five years (Rs. Crores)



Rearview Mirrors:
Revenues (Net) for the last five years (Rs. Crores)



Plastic Moulded Parts:
Revenues (Net) for the last five years (Rs. Crores)



Others:
Revenues (Net) for the last five years (Rs. Crores)

Automotive lighting: Lighting is one of the most important system of a vehicle from the perspective of safety, functionality as well as aesthetic. It is critical with regard to the safety of vehicle occupants and that of other road users. The innovation in Automotive Lighting is an ever evolving process and is currently witnessing a fast adoption of LED. In comparison to conventional bulbs, LED lamps offer unlimited possibilities for designing and development from safety, functionality as well as aesthetic perspective. The next technological advancement would be OLED and laser. LED could be most suitable for Electric Vehicles (EVs) as it will consume less power and present more options for functional as well as designing requirements. The Company is a leading player in innovation and new technology adoption, based on its in-house R&D, technological expertise, design and development strengths and world-class manufacturing facility to capitalize on these new growth opportunities and provide the vehicles, especially the 2–wheelers, the best-in-class LED lighting solutions with the latest technology.

Company manufactures large range of LED and conventional head lamps, tail lamps, blinker lamps, fog lamps, warning triangles and interior lamps, among others, for two, three and four-wheelers.

Rearview mirrors: The Company has state-of-the-art mirror manufacturing plants across four units where plate making, profile cutting, washing, grinding, cleaning, coating (aluminum or chrome) and painting is carried out. The Company has installed injection moulding machines and rod making facilities in-house. All the sub-components are accumulated in the assembly lines to complete the entire process of assembling and testing under one roof.

Plastic moulded parts: As an integral part of the manufacturing process of automotive lamps and rearview mirrors, the Company has installed best-in-class injection molding machines across its nine plants ranging from 50 tonnage to 1,400 tonnage, capable of making parts weighing 20 grams to 2.5 kilograms and fabricating front fenders, floor panels, side covers, rear fenders, handlebars and seat bases for two-wheelers. Apart from Lamps and Mirrors, the Company also supplies standalone plastic-molded parts to its customers as finished product.

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

FIEM's LED Segment

FIEM's LED segment sales products under two major categories: LED luminaires for indoor and outdoor applications and integrated passenger information systems with LED displays for trains and buses. During FY2020-21, the Net Sales of LED segment is Rs 10.96 crores as compared to Rs. 20.32 crores in FY2019-20.

Risks and Concerns

In today's scenario, risk management has to be more robust than ever before, because COVID-19 pandemic has given us a lesson that it is not only the Company centric or Industry specific risks, which are more important but the outside factors are no less important. Given the volatile ecosystem, we continue to strengthen our risk management strategies and systems.

Regarding Industry specific risks, our major business come from the two-wheeler segment of the automobile industry. While overall economic growth is slowed down in recent past, same is the situation of automobile industry. If this slowdown continue for a longer period by any number of reasons, and our customers reduce their production, our growth may also be affected. Regarding routine and business associated internal and external risks, Company adopted requisite strategies and measures as well as wherever applicable taken appropriate Insurance coverages. Further, risk management is a continuous process and require dynamic mitigation mechanism, which Company's management is doing with proactive approach.

Human Resources

Owing to the COVID-19, whole of the financial year 2020-21 remained a very tough year on all fronts, with severe business disruptions and restrictions on mobility. During this pandemic, our focus was to ensure the safety of everyone in the ecosystem. Our top priority remained the safety of our employees and their wellbeing. During these difficult COVID-19 times, our HR department has played vital roles across the locations in taking all safety and sanitisation measures and helping the employees to contain the spread COVID-19. Whether vaccination, attending the employees in the hour of need or for any other eventuality, the HR department across the locations remained in helping and attentive mode.

The Company is committed to nurturing, enhancing and retaining talent through superior learning and organizational development programme. 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 employee interaction programs. During the year under review, industrial relations remained cordial in all plants of the Company.

At the close of the financial year under review, there were **2210** employees on the rolls of the Company.

Woman Employment

Company has adopted special recruitment initiatives for women employee across its factories, as well as arranging for their training & skill development as an initiative for women empowerment and gender equality, so that women are better equipped to contribute to the productivity of their families and the society at large. As at end of year there are **343** women employee on rolls. Further a large ratio of contractual associates are women.

Internal Control System and Their Adequacy

The Company has robust internal financial controls systems, which facilitates orderly and efficient conduct of its transactions and affairs including safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Company has put in place a well-defined and adequate internal controls system commensurate with the size of the Company and the complexity of its operation. These have been operating effectively throughout the year. These controls were routinely reviewed by external as well as internal auditors covering all factories and key business areas.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic, political, changes in Government regulations, tax regimes, economic developments and other incidental factors. Company does not undertake to update any forward looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements. Further, various Industry and economic data used in this report is taken from the public sources and accuracy of such data cannot be verified or assured.

Corporate Governance Report

(The Report on Corporate Governance forms part of the Directors' Report for the financial year ended March 31, 2021)

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended and requirements of the Companies Act, 2013, the Board of Directors of the Company present the Company's Report on Corporate Governance.

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance philosophy of the Company is based on core guiding values of passion, integrity, accountability and transparency in all its actions and operations. These core values act as foundation for good governance practices as well as drives the passion for growth. Company believes that Corporate Governance must translate into commitment to maximize long-term stakeholder value, care interests for all stakeholders and drive the growth of the Company on sustainable basis.

With above philosophy, we serve our valued OEM customers and care for all our business partners, associates, stakeholders, environment, and society at large.

2. BOARD OF DIRECTORS

Company's Board is constituted in compliance with the Companies Act, 2013 and rules made thereunder, SEBI (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. Presently, the Board of the Company consists of 13 Directors, including one Women Independent Director. 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(1)(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, 2021 the Company's Board comprises of 13 Directors. Out of which, 7 are Independent Non-Executive Directors, which constitute more than 50% of the Board, in compliance with the Listing Regulations. Out of 7 Independent Directors, Ms. Shobha Khatri is Woman Independent Director of the Company. Mr. J.K. Jain is Chairman & Managing Director and 5 others are Whole-time Directors. None of the Independent Directors of the Company serve as an Independent Director in more than seven (7) listed companies.

b. The Committees of Board of Directors forms the next level of governing bodies and complement the governing system of Company. In compliance with applicable provisions, Committees constituted to oversee specific areas of their domain and as per terms of reference. 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 Chairman and at least one Independent Director. 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.

Presently, the Board has constituted 4 Committees, 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 functioning 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, 2021 are given herein below:

Sr. No.	Name of the Director	Designation	Category	Attendance at board meetings during the year 2020-21	Whether attended last AGM held on September 21, 2020	Number of directorship in other Boards/ Committees		Directorship in other Listed entities' Board		Shareholding in Fiem Industries Limited (No. of Shares as on 31.03.2021)
						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**	Name of other Listed entities in which Director have Directorship	Category of Directorship	
1	Mr. J. K. Jain	Chairman & Managing Director	PED	5/5	Yes	NIL	NIL	NIL	NA	3129367
2	Mrs. Seema Jain	Whole–time Director	PED	4/5	Yes	NIL	NIL	NIL	NA	3010000
3	Mr. Rajesh Sharma	Whole–time Director	NPED	5/5	Yes	NIL	NIL	NIL	NA	NIL
4	Mr. K. R. Yadav	Whole–time Director	NPED	3/5	Yes	NIL	NIL	NIL	NA	338
5	Ms. Aanchal Jain	Whole–time Director	PED	5/5	Yes	NIL	NIL	NIL	NA	898184
6	Mr. Rahul Jain	Whole–time Director	PED	5/5	Yes	NIL	NIL	NIL	NA	1625668
7	Mr. Iqbal Singh	Independent Director	ID	5/5	Yes	NIL	NIL	NIL	NA	20014
8	Mr. Vinod K. Malhotra	Independent Director	ID	5/5	Yes	NIL	NIL	NIL	NA	NIL
9	Mr. Subodh Kumar Jain	Independent Director	ID	4/5	Yes	1*	NIL	NIL	NA	NIL
10	Mr. Mohan Bir Sahni	Independent Director	ID	4/5	Yes	1*	NIL	NIL	NA	NIL
11	Mr. Ashok Kumar Sharma	Independent Director	ID	4/5	Yes	NIL	NIL	NIL	NA	NIL
12	Mr. Jawahar Thakur	Independent Director	ID	5/5	Yes	NIL	NIL	NIL	NA	NIL
13	Ms. Shobha Khatri	Independent Director	ID	4/5	Yes	NIL	NIL	NIL	NA	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. More than 50% of Directors on the Board of the Company are Independent Directors. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, no Independent Director of the Company is a Whole-time Director in another listed company.

f. None of the Directors on the Board is a Director in more than 10 public companies or is a member in more than 10 Committees or Chairperson of more than 5 Committees.

g. 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.

h. 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.

i. Five (5) 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:

June 30, 2020, September 1, 2020, November 11, 2020, January 23, 2021 and February 12, 2021.

The necessary quorum was present at all the meetings. All material information were 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 Chief Financial Officer and Company Secretary attend all the Board Meetings and assist and advise the Board on compliances with applicable laws and governance.

The Company has proper systems to enable the Board to review on 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.

j. During the financial year under review one separate meeting of Independent Directors was also held on February 12, 2021 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.

k. 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 all are promoters of the Company. Except these, none of other directors are related to each other.

l. The Company has not issued any convertible instruments.

m. The details of the familiarization programme of the Independent Directors are available on the website of the Company at following link: **https://fiemindustries.com/wp-content/uploads/Familiarization-combined-20-21web.pdf** At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which inter-alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Director is also briefed about his/her duties and compliance, disclosure requirement as well as Codes of Conduct he/she has to observe under the Companies Act, 2013, Listing Regulations, PIT 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.

n. Matrix of Core Skills/Expertise/ Competencies of the Board

The Board of Directors has identified following matrix of core Skills/Expertise/ Competencies for itself, as required in the context of business of the Company and automotive sector, to function affectively:

(i) Strategic, Futuristic and Growth oriented approach.

(ii) Domain Knowledge of Automotive Components business, especially Automotive lighting.

(iii) Indian and global Automobile Business matrix, especially OEMs.

(iv) Operational, Finance, Marketing and Business Development competencies.

Current Board of the Company is competent enough and possesses above core Skills/Expertise/ Competencies to function effectively and running the Company successfully. Though, all the Board members possess above Skills/Expertise/ Competencies. However, some members are having more depth in some domain areas as under:

Skills/Expertise/ Competencies	Name of Directors
Strategic, Futuristic and Growth oriented approach	All Directors
Automotive Components business, especially Automotive lighting	Mr. J.K. Jain, Mr. Rahul Jain, Mrs. Seema Jain, Ms. Aanchal Jain, Mr. K.R. Yadav, Mr. Rajesh Sharma Mr. M.B. Sahni, Mr. Iqbal Singh.
Indian and global Automobile Business matrix, especially OEMs.	Mr. J.K. Jain, Mr. Rahul Jain, Mrs. Seema Jain, Ms. Aanchal Jain, Mr. K.R. Yadav, Mr. Rajesh Sharma Mr. M.B. Sahni, Mr. Iqbal Singh.
Operational skills and competencies	Mr. J.K. Jain, Mr. Rahul Jain, Mr. K.R. Yadav, Ms. Aanchal Jain, Mr. M.B. Sahni, Mr. Iqbal Singh. Ms. Shobha Khatri
Finance, Marketing and Business Development	Mr. J.K. Jain, Mr. Rahul Jain, Mrs. Seema Jain, Mr. Rajesh Sharma, Mr. M.B. Sahni, Mr. Iqbal Singh, Mr. S.K. Jain, Mr. A.K. Sharma, Mr. Jawahar Thakur, Mr. V.K. Malhotra, Ms. Shobha Khatri.

o. It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and they are independent of the management.

p. As no Independent Director has resigned from the Company during the year, hence requirement of giving detailed reasons for the resignation of an independent director along with a confirmation by such director that there are no other material reasons other than those provided, does not apply.

q. The Company has received a certificate from Mrs. Ranjana Gupta, Practicing Company Secretary to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

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. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the SEBI Listing Regulations.

3.1 Brief Description of Terms of Reference

The terms of reference of the Audit Committee are in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, as amended. 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) Review the management discussion and analysis of financial condition and results of operations;

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

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

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

w) Review of valuation of undertakings or assets of the Company, wherever it is necessary;

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

y) reviewing the utilization of loans and/ or advances by the holding company to the subsidiaries and investment by the holding company in subsidiaries, exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including loans / advances / investments existing on the effective date of SEBI (LODR) (Amendment) Regulation, 2018 (amendment effective from 1st April, 2019).

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 Financial Officer is permanent invitee to the Meetings of the Audit Committee. The Internal Auditor, the concerned partner/ 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 five (5) times on June 30, 2020, September 1, 2020, November 11, 2020, January 23, 2021 and February 12, 2021. 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 September 21, 2020, to answer the queries of shareholders at Annual General Meeting.

The status of attendance of Members in the Committee meeting held during the financial year is as follows:

S.N.	Name of Members	Position in Committee	Attendance at Committee meetings during the financial year 2020-21
1	Mr. S.K. Jain	Chairman	4/5
2	Mr. V.K. Malhotra	Member	5/5
3	Mr. Iqbal Singh	Member	5/5

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. The terms of reference are in accordance with the Companies Act, 2013 and the SEBI Listing Regulations, as amended.

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.

f) Recommend to the board, all remuneration, in whatever form, payable to senior management.

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) times on June 30, 2020 and February 12, 2021. The necessary quorum was present at both the meetings.

The Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting held on September 21, 2020, to answer the queries of shareholders at Annual General Meeting.

The status of attendance of Members in the Committee meeting held during the financial year are as follows:

S.N.	Name of Members	Position in Committee	Attendance at Committee meetings during the financial year 2020-21
1	Mr. S.K. Jain	Chairman	2/2
2	Mr. V.K. Malhotra	Member	2/2
3	Mr. Iqbal Singh	Member	2/2

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.

Provision of Section 178 provides that the Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out, either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. Though the above amendment permit that the evaluation of performance of Board, its committees and individual directors may be carried out by any one of the Board or by the Nomination and Remuneration Committee or by an independent external agency, still Company had designed the evaluation process to comply other applicable provisions of Schedule-IV of Companies Act and provisions of Listing Regulations as well, hence the existing framework of evaluation is continued which involves following method.

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 of Directors

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 Pecuniary relationships or transactions between Non–Executive Directors vis–a–vis the Company:

There are no pecuniary relationships or transactions between Non–Executive Directors vis–a–vis the Company except payment of sitting fees and re-imbursement of travelling expenses etc., if any for the meetings attended by them.

5.2 Criteria of Making payments to Non–Executive Directors:

The Non-executive Directors are paid sitting fees for each of the meeting attended by them i.e. Board Meeting(s), Committee Meeting(s) and Separate Meeting(s) of Independent Directors. In addition to this, the Non-executive Directors may also be provided conveyance facility, re-imbursement of travelling expenses etc. for the meetings attended by them. Criteria of making payments to Non–Executive Directors is available on the website of the Company under following link: **https://www.fiemindustries.com/wp-content/uploads/Payment-Criteria-to-NEDs.pdf**

5.3 Disclosures with respect to remuneration of Directors:

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 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	Mrs. Seema Jain	Mr. K. R. Yadav	Mr. Rajesh Sharma	Ms. Aanchal Jain	Mr. Rahul Jain	Total Amount
		(CMD)	(WTD)	(WTD)	(WTD)	(WTD)	(WTD)	-
1	Gross Salary	**93.60**	**54.45**	**84.15**	**106.42**	**44.55**	**54.45**	**437.62**
a.	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-	-	-
b.	Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-	-	-	-	-	-
c.	Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-	-	-	-
2	Commission	-	-	-	-	-	-	-
	• As % of profit		-	-	-	-	-	
	• Other, specify	-	-	-	-	-	-	-
3	Others (Company Contribution towards PF, Medical Reimbursement)	-	-	1.39	-	-	-	1.39
	Total (1+2+3)	**93.60**	**54.45**	**85.54**	**106.42**	**44.55**	**54.45**	**439.01**

(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	Ms. Sobha Khatri	Total Amount
1	Independent Directors								
	Fee for attending Board/ Committee meetings	3.70	4.00	3.10	2.50	2.50	3.00	2.50	21.30
	Stock Option	-	-	-	-	-	-	-	-
	Sweat Equity	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-
	• As % of profit	-	-	-	-	-	-	-	-
	• Other, specify	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	**3.70**	**4.00**	**3.10**	**2.50**	**2.50**	**3.00**	**2.50**	**21.30**

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. 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. 85.54 lacs for Financial Year 2020-21 includes Rs 1.39 lacs as Bonus and 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 re-materialization/ 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.

In addition, the Committee also look into matters that can facilitate better investor services and relations. The Board was kept apprised of all the major developments on investors' issues throughout the year.

The brief terms of reference / role of the Committee inter-alia include the following:

a) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

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

6.2 The Committee had only on meeting during the year on June 30, 2020. All the members attended the meeting.

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 2020-21 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	03	55	58	NIL	NIL
Received through BSE	NIL	NIL	NIL	NIL	NIL
Received through NSE	NIL	NIL	NIL	NIL	NIL
Received through SEBI	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**55**	**58**	**NIL**	**NIL**

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

7.1 The Committee oversees CSR policy, planning, implementation and operational aspects of CSR 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 programme and activities 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 two (2) times during the year on September 1, 2020 and February 12, 2021.

The status of attendance of Members in the Committee meeting held during the financial year are as follows:

S.N.	Name of Members	Position in Committee	Attendance at Committee meetings during the financial year 2020-21
1	Mr. Rahul Jain	Chairman	2/2
2	Mr. Kashi Ram Yadav	Member	1/2
3	Mr. V. K. Malhotra	Member	2/2

8. GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Details of Special Resolutions passed
2019-20	21.09.2020 at 10.00 am	Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM")	One Special Resolution passed for re-appointment of Mr. Jagjeevan Kumar Jain as Chairman & Managing Director of the Company for a term of 5 years w.e.f August 7, 2020.
2018-19	21.09.2019 at 10.00 am	Mithas Motel & Resorts, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	Six Special Resolutions passed for re-appointment of following Independent Directors for their 2nd term of five (5) years: • Mr. Iqbal Singh (DIN: 00014256) • Mr. Vinod Kumar Malhotra (DIN: 03544095) • Mr. Subodh Kumar Jain (DIN: 00165755) • Mr. Mohan Bir Sahni (DIN: 00906251) • Mr. Ashok Kumar Sharma (DIN: 07610447) • Mr. Jawahar Thakur (DIN: 07650035)
2017-18	17.09.2018 at 10.00 am	Mithas Motel & Resorts, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	No Special Resolution passed at AGM held on 17.09.2018.

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

8.2 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 financial year, no resolution was passed through Postal Ballot.

8.3 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 conducts the postal ballot, the Notice of Postal Ballot provides a detailed procedure thereof.

9. Means of communication

The Company provides 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, except release of results as mentioned above.

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.

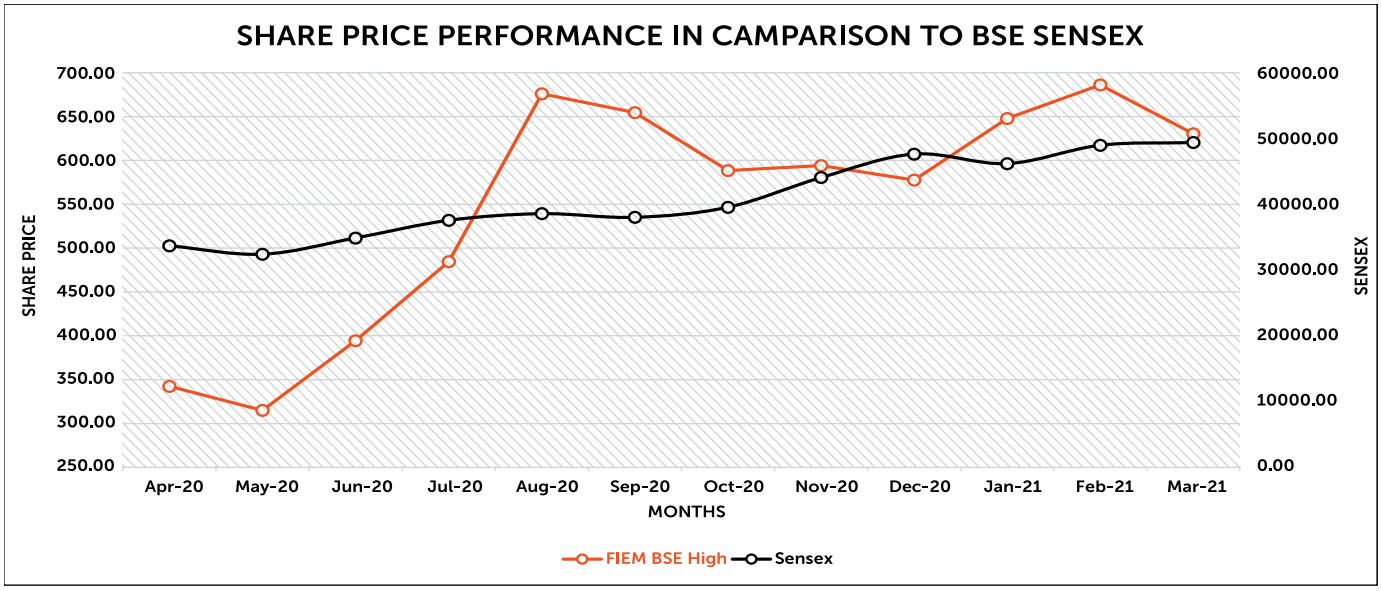
The disclosures and announcements filed by the Company from time to time to stock exchanges are also uploaded on the website of Company, if that is required pursuant to Listing Regulations.

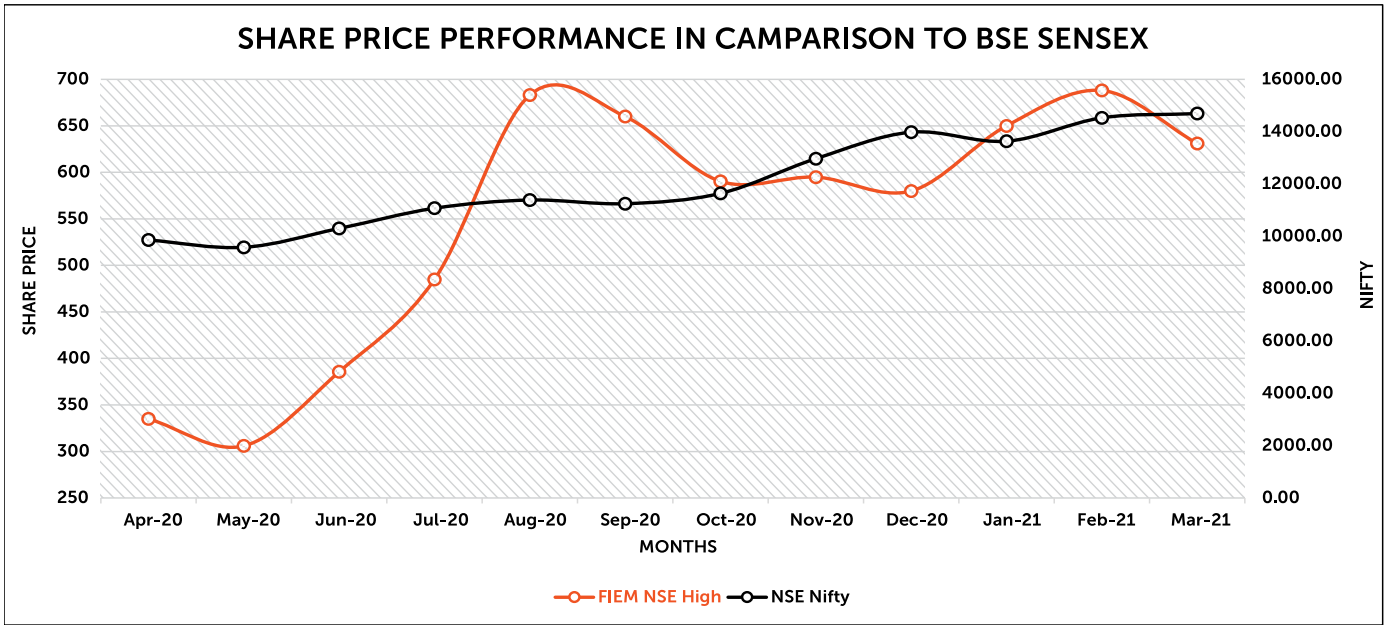
10. General Shareholder Information

a)	**Annual General Meeting for financial year 2020-21**	Tuesday, September 21, 2021 Time: 10.30 AM
	Venue	Meeting will be held through **Video Conference ('VC') / Other Audio Visual Means ('OVAM')**
b)	**Financial Year**	April to March
c)	**Date of Book Closure**	September 15, 2021 to September 21, 2021 (Both days inclusive)
d)	**Dividend Payment Date**	The dividend, if declared, shall be paid/ credited on or before October 15, 2021.
e)	**Stock Exchanges Names and Address, where securities of the Company are listed**	**B S E Ltd.** P.J. Towers, Dalal Street, Fort, Mumbai - 400001 **National Stock Exchange of India Ltd.** Exchange Plaza, Bandra Kurla Complex, Mumbai -400051
f)	**Stock Codes**	The Stock Codes are 532768 (BSE) and FIEMIND (NSE) Listing Fee as applicable for financial year 2020-21 has been paid to both Stock Exchanges.
g)	**Market Price Data**	High, Low in comparison to Sensex during each month in the financial year 2020-21 on NSE and BSE

Month	NSE		BSE		Sensex	NIFTY
	High Price	Low Price	High Price	Low Price	Closing	Closing
Apr 2020	335.00	245.00	341.60	249.35	33717.62	9859.90
May 2020	306.00	249.00	313.95	243.00	32424.10	9580.30
Jun 2020	385.70	276.30	393.95	276.60	34915.80	10302.10
Jul 2020	485.00	373.00	484.80	369.50	37606.89	11073.45
Aug 2020	683.20	413.40	677.35	409.45	38628.29	11387.50
Sep 2020	660.00	523.75	655.55	524.50	38067.93	11247.55
Oct 2020	590.35	487.95	589.15	488.55	39614.07	11642.40
Nov 2020	594.90	485.05	595.00	485.55	44149.72	12968.95
Dec 2020	580.00	471.00	578.20	470.35	47751.33	13981.75
Jan 2021	650.00	551.00	649.00	550.00	46285.77	13634.60
Feb 2021	688.00	526.95	687.40	529.40	49099.99	14529.15
Mar 2021	631.00	534.05	631.45	534.80	49509.15	14690.70

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





i) The securities of the Company are never suspended for trading.

j) Share Transfer Agent M/s. Link Intime India Pvt. Ltd.

Noble Heights, 1st Floor, Plot NH 2,
C-1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110058
Ph: 011–41410592/93/94
Fax No: 011–41410591

k) Share Transfer System

All share transfers, transmission, transposition and other communications regarding share certificates etc. should be addressed to Registrar & Share Transfer Agent (RTA) of the Company.

RTA process the share transfers, transmission, transposition requests and send to Company Secretary for approval. Under the authority of the Board, Company Secretary approves transfer and transmission which are noted at subsequent Stakeholders' Relationship Committee and Board Meetings. All valid requests for share transfers, transmission, and transposition are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. However, pursuant to the proviso of Regulation 40(1) of the Listing Regulations, the transfer for physical mode shares shall not be processed by the Company, except in case of transmission or transposition.

l) Distribution of shareholding as on March 31, 2021:

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**	**8759157**	**66.5598%**
(B)	**Public Shareholding**			
1	**Institutions**			
(a)	Mutual Funds	0	0	**0.0000%**
(b)	Foreign Portfolio Investors	14	1147158	**8.7171%**
(c)	Financial Institutions / Banks	0	0	**0.0000%**
(d)	Alternate Investment Fund	0	0	**0.0000%**
	Insurance Companies	0	0	**0.0000%**
	Central/State Government(s)	0	0	**0.0000%**
2	**Non–Institutions**			
(a)	Individuals	17855	2246998	**17.0747%**
(b)	NBFCs registered with RBI	0	0	**0.0000%**
(c)	Any Other (specify)–			
i.	Hindu Undivided Family	510	114530	**0.8703%**
ii.	Foreign Corporate Bodies	1	104051	**0.7907%**
iii.	Non-Resident Indians	540	320955	**2.4389%**
iv.	Clearing Members	51	27207	**0.2067%**
v.	Bodies Corporate	134	439328	**3.3384%**
vi.	IEPF	1	446	**0.0034%**
	Total Public Shareholding			
	TOTAL (A)+(B)	**19112**	**13159830**	**100%**

m) Distribution by Size:

DISTRIBUTION OF SHAREHOLDING (SHARES)

SN.	Shareholding of shares			Shareholder	Percentage %	Total shares
1	1	to	500	18964	96.3667	1209530
2	501	to	1000	396	2.0123	300100
3	1001	to	2000	162	0.8232	230367
4	2001	to	3000	51	0.2592	129451
5	3001	to	4000	19	0.0965	66709
6	4001	to	5000	17	0.0864	77287
7	5001	to	10000	34	0.1728	218228
8	10001	to	More	36	0.1829	10928158
Total (Not Consolidated on PAN Basis)				**19679**	**100**	**13159830**

n) **Dematerialization of shares and Liquidity status as on March 31, 2021**

SN.	Demat / Physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	3195968	Free to trade	24.29
2	CDSL	9859415	Free to trade	74.92
3	Physical	104447	Free to trade	00.79
	Total	**13159830**		**100.00**

o) **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.

p) **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

q) **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

r) **The Company has not obtained any credit rating for any debt instrument or fixed deposit scheme.**

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 materially significant related party transactions during the financial year 2020-21 which may have conflict with the interest of the Company. Applicable disclosures have been made in notes to financial statements regarding all related party transactions.

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 Vigil Mechanism / 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.

11.5 Web link where policy for determining 'material' subsidiaries and policy on dealing with related party transactions is disclosed:

Company has adopted 'Subsidiary & Related Party Transactions Policy'. The web link for the same is: **http://www.fiemindustries.com/Subsi%20&%20RPT%20Policy%20-%20LODR_web.pdf**

11.6 Disclosure of foreign exchange risk & hedging activities and commodity price risk & commodity hedging activities:

The major turnover of the Company come from Auto components supply to Original Equipment Manufacturers (OEMs) in India for which, the Company has suitable arrangements with OEMs for commodity price variations. For other sales, Company suitably adjust the prices as per commodity prices movement. Regarding import of raw material and components, this is scattered throughout the year, so risk on foreign exchange movement remains there, though sometimes it is favorable and sometimes it is adverse. However, considering overall hedging cost and scattered timing of import and payments for these raw material and components, company don't go for hedging of these payments. During the year under reporting,

COVID-19 pandemic has affected world-wide supply chain as well as demand and supply of some critical components like semi-conductors in general. Further, Company takes external commercial borrowings, or foreign currency loans which are fully hedged against risk of foreign exchange rate movement.

The Company does not have any exposure hedged through commodity derivatives. Therefore, details in prescribed format as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 in compliance of Regulation 34(3) read with clause 9(n) of Part C of Schedule V of Listing Regulations, are not applicable.

11.7 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

There is no such fund available with the Company during Financial Year 2020-21.

11.8 Recommendation of Committee(s) of the Board.

The Board has accepted all the mandatory recommendations of all the Committee(s), wherever applicable.

11.9 The details of total fees for all services paid by the listed entity (Company) and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is as under:

Company's Auditors are M/s. V. Sachdeva & Associates, Chartered Accountants. He is a standalone firm and not a part of any network firm/network entity. Further, he has not taken any fee from any subsidiary of the Company. Details of total fee for all services paid to Company's Auditors by the listed entity / Company is provided in notes to the financial statements.

11.10 The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:

Sr.	Particulars	Nos.
a)	number of complaints filed during the financial year	Nil
b)	number of complaints disposed of during the financial year	Nil
c)	number of complaints pending as at the end of financial year	Nil

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. Unmodified 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).

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 2020-21 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 Declaration/Confirmation from the Chairman & Managing Director regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel for F.Y. 2020-21, 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, as amended, following Codes has been approved and adopted by the Company:

1. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & their Immediate Relatives' (Code of Conduct-PIT),
2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure and Conduct).

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
2013-14	Final	6.00	September 29, 2014	December 4, 2021
2014-15	Final	7.00	September 25, 2015	November 29, 2022
2015-16	Interim	5.00	March 12, 2016	May 17, 2023
2015-16	Final	3.00	September 20, 2016	November 25, 2023
2016-17	Final	8.00	August 21, 2017	October 26, 2024
2017-18	Final	9.00	September 17, 2018	November 22, 2025
2018-19	Interim	8.00	March 18, 2019	May 22, 2026
2018-19	Final	4.00	September 21, 2019	November 26, 2026
2019-20	Interim	10.00	March 11, 2020	May 15, 2027
2019-20	Final	03.00	September 21, 2020	November 26, 2027

The Company sends periodic intimation / reminders 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 Authority following the procedure prescribed in the Rules. All unclaimed/unpaid Dividend for the Financial Years from 2006-07 to 2012-13 have been transferred to the IEPF established by the Central Government. No claim lies with the Company for the funds and shares transferred to Investor Education and Protection Fund.

23. Disclosure under Part F of Schedule V, Regulation 39(4) 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 lying in the demat suspense account / unclaimed suspense account, are as under:

It is hereby informed that no share of the Company was left unclaimed in Escrow Account, therefore, requirement of opening a Demat Suspense Account / Unclaimed Suspense Account and applicable related disclosures and manner of dealing to such shares etc. as mandated under under Part F of Schedule V, Regulation 39(4) read with 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	**Village Karsanpura, Taluka-Mandal, Distt. Ahmedabad, Gujarat**

Certificate of Compliance of Conditions of Corporate Governance

[Pursuant to Regulation 34(3) read with Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the compliance of conditions of Corporate Governance by **Fiem Industries Limited** ('the Company') for the year ended on March 31, 2021, as prescribed under 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. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **RANJANA GUPTA & ASSOCIATES**
COMPANY SECRETARIES
ICSI Unique Code: S2011DE154200
Peer Review Cert. No.: 921/2020

Sd/-
RANJANA GUPTA
Proprietor
FCS No : 8613 | CP No : 9920

Place : New Delhi
Date : 22nd June, 2021
UDIN : F008613C000495121

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Fiem Industries Limited** (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors stated below who are on the Board of the Company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company, by Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	Name of the Director	DIN	Date of First Appointment in Company
1	Jagjeevan Kumar Jain	00013356	06-02-1989
2	Seema Jain	00013523	06-02-1989
3	Aanchal Jain	00013350	02-12-1999
4	Rahul Jain	00013566	14-11-2004
5	Iqbal Singh	00014256	05-10-2005
6	Kashi Ram Yadav	02379958	25-10-2008
7	Vinod Kumar Malhotra	03544095	04-08-2011
8	Subodh Kumar Jain	00165755	09-11-2012
9	Mohan Bir Sahni	00906251	12-02-2015
10	Ashok Kumar Sharma	07610447	10-09-2016
11	Jawahar Thakur	07650035	12-11-2016
12	Rajesh Sharma	08650703	01-01-2020
13	Shobha Khatri	08650727	01-01-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RANJANA GUPTA & ASSOCIATES**
COMPANY SECRETARIES
ICSI Unique Code: S2011DE154200
Peer Review Cert. No.: 921/2020

Sd/-
RANJANA GUPTA
Proprietor
FCS No : 8613 | CP No : 9920

Place : New Delhi
Date : 22nd June, 2021
UDIN : F008613C000495154

Certification By Managing Director and CFO for Financial Year 2020-21

(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, 2021 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, if any;
- **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/-	**Sd/-**
Place : Rai, Sonepat (HR)	**O.P. Gupta**	**J.K. Jain**
Date : June 30, 2021	**Chief Financial Officer**	**Chairman & Managing Director**
		(DIN: 00013356)

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, 2021.

Place : Rai, Sonepat (HR)	**Sd/-**
Date : June 30, 2021	**J.K. Jain**
	Chairman & Managing Director
	(DIN: 00013356)

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	**Corporate Identity Number (CIN) of the Company**	L36999DL1989PLC034928
2	**Name of the Company**	Fiem Industries Limited
3	**Registered address**	D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015, India
4	**Website**	www.fiemindustries.com
5	**E-mail id**	arvind.chauhan@fiemindustries.com
6	**Financial year reported**	2020-21
7	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	
	Name and description of main product/services	**NIC Code of the product / service**
	a. Automotive lights, signaling equipment and parts	2740
	b. Rear View Mirror and Parts	2310
	c. Plastic Moulded Parts	2930
	d. LED Luminaries (including LED IPIS)	2740
8	**List three key products/services that the Company manufactures/provides (as in balance sheet)**	**a.** Automotive Lights, signaling equipment and parts **b.** Rear View Mirror and Parts **c.** Plastic Moulded Parts
9	**Total number of locations where business activity is undertaken by the Company**	
	a. Number of international locations	3 (Through Joint Venture & Subsidiaries)
	b. Number of national locations (Plants)	10 (including Joint Venture Company)
10	**Markets served by the Company – Local/ State/ National/ International**	Majorly Indian Market (all over India) and exports to countries / regions like Japan, Indonesia, Thailand, Europe, USA etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

Financial details of the Company		FY 2020-21 (Rs. in lakhs)	FY 2019-20 (Rs. in lakhs)
1.	**Paid up Capital**	1315.98	1315.98
2.	**Total Turnover**	120749.99	136624.87
3.	**Net Profit After Taxes**	4711.96	7892.85

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

During the financial year 2020-21 the CSR spent was Rs. 170.90 lakh, which is equivalent to 2% of average profits of previous 3 financial years.

5. List of activities in which expenditure in 4 above has been incurred:

(a) Extending financial aid to poor & needy patients, majorly through Social Welfare Unit of AIIMS, New Delhi.
(b) COVID-19 Relief & Support, Eye Care Camps for Poor & Needy, other Healthcare initiatives.
(c) Financial support to NGO, running shelter home for abandoned and disabled people.
(d) Improving School Facilities for Poor Students, Promoting Education in Rural & Hilly Area

SECTION C: OTHER DETAILS

1	**Does the Company have any Subsidiary Company/ Companies?**	Yes
2	**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)**	Not Applicable, as the subsidiary companies are located outside India and comply with the law of their respective country of incorporation.
3	**Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the % of such entity/entities? [Less than 30%, 30-60%, More than 60%]**	Company undertake BR initiatives on its own without participation of any other suppliers, distributors etc. However, Company encourages such other entities to undertake BR initiatives.

SECTION D: BR INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	00013356
Name	Mr. Jagjeevan Kumar Jain
Designation	Chairman & Managing Director

(b) Details of BR Head

DIN Number (if applicable)	08650703
Name	Mr. Rajesh Sharma
Designation	Whole-time Director
Telephone number	0130-2367905
e-mail id	rajesh.sharma@fiemindustries.com

2. PRINCIPLE-WISE (As per National Voluntary Guidelines (NGVs)) BR POLICY/ POLICIES

Principle	Applicable Policy / Policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	- Whistle Blower Policy - Code(s) of Conduct - Anti-Bribery Policy
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	- Environment Policy - Quality Policy
Principle 3: Businesses should promote the wellbeing of all employees.	- Occupational Health & Safety Policy - Code(s) of Conduct - Prevention of Sexual Harassment Policy
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	- Corporate Social Responsibility Policy
Principle 5: Businesses should respect and promote human rights.	- Code(s) of Conduct
Principle 6: Businesses should respect, protect and make efforts to restore the environment.	- Environment Policy
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	- Code(s) of Conduct - Whistle Blower Policy
Principle 8: Businesses should support inclusive growth and equitable development.	- Corporate Social Responsibility Policy
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	- Quality Policy

(a) Details of Compliance [Principle (P), Reply in Yes (Y)/No(N)]

SN	Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? **[Note1]**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? **[Note2]**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? **[Note3]**	http://fiemindustries.com/investors/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies? **[Note2]**	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? **[Note2]**	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes:

1. The Whistle Blower Policy, Code of Conduct for Directors & Senior Management, and Corporate Social Responsibility Policy are framed as per the requirements of the Companies Act and/or SEBI Listing Regulations. Prevention of Sexual Harassment Policy is framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

   Quality Policy, Environment Policy, Occupational Health & Safety Policy, Anti-Bribery Policy and Code of Conduct for all Employees are framed conforming to Integrated Management System (IMS) implemented in the Company, which consists of ISO 9001:2015 and IATF 16949:2016 (Quality Management Systems), ISO14001:2015 (Environmental Management System), OHSAS 18001:2007 (Occupational Health & Safety Management System).

2. The Whistle Blower Policy is overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Corporate Social Responsibility Committee of the Board of Directors of the Company. Any violation of Code of Conduct for Directors & Senior Management is reportable to Chairman or Compliance Officer for further action. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committees (ICCs) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

   Implementation of Quality Policy, Environment Policy, Occupational Health & Safety Policy, Anti-Bribery Policy and Code of Conduct for all Employees and other connected procedures and processes are being monitored by the Plant Co-coordinators as a process defined in ISO 9001:2015, IATF 16949:2016, ISO14001:2015 and OHSAS 18001:2007. Further, implementation of these Management Systems are subject to periodic Internal and external audits.

3. The dissemination / display / circulation of each Policy is governed by its respective applicable provisions. Some policies are required to be posted on website, some to be displayed at conspicuous place in factory premises and some are to be circulated internally. Accordingly, only those Policies are posted on website, the governing provisions of which require to do so.

(b) IF ANSWER TO THE QUESTION AT SN. 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

SN	Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

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

The BR performance of the Company is assessed periodically and/or annually at the end of financial year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the second Business Responsibility Report of the Company. This would be published annually as part of Annual Report. This report can be accessed at:

www.fiemindustries.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

   This principle is covered under Code(s) of Conduct, Anti-Bribery Policy and Whistle Blower Policy of the Company. At present these are framed for the Company's employees and Directors, including Wholly-owned subsidiaries. Regarding the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others, Company expect that these entities would be subject to their own policies covering this principle.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   No stakeholder complaint was received during the financial year 2020-21 under the Whistle Blower Policy mechanism.

PRINCIPLE 2:

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The top 3 products manufactures by the Company are (i) Automotive Lights, signaling equipment and parts (ii) Rear View Mirror and Parts (iii) Plastic Moulded Parts. All of these products are for Vehicle applications and are being supplied to Vehicle Manufacturers (Original Equipment Manufacturers) majorly and some percentage in replacement market also. All of these products are manufactured in conformity to applicable parameters and norms. Raw material and components used are also subject to applicable parameters and norms related to environmental concerns or risks. Largely, there is no social concern or risk involved in the products manufactured by the Company.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   There is a large range of above products being manufactured by the Company for different models of vehicles. Though power is a major cost in overall running of the factories operations, however, ours is not a power intensive industry. Details in respect of resource use/ reduction (energy, water, raw material etc.) per unit of product is not provided. However, the Company always take initiatives and efforts for energy conservation and optimum utilization of natural resources across its processes and operations and this is among most focused areas.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Company has well defined procedure in place for sourcing from its vendor partners. Supplier Quality Assurance Manual (SQAM) is the guiding document for vendor partners and they need to comply the policies and procedures enumerated therein. In addition to the Quality Systems to be adhered by the vendor partners, it include the Quality Policy, Environment Policy and Occupational Health & Safety Policy expected to be adhered by the vendor partners. The SQAM has been formulated on the basis of ISO 9001:2015, IATF 16949: 2016, ISO 14001:2015 and OHSAS 18001:2007 requirements. Company continue its efforts for more sustainable sourcing practices.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   During the selection of vendor partner, Quality, Cost, Delivery & Management remains the prime criteria. However, Company encourages the local and small producers, if they remain competitive on these parameters. We have a fair no. of vendor partners for procurement of goods and services, who are local and small vendors. As a strategic sourcing also, we always take initiatives for localization, though our vendor includes large, mid-size and small scale industries who meets our quality, delivery, cost and technology expectations.

   Supplier Quality Assurance Manual (SQAM) is the guiding document for the vendor partners and Company takes all initiatives and extend full support by way of factory visits and audits to improve the capacity and capability of local and small vendors and also provides ratings to them for continued improvements.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Company's business operations don't involve significant waste and recycling is also minimal. Further, Company takes care that during its operations the waste generation can be minimized. In all its recycling and waste disposal process, Company takes care environmental factors.

PRINCIPLE 3:

BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

Employee well-being is integral part of the affairs of the Company and remain a focus area on continuous basis. Following are the requisite information about employees.

1. **Please indicate the total number of employees.**

   The number of permanent employees as on March 31, 2021 were 2210.

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

   The number of temporary/ contractual employees during March, 2021 were 6125.

3. **Please indicate the number of permanent women employees.**

   The number of permanent woman employees as on March 31, 2021 were 343.

4. **Please indicate the number of permanent employees with disabilities.**

   The number of permanent employees with disabilities as on March 31, 2021 were 3.

5. **Do you have an employee association that is recognized by management?**

   Yes, Company has one employee association / union which is recognized by the management in Unit No. 2 & 3 at Hosur, Tamilnadu.

6. What percentage of your permanent employees is members of this recognized employee association?

2.71%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S No.	Category	No. of complaints filed during the financial year 2020-21	No. of complaints pending as on March 31, 2021
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

All categories of employees are given training on safety & skill up-gradation on periodic basis the details are as under:

S No.	Category	Employees (%) who were given safety training	Employees (%) who were skill up- gradation training
1	Permanent Employees	70%	33%
2	Permanent Women Employees	71%	45%
3	Casual/Temporary/Contractual Employees	67%	34%
4	Employees with Disabilities	67%	67%

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, the Company has mapped and identified its internal and external stakeholders. These stakeholders include our valued OEM customers, investors, employees, dealers, suppliers, regulators, media, governments and NGOs to work with to serve the disadvantaged, vulnerable and marginalized stakeholders through our social intervention programs.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, Company has also identified the disadvantaged, vulnerable and marginalized stakeholders and dedicate the CSR activities for their welfare.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so**

   There are different initiatives taken to engage and empower underprivileged people through healthcare programs etc., as detailed under principle No. 8.

PRINCIPLE 5:

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   As a socially responsible organization, the Company is committed to protect and safeguard human rights. Currently, the Code(s) of Conduct are applicable to employees, though we expect other stakeholders to adhere and uphold the standards enumerated therein.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaints with regard to violation of the Code(s) of Conduct received in FY 2020-21.

PRINCIPLE 6:

BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ others?**

   Environmental Policy is applicable to all the factories of the Company located in India. It extends to vendor partners and contractors etc., though large no. of vendor partners have their own policies. Company encourages to all stakeholders to care for environment.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Company has an 'Environment Policy' which guides the organization to continually work for environment protection by ensuring compliances, conserving natural resources and minimizing waste as well as preventing pollution. The Company works continuously to reduce the waste and focused on creating green infrastructure which are designed for better energy efficiency and more environment friendly.

3. **Does the company identify and assess potential environmental risks?**

   Out of our 9 Manufacturing facilities, 7 are certified with ISO14001:2015 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System). Under Environmental Management System, Company identify and assess the potential environment risk. The scope include identification, evaluation, determination of significance & further control measures for all Environmental Aspects and Impacts, OHS Hazards & Risks arising directly from the Company's activities, products and services under normal, abnormal and potential emergency conditions. Company takes necessary steps required to mitigate such risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Presently, Company does not have any Clean Development Mechanism (CDM) Project.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Please refer Annexure to Director Report on **'Conservation of Energy and Technology Absorption...',** which forms part of the Annual Report.

6. **Are the emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for the financial year being reported.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There is no such show cause / legal notice pending as on end of Financial Year under review.

PRINCIPLE 7:

BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

   The Company is member of several trade and chamber or association. Following are the major ones that our business deals with:

   - The Automotive Component Manufacturers Association of India (ACMA)
   - Confederation of Indian Industry (CII)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Drop Box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).**

   As and when such association make any representation or take initiatives for protecting the interests of industry or any advancement or improvement of public good in the areas indicated above, Company also extend its support on desired occasions.

PRINCIPLE 8:

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes. The Company has a Corporate Social Responsibility (CSR) Policy as per requirements of the Companies Act, 2013. Company has whole-heartedly adopted the CSR as a mechanism of giving back to the society and extending a helping hand to the underprivileged section and supporting them for better life. Extending the financial aid to the poor and needy patients for their treatment, COVID-19 Relief & Support, Promoting & Supporting rural & hilly area schools has remained the major activity under CSR. Company has major focus on 'health care' to poor and needy, as Company consider this is the most difficult time for poor and needy when they need a helping hand most.

   Company continued its major CSR Project in collaboration with Social Welfare Unit of AIIMS, New Delhi, wherein Company is giving financial aid 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).

   Under CSR Initiative Company sponsored free eye operations, dental treatment etc. through NGO, Kutch Vikas Trust, in Kutch district, where eye problems are prevalent and common because of dusty terrain.

   In addition to above, Company has also supported 'The Earth Saviours Foundation'. This NGO is running Shelter Home/ 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 free of charge such as accommodation, food, medical and every day needs.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

   Activities are undertaken by the Company, by 'Fiem Foundation' – the CSR vehicle of the Company in collaboration with other NGOs who are specialized and experienced working in their respective fields for quite long time. Some programs / activities are directly undertaken by the Company / Fiem Foundation.

3. **Have you done any impact assessment of your initiative?**

   The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee periodically. Company has received positive feedback about its activities from the benefited community and people involved in the process. However, there was no formal impact assessment done by the Company.

4. **What is your Company's direct contribution to community development projects Amount in and the details of the projects undertaken?**

   Company has undertaken following major projects / activities under CSR:

   (a) Extending financial aid to poor & needy patients, majorly through Social Welfare Unit of AIIMS, New Delhi.
   (b) COVID-19 Relief & Support, Eye Care Camps for Poor & Needy, other Healthcare initiatives.
   (c) Financial support to NGO, running shelter home for abandoned and disabled people.
   (d) Improving School Facilities for Poor Students, Promoting Education in Rural & Hilly Area

   For other details, please refer Annexure to Board's Report, 'Annual Report for Corporate Social Responsibility'.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, all our initiatives, once started has been successfully and happily adopted by the benefiting community and we received applaud and accolades for all these initiatives. Like, we started extending financial aid to poor and needy patients in collaboration with Social Welfare Unit of AIIMS, New Delhi. We noticed that poor patients from all over North India benefited by this initiative and they showered blessing on the Fiem Foundation / Company for helping them in the critical times, when they need such help most. For the COVID-19 Relief & Support initiatives, we received overwhelmed response, support and appreciation from local administration and benefited communities.

PRINCIPLE 9:

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year.**

   Company's major business is supply of automotive parts to OEM customers. Whatever complaints / issue raised by these customers, there is a robust mechanism to resolve all these promptly and at times it require joint effort of OEM customer as well. Hence, there is no specific percentage, which can be provided here, because of the special nature of business of the Company, in which it operates. Company also serve replacement market through its dealer and distributor network.

   Further, company also sells LED general lighting products through its dealer and distributor network and supply and install Integrated Passenger Information System (IPIS) with LED displays to railways. This business is very small in comparison to automotive business and for any issues raised by customers in these segments, there is a prompt resolution system at place

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)**

   Yes, on some products and as per instruction from the respective OEM customer, Company provide information at specific place of the product, as mandated by the OEM customer.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti- competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There is no such case filed, neither any such case pending against the Company at the end of financial year.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Company's major business is to supply the automotive parts to OEM customers. All OEMs generally give their feedback and company also welcome the suggestions and inputs to improve in its processes / operations, where it is needed. In Automobile Industry, OEM generally hold their Vendor Conferences on annual basis and honor the best performing vendors by way of Awards and Accolades. These are generally on parameters like Quality, Cost, Delivery, Development, Management, Technology etc. Based on superior performance, the Company has been consistently receiving the Awards and Accolades from its valued OEM customers. However, due to prevalent COVID-19 situation, these programs could not be organized in last financial year.

Independent Auditor's Report

To the Members of

Fiem Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Fiem Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, the statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements" or "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit maters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recoginition** Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/ decrease. Revenue is only recognised to the extent, that is highly probable, a significant reversal will not occur.	**Principal Audit Procedures** Our audit procedures included: • Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. • Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents. • Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments. • Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.

2	**Evaluation of uncertain tax positions** The Company has uncertain tax positions matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 33 to the Standalone Financial Statements	**Principal Audit Procedures** Obtained details of completed tax assessments upto the year ended March 31, 2021 from management. We considered, the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties
3	**Carrying value of investment in subsidiaries, associates and joint ventures** The Company carries its investments in subsidiaries, associates and joint ventures at cost (net of provision) at an aggregate amount of Rs 2909.49 lakhs as at 31st March 2021. The amount being significant to the standalone financial statements, the determination of impairment charge required the application of significant judgments by management, in particular with respect to determination of recoverable/fair value amount of these investments which in aggregate is significant to the standalone financial statements.	**Principal Audit Procedures** Our audit procedures include: • Comparing the carrying amount of investments with audited financial statements of investee companies to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount. • Obtaining and reviewing recoverable amounts as determined by the management for each investment.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2.

   A. 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 financial statements comply with the Ind AS specified under Section 133 of the Act

e. On the basis of written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, 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

B. 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 :

a. The Company has disclosed the impact of pending litigations as at 31st march 2021 on its financial position in its financial statements – Refer Note 33(A) to the standalone Ind AS financial statements;

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

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

d. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March 2021.

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-
(V. Sachdev)
Proprietor
Membership No.:-083435
UDIN 21083435AAAAGG1332

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

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 31.03.21, we report that:

1.

A. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (property, plant and equipment).

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 FY 16-17 for Rs 18.23 Lakhs, 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. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

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

(Rs in Lakhs)

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	High Court Punjab and Haryana
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	For Assessment Year 2011-12	617.71	See Note *	617.71	ITAT, New Delhi
			Total	**849.40**	**18.22**	**831.18**	

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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

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 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.

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 & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-
(V. Sachdev)
Proprietor
Membership No.:-083435
UDIN 21083435AAAAGG1332

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

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") Opinion

1. We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

3. 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

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") 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.

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 Ind AS 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 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 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

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.

for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-
(V. Sachdev)
Proprietor
Membership No.:-083435
UDIN 21083435AAAAGG1332

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Standalone Balance Sheet as at 31.03.2021

(Amount Rs in Lakhs)

Particulars	Note No.	As at 31.03.2021		As at 31.03.2020	
ASSETS					
1 **NON CURRENT ASSETS**					
(a) Property, plant and equipment	2	50,982.18		54,967.57	
(b) Capital work-in-progress	2	265.65		25.21	
(c) Right-of-use assets	3	3,394.84		3,549.68	
(d) Intangible assets	4	261.67		438.94	
(e) Financial Assets					
(i) Investments	5	2,911.49		2,911.49	
(ii) Trade receivables	6	485.42		124.90	
(iii) Loans	7	984.79		937.98	
(iv) Other Financial Assets	8	168.54		560.92	
(f) Income tax assets (net)		-		-	
(g) Other non-current assets	9	690.11		645.68	
Total Non Current Assets			60,144.69		64,162.37
2 CURRENT ASSETS					
(a) Inventories	10	11,694.64		12,909.09	
(b) Financial Assets					
(i) Investments		-		-	
(ii) Trade receivables	6	8,086.70		7,670.70	
(iii) Cash and cash equivalents	11	10,833.90		4,521.05	
(iv) Bank balances other than (iii) above	12	16.96		59.29	
(v) Loans	7	48.37		49.25	
(vi) Other Financial Assets	8	173.44		1,073.47	
(c) Other current assets	9	1,580.90		1,881.74	
Total Current Assets			32,434.91		28,164.59
TOTAL ASSETS			**92,579.60**		**92,326.96**
EQUITY AND LIABILITIES					
1 EQUITY					
(a) Equity Share capital	13	1,315.98		1,315.98	
(b) Other Equity	14	56,032.24		51,581.43	
Total Equity			57,348.22		52,897.41
2 LIABILITIES					
NON CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	15	2,189.55		5,809.27	
(ii) Lease liabilities	40	2,449.98		2,509.02	
(iii) Trade payables		-		-	
(iv) Other financial liabilities		-		-	
(b) Provisions	16	468.89		563.96	
(c) Deferred tax liabilities (Net)	39	3,624.33		3,685.38	
(d) Other non-current liabilities		-		-	
Total Non Current Liabilities			8,732.75		12,567.63
CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	17	-		1.08	
(ii) Trade payables					
-Total outstanding dues of micro and small enterprises	18	1,272.96		476.85	
-Total outstanding dues of creditors other than micro and small enterprises	18	15,940.60		16,250.43	
		17,213.56		16,727.28	
(iii)Other financial liabilities	19	5,108.34		6,192.21	
(b) Other current liabilities	20	3,587.13		3,381.31	
(c) Provisions	16	365.98		437.79	
(d) Current Tax Liabilities (Net)	21	223.62		122.25	
Total Current Liabilities			26,498.63		26,861.92
TOTAL LIABILITIES			35,231.38		39,429.55
TOTAL EQUITY AND LIABILITIES			**92,579.60**		**92,326.96**
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

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	**(Rahul Jain)**	**(O.P. Gupta)**	**(Arvind K. Chauhan)**	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Standalone Statement of Profit and Loss for the year ended 31.03.2021

(Amount Rs in Lakhs)

Particulars		Note No.	Current Year 2020-21		Previous Year 2019-20	
INCOME						
	Revenue From Operations					
	a) Net Sales	22	1,20,749.99		1,36,624.87	
	b) Other Operating Income	23	1,342.32		1,073.11	
I	Revenue from Operations (a+b)			1,22,092.31		1,37,697.98
II.	Other Income	24		336.98		173.30
III	**TOTAL INCOME (I+II)**			**1,22,429.29**		**1,37,871.28**
IV	**EXPENSES**					
a)	Cost of Raw Materials and Components Consumed	25		73,553.66		80,824.33
b)	Purchase of Stock-in-Trade	26		639.57		777.16
c)	Changes in Inventories of Finished Goods, Work in progress and Stock in trade	27		1,249.34		2,394.70
d)	Employees benefits expenses	28		16,370.41		19,552.34
e)	Finance costs	29		1,163.65		1,766.66
f)	Depreciation and amortization expense	30		5,709.33		5,272.14
g)	Other expenses	31		16,900.91		18,483.71
	TOTAL EXPENSES			**1,15,586.87**		**1,29,071.04**
V	**Profit before exceptional item and tax (iii-iv)**			**6,842.42**		**8,800.24**
	Exceptional item- income/(expenditure)	32		(318.40)		(88.23)
VI	**Profit before tax after exceptional item**			**6,524.02**		8,712.01
VII	**Tax expenses**					
a)	Current Tax Expense		1,955.06		2,178.45	
b)	(Excess)/Short Tax provision for earlier years		(81.95)		20.95	
c)	Deferred Tax Liability/ (Assets)		(61.05)		(1,380.24)	
				1,812.06		819.16
VIII	**Profit after tax for the year from continuing operations (vi-vii)**			**4,711.96**		**7,892.85**
IX	**Other comprehensive income/(loss)**					
	A) Items that will not be reclassified subsequently to the statement of profit and loss					
	(i) Remeasurement of Defined Benefit Plans		178.58		(85.23)	
	(ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss		(44.94)		21.45	
			133.64		(63.78)	
	B) Items that will be reclassified subsequently to the statement of profit and loss		-		-	
	Total other comprehensive income (netof tax)			**133.64**		(63.78)
X	**Total comprehensive income (net of tax) (viii+ix)**			**4,845.60**		**7,829.07**
	Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share)	42		**35.81**		**59.98**
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

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	**(Rahul Jain)**	**(O.P. Gupta)**	**(Arvind K. Chauhan)**	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Standalone statement of changes in equity for the year ended 31.03.2021

(Amount Rs in Lakhs)

Particulars	Note No.	Number	(Amount Rs in Lakhs)
A Equity Share Capital			
Equity share of Rs 10/- each Issued, subscribed and fully paid			
Balance as at 1st April 2019		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 1st April 2020		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 31st March 2021	13	1,31,59,830	1,315.98

B. Other Equity

Particulars	Note No.	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April 2019		16,722.77	3,840.00	25,786.01	46,348.78
Addition during the year					
1) Profit for the year				7,892.85	7,892.85
2) Other Comprehensive Income (loss) for the Year				(63.78)	(63.78)
3) Transition impact of Ind AS 116- Leases, net of tax				(375.35)	(375.35)
Deduction during the year					
1) Transfer to General Reserve			800.00	(800.00)	-
2) Dividend Paid (Rs 4 per share)				(526.39)	(526.39)
3) Tax on dividend paid				(108.20)	(108.20)
4) Interim Dividend Paid (Rs 10 per share)				(1,315.98)	(1,315.98)
5) Tax on Interim dividend paid				(270.50)	(270.50)
Balance as at 1st April 2020		**16,722.77**	**4,640.00**	**30,218.66**	**51,581.43**
Addition during the year					
1) Profit for the year				4,711.96	4,711.96
2) Other Comprehensive Income for the Year				133.64	133.64
Deduction during the year					
1) Transfer to General Reserve			500.00	(500.00)	-
2) Dividend Paid (Rs 3 per share)				(394.79)	(394.79)
Balance as at 31st March 2021	14	**16,722.77**	**5,140.00**	**34,169.47**	**56,032.24**

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

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	**(Rahul Jain)**	**(O.P. Gupta)**	**(Arvind K. Chauhan)**	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Standalone Cash Flow Statement for the year ended 31.03.2021

(Amount Rs in Lakhs)

Particulars		Year ended 31st March, 2021	Year ended 31st March, 2020
A	**Cash flow from Operating Activities:**		
	Profit (Loss) Before Tax	6,524.02	8,712.01
	Adjustments for:		
	Depreciation & amortisation expense	5,709.33	5,272.14
	Net loss (gain) on sale/theft of property plant and equipment	(5.17)	(18.62)
	Loss on discarded of property plant and equipment	9.59	-
	Unrealised foreign exchange (gain)/Loss	(41.55)	66.50
	Provision for bad and doubtful debt	196.28	25.00
	Provision for doubtful advances	8.10	-
	Bad debts written-off	1,071.14	2.31
	Finance costs	1,163.65	1,766.66
	Interest income/Income on fixed deposits and others deposits	(187.26)	(83.18)
	Operating Profit (Loss) before Working Capital changes	**14,448.12**	15,742.83
	Adjustment for changes in Working Capital:		
	Decrease/(Increase) in loans (non-current)	(46.81)	(47.54)
	Decrease/(Increase) in other financial assets (non-current)	0.34	5.40
	Decrease/(Increase) in other non-current assets	(183.48)	(21.80)
	Decrease/(Increase) in inventories	1,214.45	1,815.12
	Decrease/(Increase) in trade receivables	(1,670.78)	6,950.53
	Decrease/(Increase) in trade receivables (non-current)	(360.52)	-
	Decrease/(Increase) in loans (current)	0.88	1.02
	Decrease/(Increase) in other financial assets (current)	900.03	616.76
	Decrease/(Increase) in other current assets	292.74	210.18
	(Decrease)/Increase in non-current provisions	(95.07)	(110.21)
	(Decrease)/Increase in trade payables	515.20	(2,237.04)
	(Decrease)/Increase in other financial liabilities (current)	47.34	102.17
	(Decrease)/Increase in current provisions	106.77	162.94
	(Decrease)/Increase in other current liabilities	205.82	(426.94)
	Cash generated from Operating Activities	**15,375.02**	22,763.42
	Income tax paid (net of refunds)	(1,816.68)	**(1,877.96)**
	Net cash from/(used in) Operating Activities (A)	**13,558.34**	20,885.46
B	**Cash flow from Investing Activities:**		
	Payments for purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(1,993.57)	**(4,689.40)**
	Proceeds from sales of property, plant and equipment	15.86	**93.09**
	Capital subsidy received	215.69	-
	Payments for Investments in subsidiary	-	**(157.08)**
	Proceeds from dissolved of subsidiary	-	**19.68**
	Maturity from (Investment in) other bank balance	42.33	**(33.42)**
	Interest income/Income on fixed deposits and others deposits	187.26	**83.18**
	Net cash from/(used in) Investing Activities (B)	**(1,532.43)**	(4,683.95)

Standalone Cash Flow Statement for the year ended 31.03.2021

(Amount Rs in Lakhs)

C	**Cash flow from Financing Activities:**		
	Repayment of long term borrowings	(4,102.50)	(3,897.31)
	Proceeds from long term borrowings	-	78.00
	Increase (Decrease) in short term borrowings	(1.08)	(3,845.58)
	Finance cost paid other than finance lease	(1,028.40)	(1,736.16)
	Payment of Final dividend on equity shares	(394.79)	(526.39)
	Payment of Interim dividend on equity shares	-	(1,315.98)
	Payment of dividend distribution tax	-	(378.71)
	Payment of finance lease	(186.30)	(186.30)
	Net cash from/(used in) Financing Activities (C)	**(5,713.07)**	(11,808.44)
D	**Net Increase/(Decrease) in cash & cash equivalents (A+B+C)**	**6,312.84**	4,393.07
	Add:-Cash and cash equivalents at the beginning of the period	4,521.05	119.17
	Effect of Exchange Rate change Gain/(Loss)	-	8.80
	Cash and cash equivalents at the end of period	**10,833.90**	4,521.05
E	**Component of cash and cash equivalents**		
	Cash on hand	22.65	29.27
	Balance with Banks:		
	Balance with bank in Cash Credit Account	384.51	39.00
	Deposits with original maturity of less than three months (net of book overdraft)	10,398.36	4,083.13
	Balance with bank in current accounts	28.38	369.65
	Total cash and cash equivalents	**10,833.90**	4,521.05

Note:1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note:2. 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**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	**(Rahul Jain)**	**(O.P. Gupta)**	**(Arvind K. Chauhan)**	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Notes on Financial Statements for the year ended 31.03.2021

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, bank angle sensor, canister 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.

These standalone financial statements are approved by the Company's Board of Directors on 30th June 2021.

(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 in which future periods are also affected.

Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2021 and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

(i) Recognition of deferred tax assets and provision for income tax - note 39 - The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time. The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

(ii) Provision for employee benefits - note 46 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

(iii) Provision for warranty - note 16- The provision is based on historical warranty data and weighing of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

(iv) Tools, mould and dies - Revenue from sale of tools, mould and dies is recognised on a completed contract method considering that substantial activity for preparation of mould is outsourced to sub-contractors. Further, development of such tools, moulds and dies does not take the substantial time period, unless due to procedural delays from the customer's end.

(v) Lease-Measurement of lease liabilities and right of use asset (ROUA) (Note-40)

(vi) Useful lives of property, plant and equipment-The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(vii) Impairment of investment in subsidiaries and joint ventures-The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

Impact of COVID-19 (Pandemic):

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

(a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(c) Specified format for disclosure of shareholding of promoters.

(d) Specified format for ageing schedule of trade receivables, trade payables capital work-in-progress and intangible asset under development.

(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(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;

Notes on Financial Statements for the year ended 31.03.2021

(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.

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 accordance 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 asset'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 incurred.

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. The estimated useful lives of property, plant and equipment are as follows.

Assets	Estimated useful lives	Useful lives as per schedule II
Factory Building	30 years	30 years
Other Building	60 years	60 years
Plant and Equipment	5-15 years	15 years
Furniture & Fixture	10 years	10 years
Motor Vehicles	8-10 years	8-10 years
Office Equipment	3-5 years	5 years
Electrical Installation	10 years	10 years
Computer	3 years	3 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

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

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 separately

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 acquired separately are carried at cost less accumulated impairment losses.

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 financial 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.

Notes on Financial Statements for the year ended 31.03.2021

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. Cost represents amount paid for acquisition of the said investment.

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.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) financial assets measured at amortised cost

(ii) financial assets measured at FVOCI

(iii) trade receivables under Ind-As 18

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The management considers internal and external information up to the date of approval of financial results including probability of credit impairment and economic forecast. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(I) 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.

(J) Revenue from contracts with customers

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. Amounts disclosed as revenue are net of goods and service tax (GST).

Sale of Goods

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

Sale of Services

Customers obtain control of design and testing services when the services are completed to the satisfaction of the Customer.

Insurance Claim

Insurance claims lodged with insurance companies are accounted for on the basis of claim admitted/expected to be

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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.

(K) Government Grants, Subsidies and Export Incentives

(i) Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income. Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

(ii) Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(L) Foreign Currency Transactions

Functional and Presentation Currency

The functional currency of the Company is Indian rupee (INR).

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.

(M) Research and Development

Revenue expenditure pertaining to research 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.

(N) 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 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.

(O) 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.

(P) Taxation

Income Tax expense represent the sum of the tax currently payable 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 corresponding 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.

Notes on Financial Statements for the year ended 31.03.2021

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 measurement 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 entity intends and has ability to settle its current tax assets and liabilities on a net basis.

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 respectively.

(Q) 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.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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.

(R) 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(S) 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.

(T) 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.

(U) 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 Others Segment on the basis of the nature of products, the risk and return

profile of individual business and the internal business reporting systems.

(V) Lease

Effective 1st April 2019, the Company has applied Ind AS 116 using modified retrospective approach.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(W) Dividend on Equity Share

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

(X) Corporate Social Responsibility (CSR) Expenditure

CSR Expenditure incurred by the Company is charged to the standalone statement of the profit and loss

(Y) Exceptional Items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

(Z) Earnings Per Share

The Basic and Diluted 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.

Notes on Financial Statements for the year ended 31.03.2021

2. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs in Lakhs

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installation	Computers	Total
	Freehold	Leasehold								
Gross Block										
As at 31 March, 2019	3,636.63	1,843.43	20,121.97	51,721.14	2,752.45	2,026.19	708.48	2,199.42	704.14	85,713.83
Additions	-		1,859.86	2,949.88	184.40	163.17	31.64	98.84	77.14	5,364.93
Disposals/adjustments	-		-	12.33	-	194.15	-	-	-	206.49
Transferred to right of use assets	-	1,843.43	-	-	-	-	-	-	-	1,843.43
As at 31 March, 2020	3,636.63	-	21,981.83	54,658.68	2,936.85	1,995.21	740.12	2,298.26	781.28	89,028.86
Additions	-	-	66.32	1,351.17	101.41	47.41	28.27	12.86	11.12	1,618.55
Disposals/adjustments	-	-	80.09	139.37	-	72.60	140.46	9.33	88.44	530.30
As at 31 March, 2021	3,636.63	-	21,968.05	55,870.48	3,038.26	1,970.02	627.92	2,301.80	703.95	90,117.11
Depreciation										
As at 31st March, 2019	-	211.90	3,546.18	21,404.86	1,092.59	959.51	472.83	1,151.69	558.69	29,398.25
For the year	-	-	696.19	3,505.68	245.17	229.75	74.58	180.65	74.91	5,006.93
Disposals/adjustments	-	-	-	2.24	-	129.78	-	-	-	132.02
Transferred to right of use assets	-	211.90	-	-	-	-	-	-	-	211.90
As at 31 March, 2020	-	-	4,242.37	24,908.30	1,337.76	1,059.48	547.40	1,332.35	633.60	34,061.27
For the year	-	-	729.37	3,963.17	242.90	203.29	65.50	161.97	69.63	5,435.83
Disposals/adjustments	-	-	14.61	48.00	-	70.77	133.93	8.86	86.02	362.19
As at 31 March, 2021	-	-	4,957.14	28,823.46	1,580.66	1,192.01	478.97	1,485.45	617.21	39,134.91
Net Block										
As at 31st March, 2020	3,636.63	-	17,739.46	29,750.38	1,599.09	935.73	192.71	965.91	147.68	54,967.57
As at 31 March, 2021	3,636.63	-	17,010.92	27,047.02	1,457.59	778.01	148.95	816.34	86.75	50,982.18

1. Gross block of land free hold includes an amount of Rs. 18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company
2. Property, plant and equipment amounting to Rs 34,501.28 Lakhs (31 March 2020-Rupee 37,018.48 Lakhs) have been pledged as security by the Company.
3. During the year, the company has capitalised expenditure relating to property, plant and equipment amounting to Rupee 38.22 Lakhs (31 March 2020-Rupee 215.73 Lakhs)
4. During the year, the company has received capital subsidy of Rs. 215.69 lakhs on account of GST concession on eligible fixed capital investment (on plant and machinery and factory building) situated at Karsanpura, Ahmadabad, Gujarat-Unit-9. The same has been adjusted in the respective cost of the assets.
5. Adjustment on Depreciation

	2020-21	2019-20
Depreciation for Current Year	5,435.83	5,006.93
Less:-Adjustment on depreciation on account of capital subsidy received	59.03	-
Net Depreciation charged to statement of profit & loss	**5,376.80**	**5,006.93**

6. During the current year, the company has capitalised borrowing cost relating to construction of buildings amounting to Rupee 2.44 Lakhs (31 March 2020-Rupee 45.07 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9%, which is the effective rate of borrowing.

2. CAPITAL WORK-IN PROGRESS	As at 31 March, 2021	As at 31 March, 2020
Building	265.65	25.21
Total	265.65	25.21

Notes on Financial Statements for the year ended 31.03.2021

3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

Particulars	Land	Building	Total
Gross Block			
As at 31 March, 2019	-	-	-
Additions	-	2,072.98	2,072.98
Transferred from property, plant & Equipment	1,843.43	-	1,843.43
Disposals/adjustments	-	-	-
As at 31 March, 2020	1,843.43	2,072.98	3,916.41
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March, 2021	1,843.43	2,072.98	**3,916.41**
Depreciation			
As at 31st March, 2019	-	-	-
For the year	25.27	129.56	154.84
Transferred from property, plant & equipment	211.90	-	211.90
Disposals/adjustments	-	-	-
As at 31 March, 2020	237.17	129.56	366.74
For the year	25.27	129.56	154.84
Disposals/adjustments	-	-	-
As at 31 March, 2021	262.44	259.12	**521.58**
Net Block			
As at 31st March, 2020	1,606.26	1,943.42	3,549.68
As at 31 March, 2021	1,580.99	1,813.86	**3,394.84**

4. INTANGIBLE ASSETS

(Amount Rs. In Lakhs)

Particulars	Computer Software	Technical Knowhow	Total
Gross Block			
As at 31 March, 2019	352.06	55.43	407.49
Additions	437.96	15.31	453.27
Disposals/adjustments	-	-	-
As at 31 March, 2020	790.02	70.74	860.76
Additions	0.43	-	0.43
Disposals/adjustments	-	-	-
As at 31 March, 2021	790.45	70.74	**861.19**
Amortization			
As at 31st March, 2019	293.57	17.88	311.46
For the year	95.45	14.91	110.37
Disposals/adjustments	-	-	-
As at 31 March, 2020	389.02	32.79	421.82
For the year	163.55	14.15	177.69
Disposals/adjustments	-	-	-
As at 31 March, 2021	552.57	46.94	**599.51**
Net Block			
As at 31st March, 2020	401.00	37.95	438.94
As at 31 March, 2021	237.88	23.80	**261.67**

Notes on Financial Statements for the year ended 31.03.2021

5 NON - CURRENT INVESTMENTS

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
UNQUOTED EQUITY SHARES (At cost)				
1 in wholly owned Subsidiaries (Overseas)				
a) Fiem Industries Japan Co., Ltd.				
100 (Previous Year- 100) fully Paid Equity shares of 50,000 JPY each	29.49		29.49	
b) Fiem Research and technology S.r.l.				
a Limited Liability Company incorporated in Italy- Amount invested 3.00 Lakhs Euros (Previous Year -3.00 Lakhs Euros)	238.44		238.44	
		267.93		**267.93**
2 in Joint Venture (JV)				
a) Indian				
a) Aisan Fiem Automotive India P. ltd.				
2,60,00,000 Equity Share (Previous year - 2,60,00,000 Equity Share) of Rs 10 Each of the company, a Joint venture with Aisan Industry Co., Ltd. Japan (69% share) and Toyota Tsusho India Private Limited (5% share)	2,600.00		2,600.00	
b) Overseas				
a) Centro Ricerche FIEM Horustech S.r.l.				
a Limited Liability Company incorporated in Italy on 50:50 JV basis with Horustech Lighting S.r.l. Italy. Total amount invested 0.40 Lakhs Euros. (Previous Year 0.40 Lakhs Euros)	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. 1,000 fully paid shares (Previous Year -1000) of 100 Hong Kong dollar each	8.40		8.40	
		2,641.56		2,641.56
3 in Others				
a) M/s Shivalik Solid Waste Management Ltd.				
20,000 equity shares (Previous Year 20,000) of Rs 10 each fully paid up	2.00		2.00	
		2.00		**2.00**
TOTAL		**2,911.49**		**2,911.49**

6 TRADE RECEIVABLES (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Retention money with Customers	485.42	124.90	208.70	-
b) Trade receivables				
Considered Good		-	7,878.00	7,670.70
Credit Impaired			338.60	142.32
Total	-	-	8,216.60	7,813.02
Less:- Allowances for Credit losses	-	-	338.60	142.32
T O T A L	**485.42**	**124.90**	**8,086.70**	**7,670.70**

Trade Receivables includes dues from wholly owned subsidiary company- Fiem Industries Japan Co., Ltd /- Rs Nil(Previous year Rs 16.41 Lakhs)

Notes on Financial Statements for the year ended 31.03.2021

7 LOANS (Unsecured but considered Good)

(Amount Rs in Lakhs)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Loan to employees	46.82	19.69	41.42	49.25
b) Security deposit	937.97	918.29	6.95	-
TOTAL	**984.79**	**937.98**	**48.37**	**49.25**

8 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Term deposit held as margin money, with more than 12 months maturity	27.13	27.77	-	-
b) Income accrued on deposits	1.06	0.77	52.23	66.61
c) Insurance Claim Recoverable	-	-	-	860.38
d) Export Incentive Receivables	-	-	43.01	50.10
e) Derivative Assets -Long term	140.35	532.39	-	-
f) Other Advances recoverable	-	-	78.20	96.38
TOTAL	**168.54**	**560.92**	**173.44**	**1,073.47**

9 OTHER ASSETS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Capital Advances	474.84	613.88	-	-
b) Advances other than capital advances				
i) Advances to Suppliers	-	-	787.27	1,175.41
Less Provision for doubtful advances			(8.10)	-
Net Advances to suppliers			779.17	1,175.41
ii) Balance with Customs or GST departments	-	-	562.48	491.32
iii) Prepaid Expenses	215.27	31.80	239.25	215.01
TOTAL	**690.11**	**645.68**	**1,580.90**	**1,881.74**

10 INVENTORIES

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

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Raw Materials and Components	7,404.79		7,441.58	
b) Raw Materials and Components in transit	3.92		-	
c) Work in Progress	1,300.08		1,215.30	
d) Finished Goods	2,565.04		3,899.15	
e) Stores and Spares (including Packing Material)	420.81		353.06	
		11,694.64		12,909.09
TOTAL		**11,694.64**		**12,909.09**

Notes on Financial Statements for the year ended 31.03.2021

11 CASH AND CASH EQUIVALENTS

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Balances with Banks in current account		28.38		369.65
b) Balances with Banks in Cash Credit Account		384.51		39.00
c) Book Overdraft (see also note 17 also below for security given)	(830.24)		(1,716.87)	
d) Deposits with original maturity of less than three months	11,228.60		5,800.00	
		10,398.36		4,083.13
e) Cash on Hand		22.65		29.27
TOTAL		**10,833.90**		**4,521.05**

12 OTHER BANK BALANCES

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
1) Unpaid Dividend Account	7.76		17.17	
2) Margin money deposit with original maturity for more than 3 months but less than 12 months	9.20		42.11	
		16.96		59.29
TOTAL		**16.96**		**59.29**

13 EQUITY SHARE CAPITAL

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Authorised				
3,00,00,000 (as at 31.03.20- 3,00,00,000) Equity shares of Rs 10 each		3,000.00		3,000.00
Issued, Subscribed and Paid-up				
1,31,59,830 (as at 31.03.20- 1,31,59,830, Equity Shares of Rs. 10/- each fully paid up)		1,315.98		1,315.98
TOTAL		**1,315.98**		**1,315.98**

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 Rs 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 Rs 10 each fully paid up)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Name of the Shareholder	**No of Shares**	**% held**	**No of Shares**	**% held**
1) J.K. Jain	3,129,367	23.78%	3,129,367	23.78%
2) Seema Jain	3,010,000	22.87%	3,010,000	22.87%
3) Rahul Jain	1,625,668	12.35%	1,625,668	12.35%
4) Aanchal Jain	898,184	6.83%	898,184	6.83%
5) Elevation Capital V Fii Holdings Limited (former name- Saif India V Fii Holdings Limited)	952,467	7.24%	1,152,081	8.75%

c) Reconciliation of Number of Shares

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Equity shares	**No of shares**	**Amount (In Rs Lakhs)**	**No of shares**	**Amount (In Rs Lakhs)**
Opening Balance	13,159,830	1,315.98	13,159,830	1,315.98
Issued During the Year	-	-	-	-
Closing balance	13,159,830	1,315.98	13,159,830	1,315.98

Notes on Financial Statements for the year ended 31.03.2021

14 OTHER EQUITY

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
SECURITIES PREMIUM				
As Per Last Balance Sheet		16,722.77		16,722.77
GENERAL RESERVE				
As Per Last Balance Sheet	4,640.00		3,840.00	
Add :- Transferred from Surplus in the statement of Profit and Loss	500.00		800.00	
Closing balance		5,140.00		4,640.00
SURPLUS -OPENING BALANCE	30,218.66		25,786.01	
Add:- Profit after tax	4,711.96		7,892.85	
Add:- Other Comprehensive Income/ (Loss)	133.64		(63.78)	
Transition impact of Ind AS 116- Leases, net of tax	-		(375.35)	
Amount Available for Appropriation	35,064.26		33,239.73	
Less :- Appropriations				
i) Final Dividend Paid Rs 3 per share- (Previous Year Rs 4 per share)	394.79		526.39	
ii) Corporate Dividend Tax Paid on Final Dividend	-		108.20	
iii) Interim Dividend C.Y. Nil (Previous Year Rs 10 per share)	-		1,315.98	
iv) Corporate Dividend Tax Paid on Interim Dividend	-		270.50	
v) Transfer to General Reserve	500.00		800.00	
	894.79		3,021.07	
SURPLUS -CLOSING BALANCE		34,169.47		30,218.66
T O T A L		**56,032.24**		**51,581.43**

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 account 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.

15 NON-CURRENT BORROWINGS

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	-	200.00	-	400.00
b) Foreign Currency Loan	2,148.82	5,504.59	3,214.24	3,772.51
	2,148.82	5,704.59	3,214.24	4,172.51
2) VEHICLE LOANS				
a) from Banks	40.73	104.68	63.95	128.14
	40.73	104.68	63.95	128.14
T O T A L	**2,189.55**	**5,809.27**	**3,278.19**	**4,300.65**

Notes on Financial Statements for the year ended 31.03.2021

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE (Amount Rs in Lakhs)

a) From HSBC Bank:- Outstanding as on 31.03.21 is NIL (as on 31.03.20 Rs 600 Lakhs) The Loan was for 6 year and had 20 quarterly equal repayment beginning after moratorium period of 15 months. Interest is monthly payable. The loan carried fixed interest rate of 9.50% p.a.. The Loan was 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 CHARTERED BANK ECB-3 LOAN. The loan was fully repaid during the year

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) From Citibank :- FCNR Term Loan -3 outstanding as on as on 31.03.21 - Rs 758.44 Lakhs, (as on 31.03.20- Rs 1564.82 lakhs) 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 .

b) From Standard Chartered Bank ECB -3 for 55 lakh USD :- Loan outstanding as on 31.03.21- Rs 1231.20 Lakhs (as on 31.03.20- Rs 2091.96 Lakhs). 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 CITIBANK FCNR TERM LOAN-3 on all assets of Tapukara plant (Present and future) and secured against exclusive charge on movable fixed assets situated at Mysore unit-4, and Hosur Unit-3 Kelamangalam Road.

c) From HSBC Mauritius ECB :- Loan outstanding as on 31.03.21- Rs 643.17 Lakhs , (as on 31.03.20- Rs 1790.41 Lakhs). 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.

d) From Citibank FCNR Term Loan -4:- Outstanding as on 31.03.21 is Rs 1884.29 Lakhs (as on 31.03.20- Rs 2576.68 lakhs) The Loan is for 5 year and has 17 quarterly equal repayment starting from the end of 12 months of drawdown. Interest is monthly payable. The loan carries fully hedged interest cost of 9.00% p.a.. The Loan is Secured against exclusive charge on fixed assets financed out of the term loan and first exclusive charge of the movable assets of Unit-V situated at Hosur, Tamilnadu and exclusive charge on Plant and Machinery and Land and Building of unit-VI Located at Village Bhatian, tehsil Nalagarh, Distt. Solan -174101.

e) From Citibank FCNR Term Loan -5 :- Outstanding as on 31.03.21 is Rs 845.96 Lakhs (31.03.20- 1253.22 lakhs) the Loan is for 5 year and has 17 quarterly equal repayment starting from the end of 12 months of drawdown .The Loan carries fully hedged interest cost of 8.80% p.a..The Loan is Secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable assets of Unit-V situated at Hosur, Tamilnadu

VEHICLE LOANS FROM BANKS

Vehicle loan from banks:- outstanding as on 31.03.21- Rs 104.68 Lakhs, (31.03.20- Rs 232.82 Lakhs), secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8.50% p.a.to 9.50% p.a..

(Amount Rs in Lakhs)

PARTICULARS	1-2 years i.e during f.y. 2022-23	2-3 years i.e during f.y. 2023-24	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	1,460.50	729.05	NIL	NIL

16 PROVISIONS

(Amount Rs in Lakhs)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
1 Provision for Retirement Benefits				
a) Leave Encashment	468.89	455.86	102.82	113.21
b) Gratuity	-	108.09	82.02	257.28
2 Provision for Warranties	-		181.14	67.30
TOTAL	**468.89**	**563.96**	**365.98**	**437.79**

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 31.03.21 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	31.03.2021	31.03.2020
Opening Balance	67.30	71.70
Addition	181.14	67.30
Utilization /reversal	67.30	71.70
Closing Balance	181.14	67.30
Current Portion	181.14	67.30
Non Current Portion	-	-

17 CURRENT BORROWINGS

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks		
Indian Rupee Loan (see note 11 above also)	-	1.08
TOTAL	**-**	**1.08**

Indian Rupee Loan includes

a) From Citibank NA :- Loan outstanding as at 31.03.21 - Rs NIL, (as on 31.03.20- Rs Nil). 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. 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.

b) From Standard Chartered Bank :- Loan outstanding as at 31.03.21- Rs NIL Lakhs (as on 31.03.20- Rs 1.08 Lakhs), Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time. 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.

c) From HDFC BANK :- Loan outstanding as at 31.03.21- Rs NIL (as on 31.03.20- Rs NIL), Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time. 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.

Notes on Financial Statements for the year ended 31.03.2021

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.

18 CURRENT TRADE PAYABLES

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
- Micro and Small enterprises	1,272.96		476.85	
-Other than Micro and Small enterprises	15,940.60		16,250.43	
		17,213.56		16,727.28
TOTAL		**17,213.56**		**16,727.28**

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.

19 OTHER FINANCIAL LIABILITIES- CURRENT

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Trade Security Deposits		283.20		297.12
b) Current Maturity of Long- term debt	3,278.19		4,300.65	
Add/(Less) Derivative liability/ (Assets) Short Term	(250.52)		(398.16)	
		3,027.67		3,902.49
c) Current maturity of Lease Liability		59.05		33.73
d) Interest accrued		13.09		27.98
e) Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		7.76		17.17
f) Creditors for Capital Expenditure		144.21		411.03
g) Payable to employees		766.04		789.05
h) Other payable (Includes accrued expense/liabilities)		807.32		713.65
TOTAL		**5,108.34**		**6,192.21**

20 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Advances received from Customers		2,194.54		2,056.73
b) Statutory Dues payable		1,392.59		1,324.58
TOTAL		**3,587.13**		**3,381.31**

21 CURRENT TAX LIABILITIES (NET)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Provision for Income tax (Net of advance tax and Tds)		223.62		122.25
TOTAL		**223.62**		**122.25**

Notes on Financial Statements for the year ended 31.03.2021

22 NET SALES

(Amount Rs in Lakhs)

PARTICULARS	CURRENT YEAR F.Y. 2020-21		PREVIOUS YEAR F.Y. 2019-20	
a) Sales of Products				
- Sales of Finished Goods				
Automotive Segment	118,925.12		133,626.26	
Others Segment comprising LED Luminaries etc.	1,096.40		2,008.46	
	120,021.52		135,634.72	
- Sales of Raw material/Traded goods				
Automotive Segment	728.47		966.53	
Others Segment comprising LED Luminaries etc.	-		-	
	728.47		966.53	
		120,749.99		136,601.25
b) Sales of Services (Job work charges received)				
Automotive Segment	-		-	
Others Segment comprising LED Luminaries etc.	-		23.62	
		-		23.62
TOTAL		**120,749.99**		**136,624.87**

23 OTHER OPERATING INCOME

1)	Scrap sales		367.21		420.72
2)	Testing, Design and Development charges received		371.23		210.30
3)	Support fee received (Aisan Fiem Automotives India Pvt Ltd)		260.00		260.00
4)	Duty Drawback Received		46.74		33.87
5)	Merchandise export Incentive received		27.74		41.62
6)	Rebate and Discount Received		48.34		12.60
7)	Govt subsidy received		100.00		100.00
8)	Difference in foreign exchange		49.57		(57.82)
9)	Segregation, Packing and Forwarding charges Received		71.49		51.82
	TOTAL		**1,342.32**		**1,073.11**

24 OTHER INCOME

1)	Interest income on Fixed Deposits and others Deposits		187.26		83.18
2)	Income on Income tax refund		-		43.94
3)	Sundry Creditors written back		133.48		15.39
4)	Rental Income received		3.78		9.18
5)	Profit/(Loss) on sale of Property, Plant and Equipment		5.17		18.62
6)	Other Non Operating Income		7.29		2.99
	TOTAL		**336.98**		**173.30**

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	Opening Stock		7,441.58		6,878.32
	Add : Purchases		73,516.87		81,387.59
	Less :- Inventories at the end of the year		7,404.79		7,441.58
	TOTAL		**73,553.66**		**80,824.33**

26 PURCHASE OF STOCK IN TRADE

	Purchase of Traded Goods		639.57		777.16
	TOTAL		**639.57**		**777.16**

Notes on Financial Statements for the year ended 31.03.2021

(Amount Rs in Lakhs)

		CURRENT YEAR F.Y. 2020-21		PREVIOUS YEAR F.Y. 2019-20	
27	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**				
	Inventories at the end of the year				
	a) Finished Goods	2,565.03		3,899.15	
	b) Work -in- Progress	1,300.08		1,215.30	
	c) Traded Goods	-		-	
			3,865.11		5,114.45
	Inventories at the beginning of the year				
	a) Finished Goods	3,899.15		3,953.54	
	b) Work -in- Progress	1,215.30		3,555.53	
	c) Traded Goods	-		0.08	
			5,114.45		7,509.15
			1,249.34		**2,394.70**
28	**EMPLOYEES BENEFITS EXPENSES**				
	Salaries,Wages and Bonus to employees		15,220.70		18,139.33
	Contribution to Provident and other Funds		389.86		434.43
	Staff Welfare Expenses		511.32		641.35
	Gratuity Expenses		195.19		203.95
	Earned Leave to staff		53.34		133.28
	TOTAL		**16,370.41**		**19,552.34**
29	**FINANCE COSTS**				
	Interest Expense				
	a) Interest on borrowings	990.20		1,600.19	
	b) Interest on leasehold obligation	152.57		154.47	
			1,142.77		1,754.66
	Other Borrowing Costs		20.88		12.00
	TOTAL		**1,163.65**		**1,766.66**
30	**DEPRECIATION AND AMORTIZATION EXPENSES**				
	Depreciation on Property,plant and equipment (see note -2)		5,376.80		5,006.93
	Depreciation on Right of Use assets (see Note-3)		154.84		154.84
	Amortization of Intangible assets (See Note-4)		177.69		110.37
	TOTAL		**5,709.33**		**5,272.14**
31	**OTHER EXPENSES**				
Manufacturing Expenses					
1)	Job Charges	252.16		266.65	
2)	Machinery running and Maintenance				
	a) Machinery Repair and Service Charges	115.19		180.72	
	b) Machinery Spares	618.08		906.77	
3)	Consumption of Stores and Spare parts	1,674.05		1,901.64	
4)	Packing Expenses	2,134.07		2,338.20	
5)	Power and Fuel	3,920.24		4,966.61	
6)	Repair - Dies	83.02		87.45	
7)	Factory / Godown Rent#	55.66		62.01	
8)	Freight, Cartage & Octroi	566.47		671.76	
9)	Testing and Design Fees	739.72		666.38	
10)	Segregation Charges Paid	0.12		0.72	
			10,158.78		**12,048.91**

Notes on Financial Statements for the year ended 31.03.2021

(Amount Rs in Lakhs)

		CURRENT YEAR F.Y. 2020-21		PREVIOUS YEAR F.Y. 2019-20	
Administrative and Selling Expenses					
1)	Advertisement, Sub & Membership Exp.	36.32		94.83	
2)	Payment to Auditors	71.80		85.71	
3)	Donation	21.94		27.04	
4)	Rates and taxes	286.76		250.42	
5)	Insurance	194.34		153.86	
6)	Bad debt written off	1,071.14		2.31	
7)	Provision for Bad and Doubtful Debt	196.28		25.00	
8)	Rent#	53.11		70.55	
9)	Repair & Maintenance- Building	37.17		73.21	
10)	Repair & Maintenance- Other	233.33		379.42	
11)	Royalty	88.76		62.49	
12)	Selling & Distribution Expenses	1,922.19		2,395.05	
13)	Travelling and Conveyance Expenses	319.98		607.82	
14)	Contribution toward CSR (Note-50)	170.91		141.90	
15)	Provision for doubtful advances	8.10		-	
16)	Other Office Expenses	2,030.00		2,065.19	
			6,742.13		6,434.80
	TOTAL		**16,900.91**		**18,483.71**
	# Represents lease rentals for short term leases and leases of low value assets				

32	**Exceptional Items- income/(expenditure)**				
	Loss on settlement of insurance claim of Property Plant and equipment	(318.40)		-	
	Loss on settlement of insurance claim on Inventory	-		(88.23)	
	TOTAL		**(318.40)**		**(88.23)**

Exceptional item :- In relation to the fire incident which occurred in the year ended 31.03.2018 i.e. on 25.01.2018 in one block of unit-5, situated at Kelamanglam Road, Achettipalli Post, Hosur 635110, Tamilnadu, the final Insurance claim of fixed assets has been settled and the final payment of Rs 541.98 lakhs has been received during the fy 2020-21.Accordingly the loss of Rs 318.40 lakhs has been accounted as exceptional item in the statement of profit and loss. During the last financial year 2019-20, the Insurance claim on inventory was settled and the company received Rs 511.08 lakhs as final payment against inventory loss claimed which resulted in loss of Rs 88.23 lakhs which was shown as exceptional item.

Notes on Financial Statements for the year ended 31.03.2021

33 Contingent Liabilities

(Amount Rs in Lakhs)

PARTICULARS		As at March 31, 2021	As at March 31, 2020
(A)	**Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)**		
	(i) Income Tax		
	Case decided in the Company's favour by First Appellate Authorities for AY 2011-12 and for which the department has filed further appeals, 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.	617.71	617.71
	(ii) Custom Duty		
	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
	(iii) Sales Tax		
	(a) 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
	(b) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with High Court of Punjab & Haryana (net of deposit)	20.00	20.00
		831.18	831.18

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 (iii) above and hence no provision is considered necessary against the same.

(B)	**Other Money for which the Company is contingently liable**	As at March 31, 2021	As at March 31, 2020
	(a) Liability in respect of bill of exchange discounted from bank	5,665.16	4,593.57

(b) The Hon'ble Supreme Court of India, through a ruling in February 2019, provided interpretation on the components of Salary on which the Company and its employees are to contribute towards Provident Fund under the Employee's Provident Fund Act. Based on the current evaluation, the Company believes it is not probable that certain components of Salary paid by the Company will be subject to contribution towards Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.

34 Capital & Other Commitments

	PARTICULARS	As at March 31, 2021	As at March 31, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	179.51	429.44
(ii)	Estimated amount of contracts remaining to be executed on purchases account not provided, (net of advances)	356.14	919.02
(iii)	Estimated amount of Bank Guarantee Charges payable to Banks	-	0.85
	Total	535.65	1,349.31

35	Earning in Foreign Exchange	2020-21	2019-20
	Export of Goods (FOB)	2,576.74	1,820.58
	Export of Services	67.34	7.98
	Sales of Moulds & Dies (the goods did not cross the custom frontiers of India)	369.06	315.50
	Total	**3,013.14**	**2,144.06**

36	CIF Value of Import	2020-21	2019-20
	Raw Material	17,754.19	14,690.45
	Capital Goods	634.54	758.13
	Components and Spare Parts	49.09	93.67
	Consumable Store	2.09	27.52
	Total	**18,439.92**	**15,569.77**

Notes on Financial Statements for the year ended 31.03.2021

(Amount Rs in Lakhs)

37	Expenditure in Foreign Exchange	2020-21	2019-20
	Finance Cost	56.60	180.41
	Design & Testing Charges	532.59	488.36
	Royalty on Sales	38.76	12.49
	Travelling Expenses	1.57	96.00
	Others	75.46	39.48
	Total	**704.98**	**816.74**

38	PARTICULARS	2020-21	2019-20
	(a) Auditor's Remuneration		
	For Statutory Audit	37.00	43.00
	For Tax Audit	4.00	4.00
	For GST Audit	6.00	4.00
	For Limited Review	7.00	7.00
	For Other Services	15.00	25.00
	Total (a)	**69.00**	**83.00**
	(b) Cost Auditor's Remuneration		
	For Cost Audit Fees	2.80	2.50
	For Certification Fees	-	0.13
	For Reimbursement of Travelling and Out-of-Pocket Expenses	-	0.08
	Total (b)	**2.80**	**2.71**
	Total (a+b)	**71.80**	**85.71**

39 Deferred Tax Liabilities (Net)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Property, Plant and Equipment & Intangible Assets	4,111.12	4217.72
Total (a)	4,111.12	4,217.72
Deferred Tax Assets		
Allowances for Credit Losses	85.22	35.82
Provision for Leave Encashment	143.90	143.24
Provision for Gratuity	20.64	91.97
Provision for Bonus	15.88	91.81
Welfare Fund	0.58	0.60
Provision for Warranties	45.59	16.94
Lease Liabilities	174.97	150.85
Others	-	1.11
Total (b)	**486.79**	**532.34**
Net Deferred Tax Liability (a-b)	**3,624.33**	**3,685.38**

Notes on Financial Statements for the year ended 31.03.2021

Movement in Deferred Tax Liabilities and Deferred Tax Assets			(Amount Rs in Lakhs)
PARTICULARS	**As at March 31, 2021**	**Recognised in profit and loss**	**As at March 31, 2020**
Movement in Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	**4,111.12**	**(106.59)**	4,217.72
Total (A)	**4,111.12**	**(106.59)**	4,217.72
Movement in Deferred Tax Assets			
Allowances for Credit Losses	**85.22**	**49.40**	35.82
Provision for Leave Encashment	**143.90**	**0.66**	143.24
Provision for Gratuity	**20.64**	**(71.32)**	91.97
Provision for Bonus	**15.88**	**(75.93)**	91.81
Welfare Fund	**0.58**	**(0.02)**	0.60
Provision for Warranties	**45.59**	**28.65**	16.94
Lease Liabilities	**174.97**	**24.12**	150.85
Others	**-**	**(1.11)**	1.11
Total (B)	**486.79**	**(45.55)**	532.34
Net Deferred Tax Liability (A-B)	**3,624.33**	**(61.05)**	3,685.38

(a) **Tax expense**	2020-21	2019-20
Current Tax		
Current tax on profit for the year	1,955.06	2,178.45
(Excess)/short current tax of prior periods	(81.95)	20.95
Total current tax expense	1,873.11	2,199.40
Deferred tax		
(Decrease)/Increase in deferred tax assets	45.55	82.85
(Decrease)/Increase in deferred tax liabilities	(106.59)	(1,463.09)
Total deferred tax expense (benefit)	(61.05)	(1,380.24)
Tax Expense (Current Tax plus Deferred tax)	1,812.06	819.16

(b) Income Tax recognised in other comprehensive income (Loss)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Before Tax	Tax expense	Net of tax	Before Tax	Tax expense	Net of tax
Premeasurement of Defined Benefit Plans	178.58	(44.94)	133.64	(85.23)	21.45	(63.78)

(c) **Reconciliation of Effective Tax Rate**	As at March 31, 2021	As at March 31, 2020
(a) Profit before tax	6,524.02	8,712.01
(b) Enacted tax rate in India	25.17%	25.17%
(c) Expected tax expenses	1,642.10	2,192.81
(d) difference due to		
Disallowances of CSR Expenditure	43.02	35.72
Deferred Tax Liability (Assets)	(61.05)	(1,380.24)
Tax related to prior periods	(81.95)	20.95
Loss on settlement of insurance claim of property, plant and equipment	80.14	-
Others	189.81	(50.08)
Income Tax Expenses	1,812.06	819.16

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

Deferred tax assets has not been recognised in respect of deductible temporary differences arising from investment in subsidiaries and interests in joint arrangements and unused tax losses arising from capital loss carried forward under Income Tax Act, 1961 on sale of property, transfer of land allotment rights and unquoted equity share because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Assessment Year	Nature of Loss	As at March 31, 2021	As at March 31, 2020	Available up to A.Y.
2014-15	Long-term capital loss	644.98	644.98	2022-23
2019-20	Long-term capital loss	185.03	185.03	2027-28
2019-20	Long-term capital loss	0.06	0.06	2027-28
		830.07	830.07	

(d) Deductible Temporary Differences

Particulars	Nature of Entity	As at March 31, 2021	As at March 31, 2020
Aisan Fiem Automotives India Pvt Limited	Joint Venture	592.53	551.46
Fiem Research and Technology Srl	Subsidiary	22.89	7.48
		615.42	558.94

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

Name of Company	Nature of Entity	As at March 31, 2021	As at March 31, 2020
Fiem Industries Japan Co., Ltd	Subsidiary	145.68	179.42
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	18.06	20.81
Centro Ricerche Fiem Horustech Srl	Joint Venture	6.98	13.26
Total		170.71	213.49

Deferred Tax Assets on Lease-hold Land

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.

40 Operating Lease Transaction

A. Lease as Lessee

The company has taken commercial premises under cancellable operating lease. Minimum lease payments in respect of assets taken on operating lease are as follows:-

Particulars	2020-21	2019-20
Total of future minimum lease payments under operating lease for following periods:		
Not later than one year	-	2.50
Later than one year and not later than five years	-	-
later than five years	-	-
Total	**-**	**2.50**

Notes on Financial Statements for the year ended 31.03.2021

	Information about leases for which the Company is a lessee.	(Amount Rs in Lakhs)	
	Lease liabilities	**As at March 31, 2021**	**As at March 31, 2020**
	Balance as at the beginning of the year	2,542.76	-
	Transition impact of Ind AS 116	-	2,574.58
	Add: Addition during the year	-	-
	Less: Deletion during the year	-	-
	Add:Finance cost	152.57	154.47
	Less:Repayment	186.30	186.30
	Balance as at the end of the year	2,509.03	2,542.76
	Current	59.05	33.74
	Non-current	2,449.98	2,509.02
	Particulars		
	Amounts recognised in Statement of Profit and Loss		
	Interest on lease liabilities	152.57	154.47
	Depreciation expense	154.84	154.84
	Expenses relating to short-term leases and leases of low-value assets	108.77	132.56
	Total	**416.18**	**441.88**

B. Lease as Lessor

The Company has leased out a portion of its building and subleased a building under a operating lease arrangement. The leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of Rupee 3.78 lakhs (previous year Rupee 9.18 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2021, there are no future minimum lease payments under non-cancellable operating lease as receivable.

41 Exchange Differences on account of Fluctuation in Foreign Currency Rates

(Amount Rs in Lakhs)

	Exchange Differences recognized in the Statement of Profit & Loss	**2020-21**	**2019-20**
(i)	Exchange Gain /(Loss) Relating to Export during the year as a part of "Sales"	13.22	31.51
(ii)	Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	208.66	50.55
(iii)	Exchange Gain/(Loss) on Settlement of monetary items pertaining to previous year and Revaluation of monetary items at balance sheet date as a part of "Other operating income"	49.57	(57.82)
	Exchange Differences recognized in the Property, Plant and Equipment		
(i)	Exchange Gain/(Loss) Gain Relating to Liabilities against Property, plant and equipments settled during the year	(3.26)	0.44
		268.19	24.69

42 Earning Per Share

(Amount Rs in Lakhs)

Particulars	**2020-21**	**2019-20**
Net Profit after tax attributable to equity shareholders	4,711.96	7,892.85
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	131.60	131.60
Basic/diluted earning per share* (In Rs.)	35.81	59.98
Face value per equity share (In Rs.)	10.00	10.00

*There are no dilutive instruments issued by the Company.

Notes on Financial Statements for the year ended 31.03.2021

43 Government Grant

Particulars	2020-21	2019-20
Duty Drawback on Export in Foreign Currency	46.74	33.87
Merchandise Export Incentive on Export in Foreign Currency	27.74	41.62
Interest Subsidy Under the Scheme for Assistance to Labour Intensive Industries	100.00	100.00
GST Concession on Eligible Fixed Capital Investment	215.69	-
Waiver of Electricity Duty (Notional)	14.60	73.03
Total	**404.77**	**248.52**

44 Segment Reporting

(a) Identification of Segments:

Primary-Business Segments

The Company has identified two reportable business segments viz. Automotive and Others 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, sheet metal components, bank angle sensor and canisters for motorised vehicles and others parts for automotive.

(ii) Others Segment comprising of LED luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.

(iii) 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"

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/liabilities, borrowings, 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 Segment

Segment Revenue

Particulars	2020-21			2019-20		
	Automotive	Others Segment	Total	Automotive	Others Segment	Total
External Sales	**1,19,653.59**	**1,096.40**	**1,20,749.99**	**1,34,592.79**	2,032.08	1,36,624.87
Other Operating Income	**1,323.76**	**18.56**	**1,342.32**	**1,061.58**	11.53	1,073.11
Inter-Segment Sales	**-**	**-**	**-**	**-**	-	-
Total	**1,20,977.35**	**1,114.96**	**1,22,092.31**	**1,35,654.37**	2,043.61	1,37,697.98
Results						
Segment Results (Earning Before Interest & Tax) before Exceptional item	**10,379.91**	**(647.06)**	**9,732.85**	**12,357.38**	(176.78)	12,180.60
Exceptional item (Expenditure)	**(318.40)**	**-**	**(318.40)**	**(88.23)**	-	(88.23)
Segment Results (Earning Before Interest & Tax)	**10,061.51**	**(647.06)**	**9,414.45**	**12,269.15**	(176.78)	12,092.37
Unallocated corporate expenses (net of unallocable income)			**1,726.78**			1,613.70
Operating Profit			**7,687.67**			10,478.67
Cost of Finance			**1,163.65**			1,766.66
Profit before tax			**6,524.02**			8,712.01
Tax expense			**1,812.06**			819.16
Profit after tax (PAT)			**4,711.96**			7,892.85
Other Comprehensive Income (Loss) (Net of tax)			**133.64**			(63.78)
Total Comprehensive Income			**4,845.60**			**7,829.07**
Depreciation & Amortization	**5,482.31**	**227.02**	**5,709.33**	**5,047.74**	**224.40**	**5,272.14**

Notes on Financial Statements for the year ended 31.03.2021

Particulars	As at 31st March, 2021			As at 31st March, 2020		
Segment Assets						
Segment Assets	74,413.42	5,128.01	79,541.43	75,427.68	9,773.08	85,200.76
Unallocated Corporate Assets			13,038.17			7,126.20
Total Assets			**92,579.60**			**92,326.96**
Segment Liabilities						
Segment Liabilities	23,375.60	111.10	23,486.70	22,850.26	257.31	23,107.58
Unallocated Corporate Liabilities			11,744.68			16,321.97
Total Liabilities			**35,231.38**			**39,429.55**
Capital Employed (Total Assets Minus Total Liabilities)			**57,348.22**			**52,897.41**
Capital Expenditure During the year (Net of CWIP)	1,857.34	2.08	1,859.42	4,671.99	22.16	4,694.15

* Note - The capital employed of Automotive and Others segment has been worked out by excluding the amount of common financial facilities viz. Term loans and working capital limits. The common financial facilities are reflected under unallocable corporate liabilities.

(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

(a) Revenue from External Customers	**2020-21**	**2019-20**
India	1,19,055.83	1,35,513.27
Outside India	3,036.48	2,184.71
Total	1,22,092.31	1,37,697.98

(b) Segment Trade Receivables	**As at March 31, 2021**	**As at March 31, 2020**
India	7,914.45	7,603.95
Outside India	657.67	191.65
Total	8,572.12	7,795.60

1. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets have not be furnished.

(c) Major Customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows

Particulars	Segment	2020-21	in %	2019-20	in %
Honda Motorcycle and Scooter India Private Limited	Automotive	39,226.48	32.13%	53,785.53	39.06%
TVS Motors Company Limited	Automotive	31,513.83	25.81%	35,561.26	25.83%
India Yamaha Motors Pvt Limited	Automotive	15,315.62	12.54%	12,376.44	8.99%

Notes on Financial Statements for the year ended 31.03.2021

45 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

Mr. Jagjeevan Kumar Jain	Chairman and Managing Director
Mrs. Seema Jain	Whole-time Director
Ms. Aanchal Jain	Whole-time Director
Mr. Rahul Jain	Whole-time Director
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)
Mr. Kashi Ram Yadav	Whole-time Director
Mr. Rajesh Sharma	Whole-time Director (w.e.f 1st January, 2020)
Mr. Ashok Kumar Sharma	Independent Director
Mr. Iqbal Singh	Independent Director
Mr. Jawahar Thakur	Independent Director
Mr. Mohan Bir Sahni	Independent Director
Mr. Subodh Kumar Jain	Independent Director
Mr. Vinod Kumar Malhotra	Independent Director
Ms. Shobha Khatri	Independent Director (w.e.f 1st January, 2020)
Mr. OP Gupta	Chief Financial Officer
Mr. Arvind Kumar Chauhan	Company Secretary

(ii) Relative of Key Management Personnel with whom transactions have taken place

Mrs. Pallavi Jain	Vice President (Spouse of Mr. Rahul Jain, Whole-time Director)

(iii) Related Parties Controlled by Key Management personnel and/or their Relatives

Fiem Auto Private Limited	Entity Controlled by Mr. Jagjeevan Kumar Jain
Jagjeevan Kumar Jain (HUF)	Entity Controlled by Mr. Jagjeevan Kumar Jain
Fiem Auto & Electrical Industries	Entity Controlled by Mr. Jagjeevan Kumar Jain
Fiem Foundation	Entity Controlled by Key Management Personnel

(iv) Subsidiaries Company

Fiem Industries Japan Co., Limited	100% Subsidiary Company incorporated in Japan
Fiem (Thai) Design & Technology Co., Ltd	100% Subsidiary Company incorporated in Thailand (Voluntary Liquidation dated 18th December, 2019)
Fiem Research & Technology S.R.L	100% Subsidiary Company incorporated in Italy

(v) Joint Ventures

Aisan Fiem Automotives India Pvt Limited	JV incorporated in India, 26% ownership interest held by the company
Centro Ricerche Fiem Horustech S.R.L	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

(vi) Other Related Party

Fiem Industries Limited Group Gratuity Trust	Post-employment benefit plan of Fiem Industries Limited

Notes on Financial Statements for the year ended 31.03.2021

Transaction with related party (Amount Rs in Lakhs)

Particulars		2020-21	2019-20
(a) Sale of Goods to:-	Nature of Related Party		
Fiem Industries Japan Co. Ltd	Subsidiary Company	26.23	81.74
Aisan Fiem Automotive India Pvt Limited	Joint Venture	0.99	-
		27.23	81.74

(b) Rendering of Services to:	Nature of Related Party	2020-21	2019-20
Aisan Fiem Automotive India Pvt Limited	Joint Venture	260.00	260.00
		260.00	260.00

(c) Interest Received on Unsecured Loan Given to :	Nature of Related Party	2020-21	2019-20
Fiem Research & Technology S.R.L	Subsidiary Company	-	1.39
		-	1.39

(d) Gain(Loss) on Voluntary Liquidation	Nature of Related Party	2020-21	2019-20
Fiem (Thai) Design & Technology Co. Ltd	Subsidiary Company	-	1.44
		-	1.44

(e) Purchase of Goods from:	Nature of Related Party	2020-21	2019-20
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	196.06	907.70
Fiem Industries Japan Co. Ltd	Subsidiary Company	-	2.36
		196.06	910.06

(f) Services received from	Nature of Related Party	2020-21	2019-20
Fiem Research & Technology S.R.L	Subsidiary Company	381.59	242.86
Centro Ricerche Fiem Horustech S.R.L	Joint Venture	-	25.62
Fiem Auto & Electrical Industries (For Brand Royalty)	Related party controlled by KMP	50.00	50.00
		431.59	318.48

(g) Lease Rent Paid to	Nature of Related Party	2020-21	2019-20
Mr. Jagjeevan Kumar Jain	Key Management Personnel	2.40	4.80
Ms. Aanchal Jain	Key Management Personnel	125.75	125.75
Mr. Rahul Jain	Key Management Personnel	60.55	60.55
		188.70	191.10

(h) Dividend on Equity Paid to	Nature of Related Party	Interim Dividend		Final Dividend	
		2020-21	2019-20	2020-21	2019-20
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	-	312.94	93.88	125.17
Mrs. Seema Jain	Whole-time Director	-	301.00	90.30	120.40
Ms. Aanchal Jain	Whole-time Director	-	89.82	26.95	35.93
Mr. Rahul Jain	Whole-time Director	-	162.57	48.77	65.03
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	-	-	0.00
Mr. Kashi Ram Yadav	Whole-time Director	-	0.03	0.01	0.01
Mr. Iqbal Singh	Independent Director	-	2.00	0.60	0.80
Fiem Auto Private Limited	Related party controlled by KMP	-	8.44	2.53	3.38
Jagjeevan Kumar Jain (HUF)	Related party controlled by KMP	-	1.15	0.35	0.46
		-	**877.95**	**263.39**	**351.18**

(i) **Benefits to Key Management and their relative** (Amount Rs in Lakhs)

Particulars	2020-21	2019-20
Short-term benefits	576.30	692.18
Long-term benefits	-	30.75
Sitting Fee	21.30	25.50
Total Compensation	**597.60**	**748.43**

Short-term benefits	Nature of Related Party	2020-21	2019-20
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	93.60	124.80
Mrs. Seema Jain	Whole-time Director	54.45	66.00
Mr. Rahul Jain	Whole-time Director	54.45	66.00
Ms. Aanchal Jain	Whole-time Director	44.55	54.00
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	81.00
Mr. Kashi Ram Yadav	Whole-time Director	85.54	103.45
Mr. Rajesh Sharma	Whole-time Director (w.e.f 1st January, 2020)	106.43	32.25
Mr. OP Gupta	Chief Financial Officer	50.99	61.80
Mr. Arvind Kumar Chauhan	Company Secretary	60.04	72.88
Mrs. Pallavi Jain	Spouse of Mr. Rahul Jain	26.25	30.00
		576.30	692.18

Long-term benefits	Nature of Related Party	2020-21	2019-20
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	30.75
		-	30.75

Sitting Fee	Nature of Related Party	2020-21	2019-20
Mr. Iqbal Singh	Independent Director	3.70	4.40
Mr. Ashok Kumar Sharma	Independent Director	2.50	3.50
Mr. Jawahar Thakur	Independent Director	3.00	3.50
Mr. Mohan Bir Sahni	Independent Director	2.50	3.50
Mr. Subodh Kumar Jain	Independent Director	3.10	4.40
Mr. Vinod Kumar Malhotra	Independent Director	4.00	4.70
Ms. Shobha Khatri	Independent Director	2.50	1.50
		21.30	25.50

Note:1. The above short-term benefits 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.

Note:2. The above long-term benefits include gratuity and leave encashment paid at the time of retirement/resignation.

(j) Purchase of Mould and Dies for own use from:	Nature of Related Party	2020-21	2019-20
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	91.81	132.85
		91.81	132.85

(k) investment in equity shares/ contribution in share capital	Nature of Related Party	2020-21	2019-20
Fiem Research & Technology S.R.L	Subsidiary Company	-	157.08
		-	157.08

Notes on Financial Statements for the year ended 31.03.2021

(Amount Rs in Lakhs)

(l)	Equity share dissolved/Transfer during the year	Nature of Related Party	2020-21	2019-20
	Fiem (Thai) Design & Technology Co. Ltd (under voluntary liquidation)	Subsidiary Company	-	19.68
			-	19.68

(m)	Unsecured Loan Given to:	Nature of Related Party	2020-21	2019-20
	Fiem Research & Technology S.R.L	Subsidiary Company	-	117.71
			-	117.71

(n)	Loan Converted into Investment in Share Capital:	Nature of Related Party	2020-21	2019-20
	Fiem Research & Technology S.R.L	Subsidiary Company	-	157.08
			-	157.08

(o)	Contribution to Corporate Social Responsibility Activities	Nature of Related Party	2020-21	2019-20
	Fiem Foundation	Entity Controlled by KMP	75.00	126.73
			75.00	126.73

(p)	Contribution to Gratuity Fund	Nature of Related Party	2020-21	2019-20
	Fiem Industries Limited Group Gratuity Trust	Post-employment Benefit Plan	299.97	234.07
			299.97	234.07

(q)	Sundry creditor written-back	Nature of Related Party	2020-21	2019-20
	Fiem Industries Japan Co. Ltd	Subsidiary Company	18.50	-
			18.50	-

Balances outstanding at Year-end

	(a) Other Current Assets (Advance to Suppliers other than capital goods):	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	6.36	129.66
	Fiem Research & Technology S.R.L	Subsidiary Company	21.52	-
			27.89	129.66

	(b) Non-Current Investment:	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Aisan Fiem Automotives India Pvt Limited	Joint Venture	2,600.00	2,600.00
	Centro Ricerche Fiem Horustech Srl	Joint Venture	33.16	33.16
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	8.40	8.40
	Fiem Industries Japan Co. Ltd	Subsidiary Company	29.49	29.49
	Fiem Research & Technology S.R.L	Subsidiary Company	238.45	238.45
			2,909.50	2,909.50

	(c) Security Deposit Receivables Against Lease Rent	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	-	1.20
	Ms. Aanchal Jain	Whole-time Director	54.68	54.68
	Mr. Rahul Jain	Whole-time Director	26.33	26.33
			81.01	82.21

(Amount Rs in Lakhs)

(d) Trade Receivables:	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Aisan Fiem Automotives India Pvt Limited	Joint Venture	-	140.40
Fiem Industries Japan Co. Ltd	Subsidiary Company	-	16.41
		-	156.81

(e) Trade Payable:	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Centro Ricerche Fiem Horustech Srl	Joint Venture	12.54	12.10
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	21.79	78.23
Fiem Industries Japan Co. Ltd	Subsidiary Company	-	24.73
		34.34	115.05

(f) Other Current Financial Liabilities:		Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Mr. Jagjeevan Kumar Jain	Short term benefits payable	Chairman and Managing Director	0.21	6.71
Mrs. Seema Jain	Short term benefits payable	Whole-time Director	1.13	3.54
Ms. Aanchal Jain	Short term benefits payable	Whole-time Director	1.51	3.37
Mr. Rahul Jain	Short term benefits payable	Whole-time Director	0.75	7.61
Mr. Rajesh Sharma	Short term benefits payable	Whole-time Director (w.e.f 1st January, 2020)	6.65	7.27
Mr. Kashi Ram Yadav	Short term benefits payable	Whole-time Director	5.94	5.90
Mr. OP Gupta	Short term benefits payable	Chief Financial Officer	4.02	4.77
Mr. Arvind Kumar Chauhan	Short term benefits payable	Company Secretary	4.16	3.81
Mrs. Pallavi Jain	Short term benefits payable	Spouse of Mr. Rahul Jain	0.11	2.03
Fiem Auto & Electrical Industries	For Brand Royalty	Related party controlled by KMP	0.19	13.50
			24.66	58.51

46 Post Employment Benefits Plan

Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	333.25	362.20
Employer's Contribution to ESI Fund	51.26	64.25
Employer's Contribution to Wages Welfare Fund	5.35	7.98
Total	**389.86**	**434.43**

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) Earned Leave

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 31.03.2021 are as follows:

Notes on Financial Statements for the year ended 31.03.2021

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

(Amount Rs in Lakhs)

Particulars	2020-21	2019-20	2020-21	2019-20
	Gratuity		Leave Encashment	
Current service cost	179.67	190.78	100.74	100.23
Interest cost	15.53	13.18	39.20	31.29
Actuarial (Gain)/Loss	-	-	(86.60)	1.75
Expenses recognized in Statement of Profit and Loss	195.19	203.95	53.34	133.28

Amount to be recognised in the Balance Sheet

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Liability at the end of the year	1,450.35	1,565.61	571.71	569.07
Fair value of plan assets at the end of the year	1,368.33	1,200.23	-	-
Amount to be recognised in Balance Sheet	82.02	365.38	571.71	569.07
Current	82.02	257.28	102.82	113.21
Non-Current	-	108.09	468.90	455.86

Reconciliation of benefit obligation

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Liability at the beginning of the year	365.38	310.26	569.07	481.84
Interest cost	-	-	39.20	31.29
Recognised in Accumulated Other Comprehensive Income	(326.75)	(241.52)	-	-
Current service cost	195.19	203.95	100.74	100.23
Employers Contribution	(299.97)	(234.07)	(50.70)	(46.04)
Remeasurement (gain) / loss	148.17	326.75	(86.60)	1.75
Liability at the end of the year	82.02	365.38	571.71	569.07

Reconciliation of fair value of plan assets:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Fair value of plan assets at the beginning of the year	1,200.23	924.06	-	-
Interest income	89.69	68.68	-	-
Employers Contribution	299.97	234.07	50.70	46.04
Benefits paid	(212.55)	(68.09)	(50.70)	(46.04)
Return on plan assets-gain /(loss)	(9.01)	41.52	-	-
Fair value of plan assets at the end of the year	1,368.33	1,200.23	-	-
Actual return on plan assets	80.68	110.20	-	-

Amount recognised in statement of other comprehensive income (OCI)

(Amount Rs in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening amount recognised in OCI	326.75	241.52		-
Remeasurement for the year - Obligation (gain)/ loss	(187.59)	126.75	(86.60)	1.75
Remeasurement for the year - plan assets (gain)/ loss	9.01	(41.52)	86.60	(1.75)
Net Increasing in OCI	148.17	326.75		-
Total remeasurements cost / (credit) for the year recognised in OCI	148.17	326.75		-
Closing amount recognised in OCI	148.17	326.75		-

Principal actuarial assumptions (Amount Rs in Lakhs)

Particulars	2020-21	2019-20	2020-21	2019-20
Discount rate	7.21%	6.82%	7.21%	6.82%
Salary escalation	8% & 6% T.A.	8% & 6% T.A.	8% & 6% T.A.	8% & 6% T.A.
Expected return on assets	7.21%	6.82%	7.21%	6.82%
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:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Year Ending	Gratuity		Leave Encashment	
31st March, 2022	70.00	80.50	41.18	37.70
31st March, 2023	93.17	40.57	34.14	10.93
31st March, 2024	53.08	91.14	11.89	28.98
31st March, 2025	42.02	53.73	8.79	14.98
31st March, 2026	73.51	33.79	25.61	6.57
31st March, 2027-2031	305.70	286.01	78.19	74.73

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 17.93 years (Previous year 19.51 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, 2021 is as shown below:

	Gratuity			
A. Effect of 1% Change in the assumed discount rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1314.83	1399.23	1611.20	1766.11

B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1598.96	1744.94	1321.93	1410.36

C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1455.59	1540.50	1443.95	1594.62

Notes on Financial Statements for the year ended 31.03.2021

	Leave Encashment			
A. Effect of 1% Change in the assumed discount rate	**1% Increase**	**1% Increase**	**1% Decrease**	**1% Decrease**
	31st March 2021	**31st March 2020**	**31st March 2021**	**31st March 2020**
Defined Benefit Obligation	532.54	529.27	617.94	616.29
B. Effect of 1% Change in the assumed salary escalation rate	**1% Increase**	**1% Increase**	**1% Decrease**	**1% Decrease**
	31st March 2021	**31st March 2020**	**31st March 2021**	**31st March 2020**
Defined Benefit Obligation	616.56	614.73	533.02	529.87
C. Effect of 1% Change in the assumed Attrition Rate	**1% Increase**	**1% Increase**	**1% Decrease**	**1% Decrease**
	31st March 2021	**31st March 2020**	**31st March 2021**	**31st March 2020**
Defined Benefit Obligation	570.57	566.74	572.65	571.36

47 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

Particulars	Carrying Amount		Fair Value	
	31st March 2021	**31st March 2020**	**31st March 2021**	**31st March 2020**
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Security Deposits	944.92	918.29	944.92	918.29
Loan to Employees	88.24	68.94	88.24	68.94
Trade receivables	8,572.12	7,795.60	8,572.12	7,795.60
Term Deposit held as margin money, with more than 12 month maturity	27.13	27.77	27.13	27.77
Income accrued on deposits	53.29	67.38	53.29	67.38
Insurance claim recoverable	-	860.38	-	860.38
Export incentive receivables	43.01	50.10	43.01	50.10
Other advance Recoverable	78.20	96.38	78.20	96.38
Cash & Cash Equivalents	10,833.90	4,521.05	10,833.90	4,521.05
Other Bank Balances	16.96	59.29	16.96	59.29
	20,657.77	14,465.18	20,657.77	14,465.18
Financial assets measured at Cost				
Investment in subsidiaries and joint venture (unquoted equity share)	2,909.49	2,909.49	-	-
	2,909.49	2,909.49	-	-
Financial assets measured at FVTPL				
Investment in unquoted equity shares	2.00	2.00	-	-
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non Current Borrowings	2,189.55	5,809.27	2,189.55	5,809.27
Current maturities of long-term debt	3,027.67	3,902.49	3,027.67	3,902.49
Current Borrowings	-	1.08	-	1.08
Trade Security deposits	283.20	297.12	283.20	297.12
Current Maturity of Lease liability	59.05	33.73	59.05	33.73
Interest accrued on borrowings	13.09	27.98	13.09	27.98
Creditors for capital expenditures	144.21	411.03	144.21	411.03
Trade Payables	17,213.56	16,727.28	17,213.56	16,727.28
Unpaid Dividend	7.76	17.17	7.76	17.17
Liabilities for expenses	1,573.36	1,502.70	1,573.36	1,502.70
	24,511.45	28,729.85	24,511.45	28,729.85

Financial assets and liabilities measured at fair value-recurring fair value measurements

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current						
Investment	-	-	2.00	-	-	2.00
Current						
Investment	-	-	-	-	-	-

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.

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.

48 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.

Notes on Financial Statements for the year ended 31.03.2021

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:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non Current Borrowing	2,189.55	5,809.27
Derivative Liability (Assets) on Non-Current Borrowings	(140.35)	(532.39)
Current Maturities of Non-Current Borrowing	3,027.67	3,902.49
Current Borrowing	-	1.08
Interest Accrued on Borrowing	13.09	27.98
Net Debt (A)	5,089.96	9,208.43
Equity (B)	57,348.22	52,897.41
Debt Ratio (A/B)	0.09: 1	0.17: 1

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, other balances with banks, loans and other receivables.

In assessing Post Covid-19, recoverability of receivables, the management has considered the asset type, past due status and other relevant factors considering the age of receivables. The provision for expected credit losses (ECL) are revised at each reporting date by the use of practical expedients viz provision matrix.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 8,572.12 Lakhs (net of write-off/provisions) (Previous Year Rs. 7795.60 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 1071.14 lakhs (previous year Rs. 2.31 lakhs) has been written-off during the year after re-assessing Post-Covid-19 long outstandings and obtaining objective evidences on the impairment of the 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.

The Company's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 71% of total receivables as of 31st March, 2021 (71% as at 31st March, 2020), 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.

Movement in the expected credit loss allowance:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	142.32	117.32
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	196.28	25.00
Balance at the end of the year	338.60	142.32

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.

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Financial liabilities				
Trade payables	17,213.56	-	16,727.28	-
Other Financial Liabilities (other than current maturity & interest)	2,008.53	-	2,228.01	-
Working capital demand loans	-	-	1.08	-
Term loans (Net of Derivative Assets)	3,027.67	2,049.20	3,902.49	5,276.88
Lease Liabilities	59.05	-	33.73	-
Interest Accrued	13.09	-	27.98	-
	22,321.90	2,049.20	22,920.57	5,276.88

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.

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets				
Trade receivables	8,086.70	485.42	7,670.70	124.90
Loans (including security deposit)	48.37	984.79	49.25	937.98
Other Financial Assets	173.44	168.54	1,073.47	560.92
Other Bank Balance	16.96	-	59.29	-
Cash & Cash Equivalents	10,833.90	-	4,521.05	-
Non-Current Investment	-	2,911.49	-	2,911.49
	19,159.37	4,550.24	13,373.76	4,535.29

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, and Japanese Yen against the respective functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

Notes on Financial Statements for the year ended 31.03.2021

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.

	Particulars		As at 31st March, 2021		As at 31st March, 2020	
(a)	Foreign Currency exposures that are not hedged by derivative instruments	Currency	Foreign Currency	Rupees	Foreign Currency	Rupees
	(a) Trade payables (including capital assets)	USD	29.41	2,161.72	24.52	1,848.29
		EURO	0.18	15.56	0.72	59.44
		JPY	207.60	137.76	417.32	290.66
				2,315.04		2,198.39
	(b) Trade receivables	USD	8.58	630.97	2.16	162.98
		EURO	0.34	29.31	0.15	12.26
		JPY	-	-	23.56	16.41
				660.28		191.65
	(c) Other financial assets	USD	-	-	4.23	318.74
		EURO	-	-	-	-
		JPY	-	-	30.07	20.94
				-		339.68
	Total (a-b-c)	USD	20.83	1,530.75	18.13	1,366.57
		EURO	(0.16)	(13.75)	0.57	47.18
		JPY	207.60	137.76	363.69	253.31

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.

Particulars	As At 31st March, 2021			As At 31st March, 2020		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.00%	153.08	USD	10.00%	136.66
	USD	-10.00%	(153.08)	USD	-10.00%	(136.66)
	EURO	10.00%	1.38	EURO	10.00%	4.72
	EURO	-10.00%	(1.38)	EURO	-10.00%	(4.72)
	JPY	10.00%	13.78	JPY	10.00%	25.33
	JPY	-10.00%	(13.78)	JPY	-10.00%	(25.33)

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.

Particulars	31st March, 2021	31st March, 2020
Variable rate borrowings		
Cash Credit/Working Capital Loans	-	1.08
Fixed rate borrowings		
Term Loan (net of derivative liability)	5,076.88	9,179.37
Total	**5,076.88**	**9,180.45**

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:

Particulars	31st March, 2021	31st March, 2020
Increase by 1.00%	-	0.01
Decrease by 1.00%	-	(0.01)

c) Commodity price risk

Movement in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation/adjustment of prices on the basis of changes in commodity prices.

49 Research and Development Expenses

The Company has incurred following expenses on its Research and Development Unit situated at Rai, Sonepat, Haryana (India).

Particulars	2020-21	2019-20
Capital Expenditure		
Capital Expenditure	0.66	-
Total (A)	**0.66**	-
Revenue Expenditure		
Raw Material Consumed	5.46	4.08
Employee Benefits	431.91	656.72
Design Charges	381.59	242.86
Other Expenses	28.79	69.19
Depreciation & Amortization	40.69	58.69
Total (B)	**888.45**	**1,031.54**
Grand Total (A+B)	**889.11**	**1,031.54**

50 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, 2021 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

Particulars	2020-21	2019-20
Gross amount required to be spent during the year	169.54	141.90
Amount spent during the year :-		
Contribution to the Fiem Foundation	75.00	126.73
Contribution to the PM Care Fund	25.00	-
Amount spent by the company	70.91	15.17
	170.91	**141.90**
Excess Amount Spent	1.37	-

Notes on Financial Statements for the year ended 31.03.2021

51 Joint Venture Company

1.	**Centro Ricerche Fiem Horustech SRL**	
	Description of Interest	Joint Venture
	Country of Incorporation	Italy
	Proportion of Ownership Interest	50%
2.	**Fiem Kyowa (HK) Mould Company Ltd**	
	Description of Interest	Joint Venture
	Country of Incorporation	Hong Kong
	Proportion of Ownership Interest	50%
3.	**Aisan Fiem Automotives India Pvt Ltd**	
	Description of Interest	Joint Venture
	Country of Incorporation	India
	Proportion of Ownership Interest	26%

In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows-

Particulars	Centro Ricerche Fiem Horustech SRL		Fiem Kyowa (HK) Mould Company Ltd		Aisan Fiem Automotives India Pvt Ltd	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Non Current Assets	0.02	0.67	0.91	-	2,907.96	3,132.42
Current Assets	30.85	57.34	31.40	230.49	2,069.89	2,044.21
Non Current Liabilities	-	26.95	-	-	859.05	984.02
Current Liabilities	12.38	10.88	5.01	200.05	2,111.34	2,144.07
Revenue (total Income)	-	22.91	139.98	540.72	2,680.50	921.27
Expenses	3.70	25.06	142.19	528.90	2,751.88	1,494.75
Profit or (loss) from continuing operations	-	-	(2.21)	11.82	(41.90)	(446.28)
Post-tax profit or (loss) from discontinuing operations	(3.70)	(2.15)		-	-	-
Other comprehensive income (Loss)		-		-	(0.83)	(0.14)
Total comprehensive income (Loss)	(3.70)	(2.15)	(2.21)	11.82	(41.07)	(446.42)
Dividend Received	-	-	-	-	-	-

52 Disclosure required by Ind AS 115

(i) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 22 to the standalone financial statements. Further, the revenue is disclosed in the said note is net of Rs. 650.95 lakhs (previous year Rs. 471.41 lakhs) representing discount to customers. The following table provides further information as required by Ind AS 115.

Reconciliation of Revenue from sale of products with the contracted price	Year ended 31.03.2021	Year ended 31.03.2020
Contracted Price	1,21,400.94	1,37,096.28
Less: Trade discounts, cash discount, volume rebates, etc.	650.95	471.41
Sale of Products	1,20,749.99	1,36,624.87

53 Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Notes on Financial Statements for the year ended 31.03.2021

	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
	The principal amount remaining unpaid to any supplier at the end of each accounting year;	1,272.96	476.85
	The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

54 Dividend on Equity Share

(a) Dividend on Equity Shares paid during the year

Particulars	2020-21	2019-20
Final dividend for the FY 2019-20 [Rs. 3 (Previous Year Rs. 4) per equity share of Rs. 10 each]	394.79	526.39
Dividend distribution tax on above	-	108.20
Interim dividend for the FY 2020-21 [Rs. Nil (Previous Year Rs. 10) per equity share of Rs. 10 each]	-	1,315.98
Dividend distribution tax on above	-	270.50
Total	394.79	2,221.08

(b) Proposed Dividend

The Company has recommended the final dividend of Rs. 16 per equity share (160% of nominal value of Rs. 10 per share) for the financial year ended 31st March, 2021 for amounting to Rs. 2105.57 Lakhs/- on equity share capital of the company. The final dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and hence is not recognised as a liability. With the abolition of dividend distribution tax effective from 01st April, 2020, dividend will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

55 In relation to the fire incident which occurred in the year ended 31.03.2018 i.e. on 25.01.2018 in one block of unit-V, situated at Kelamanglam Road, Achettipalli Post, Hosur-635110, Tamilnadu the final insurance claim of fixed assets has been settled and the final payment of Rs. 541.98 lakhs has been received during the fy 2020-21. Accordingly the loss of 318.40 lakhs has been accounted as exceptional item in the statement of profit and loss. During the last financial year 2019-20, the insurance claim on inventory was settled and the company received Rs. 511.08 lakhs as final payment against inventory loss claimed which resulted in loss of Rs. 88.23 lakhs which was shown as exceptional item.

56 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to the effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

57 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure. The Figures are rounded off to nearest rupees in lakhs unless otherwise stated.

For and on behalf of the Board of Directors

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	**(Rahul Jain)**	**(O.P. Gupta)**	**(Arvind K. Chauhan)**	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

CONSOLIDATED
FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of

Fiem Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Fiem Industries Limited (hereinafter referred to as the 'Holding Company") its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of profit and loss(including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements" or " financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2021, of consolidated profits and Consolidated total comprehensive income , consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit maters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's response
1	**Revenue Recoginition** Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/decrease. Revenue is only recognised to the extent, that is highly probable, a significant reversal will not occur.	**Principal Audit Procedures** Our audit procedures included: • Assessing the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. • Evaluating the integrity of the information and technology general control environment and testing the operating effectiveness of key IT application controls. • Evaluating the design and implementation of Company's controls in respect of revenue recognition. • Testing the effectiveness of such controls over revenue cut off at year-end. • Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents. • Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments. • Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.

2	**Evaluation of uncertain tax positions** The Company has uncertain tax positions matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 33 to the Consolidated Financial Statements	**Principal Audit Procedures** Obtained details of completed tax assessments upto the year ended March 31, 2021 from management. We considered, the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties
3	**Carrying value of investment in associates and joint ventures** The Company carries its investments in associates and joint ventures at cost (net of provision) at an aggregate amount of Rs 2099.22 lakhs as at 31st March 2021. The amount being significant to the consolidated financial statements, the determination of impairment charge required the application of significant judgments by management, in particular with respect to determination of recoverable/fair value amount of these investments which in aggregate is significant to the consolidated financial statements.	**Principal Audit Procedures** Our audit procedures include: • Comparing the carrying amount of investments with audited financial statements of investee companies to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount. • Obtaining and reviewing recoverable amounts as determined by the management or each investment.

Other information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates 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. The respective Board of Directors of the companies included in the Group and of its associates 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

A. We did not audit the financial statements of an associate M/s Aisan Fiem Automotives India Private Ltd. The consolidated financial statements include the Company's share of net loss/ total comprehensive loss of Rs 16.38 lakhs for the year ended 31st March 2021, as considered in the consolidated financial statements, in respect of the aforesaid which has not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report of the other auditor.

   Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

B. 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 Rs 3.70 lakhs and Rs 2.21 lakhs respectively for the year ended 31st March 2021, 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 Ind As and other 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

Our opinion on the Consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements /financial information certified by the Management

Report on Other Legal and Regulatory Requirements

A. 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 statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

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

   e. On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B and

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and subsidiary companies – Refer Note 33 to the consolidated financial statements.

   b. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associate company incorporated in India.

   d. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31st March 2021

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company and its subsidiaries which are incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the holding company and its subsidiaries which are incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-
(V. Sachdev)
Proprietor
Membership No.:-083435
UDIN 21083435AAAAGH1575

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Annexure "A" To The Independent Auditor's Report

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")

Opinion

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2021, We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its one associate company, which are the companies incorporated in India, as of that date

2. In our opinion the Holding Company and its associate company which are the companies incorporated in India has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

3. The Board of Directors of the of the Holding company and its associate company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's 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.

Other Matters

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to the one associate Company, which is the Company incorporated in India, is based on the corresponding report of the auditors of such associate Company incorporated in India.

for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-
(V. Sachdev)
Proprietor
Membership No.:-083435
UDIN 21083435AAAAGH1575

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Consolidated Balance Sheet as at 31.03.2021

(Amount Rs in Lakhs)

Particulars	Note No.	AS AT 31.03.2021		AS AT 31.03.2020	
ASSETS					
1 NON CURRENT ASSETS					
(a) Property, plant and equipment	2	51,008.08		54,995.17	
(b) Capital work-in-progress	2	265.65		25.21	
(c) Right-of-use assets	3	3,394.84		3,549.68	
(d) Intangible assets	4	327.69		517.22	
(e) Investment accounted for using equity method	5	2,099.22		2,121.52	
(f) Financial Assets					
(i) Investments	5	2.00		2.00	
(ii) Trade receivables	6	485.42		124.90	
(iii) Loans	7	990.82		943.79	
(iv) Other Financial Assets	8	168.54		560.92	
(g) Income tax assets (net)		106.44		91.17	
(h) Other non-current assets	9	690.11		645.68	
Total Non Current Assets			59,538.81		63,577.26
2 CURRENT ASSETS					
(a) Inventories	10	11,694.64		12,909.09	
(b) Financial Assets					
(i) Investments		-		-	
(ii) Trade receivables	6	8,086.70		7,698.28	
(iii) Cash and cash equivalents	11	11,037.76		4,694.56	
(iv) Bank balances other than (iii) above	12	16.96		59.29	
(v) Loans	7	48.89		49.80	
(vi) Other Financial Assets	8	173.44		1,073.47	
(c) Other current assets	9	1,622.66		1,987.43	
Total Current Assets			32,681.06		28,471.92
TOTAL ASSETS			92,219.86		92,049.18
EQUITY AND LIABILITIES					
1 EQUITY					
(a) Equity Share capital	13	1,315.98		1,315.98	
(b) Other Equity	14	55,618.97		51,216.39	
Total Equity			56,934.95		52,532.37
2 LIABILITIES					
NON CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	15	2,189.55		5,809.27	
(ii) Lease liabilities	37	2,449.98		2,509.02	
(iii) Trade payables		-		-	
(iv) Other financial liabilities		-		-	
(b) Provisions	16	499.98		578.03	
(c) Deferred tax liabilities (Net)	36	3,624.33		3,685.38	
(d) Other non-current liabilities		-		-	
Total Non Current Liabilities			8,763.84		12,581.70
CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	17	-		1.08	
(ii) Trade payables					
-Total outstanding dues of micro and small enterprises	18	1,272.96		476.85	
-Total outstanding dues of creditors other than micro and small enterprises	18	15,949.17		16,260.50	
		17,222.13		16,737.35	
(iii)Other financial liabilities	19	5,115.76		6,217.01	
(b) Other current liabilities	20	3,592.12		3,419.40	
(c) Provisions	16	365.98		437.79	
(d) Current Tax Liabilities (Net)	21	225.07		122.48	
Total Current Liabilities			26,521.06		26,935.11
TOTAL LIABILITIES			35,284.91		39,516.81
TOTAL EQUITY AND LIABILITIES			92,219.86		92,049.18

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Consolidated Statement of Profit and Loss for the year ended 31.03.2021

(Amount Rs in Lakhs)

Particulars		Note No.	CURRENT YEAR FY 2020-21		PREVIOUS YEAR F.Y. 2019-20	
INCOME						
	Revenue From Operations					
	a) Net Sales	22	1,20,764.67		1,36,870.92	
	b) Other Operating Income	23	1,350.95		1,073.20	
I	Revenue from Operations (a+b)			1,22,115.62		1,37,944.12
II.	Other Income	24		318.98		172.03
III	**TOTAL INCOME (I+II)**			**1,22,434.60**		**1,38,116.15**
IV	**EXPENSES**					
a)	Cost of Raw Materials and Components Consumed	25		73,553.66		80,821.80
b)	Purchase of Stock-in-Trade	26		654.08		801.42
c)	Changes in Inventories of Finished Goods, Work in progress and Stock in trade	27		1,249.34		2,394.70
d)	Employees benefits expenses	28		16,587.96		19,849.49
e)	Finance costs	29		1,163.66		1,766.66
f)	Depreciation and amortization expense	30		5,723.40		5,320.28
g)	Other expenses	31		16,689.67		18,388.21
	TOTAL EXPENSES			**1,15,621.77**		**1,29,342.56**
V	**PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)**			**6,812.83**		**8,773.59**
	Exceptional Item- income/(expenditure)	32		(318.40)		(88.23)
VI	**PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEM**			**6,494.43**		**8,685.36**
VII	TAX EXPENSES					
	a) Current Tax Expense		1,956.55		2,178.91	
	b) (Excess)/Short Tax provision for earlier years		(81.95)		20.95	
	c) Deferred Tax Liability/ (Assets)		(71.42)		(1,383.05)	
				1,803.18		**816.81**
VIII	**PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (VI-VII)**			**4,691.25**		**7,868.55**
IX	**ADD:- SHARE OF PROFIT/(LOSS) OF ASSOCIATES**			(22.29)		(412.06)
X	**PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT OF ASSOCIATE (VIII+IX)**			**4,668.96**		**7,456.49**
XI	**OTHER COMPREHENSIVE INCOME/(LOSS)**					
	A) Items that will not be reclassified subsequently to the statement of profit and loss					
	(i) Remeasurement of Defined Benefit Plans		178.58		(85.23)	
	(ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss		(44.94)		21.45	
			133.64		(63.78)	
	B) Items that will be reclassified subsequently to the statement of profit and loss		-		-	
	TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)			133.64		(63.78)
XII	**TOTAL COMPREHENSIVE INCOME (NET OF TAX) (X+XI)**			**4,802.60**		**7,392.71**
	Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share)	38		35.48		56.66

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Consolidated Statement of Changes In Equity for the year ended 31.03.2021

(Amount Rs in Lakhs)

Particulars	Note No.	Number	(Amount Rs in Lakhs
Equity Share Capital			
Equity share of Rs 10/- each Issued, subscribed and fully paid			
Balance as at 1st April 2019		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 1st April 2020		1,31,59,830	1,315.98
Changes in equity share capital during the year		-	-
Balance as at 31st March 2021	**13**	**1,31,59,830**	**1,315.98**

B Other Equity

Particulars	Note No.	Securities Premium Reserve	General Reserve	Translation Reserve	Retained Earnings	Total
Balance as at 1st April 2019		16,722.77	3,840.00	1.28	25,834.95	46,399.00
Addition during the year						
1) Profit for the year					7,456.49	7,456.49
2) Other Comprehensive Income for the Year					(63.78)	(63.78)
3) Transition impact of Ind AS 116- Leases, net of tax					(375.35)	(375.35)
4) Exchange Difference on translation				21.10		21.10
Deduction during the year						
1) Transfer to General Reserve			800.00		(800.00)	-
2) Dividend Paid (Rs 4 per share)					(526.39)	(526.39)
3) Tax on dividend paid					(108.20)	(108.20)
4) Interim Dividend Paid (Rs 10 per share)					(1,315.98)	(1,315.98)
5) Tax on Interim dividend paid					(270.50)	(270.50)
Balance as at 1st April 2020		**16,722.77**	**4,640.00**	**22.38**	**29,831.24**	**51,216.39**
Addition during the year						
1) Profit for the year					4,668.96	4,668.96
2) Other Comprehensive Income for the Year					133.64	133.64
3) Exchange Difference on translation				(5.22)		(5.22)
Deduction during the year						
1) Transfer to General Reserve			500.00		(500.00)	-
2) Dividend Paid (Rs 3 per share)					(394.79)	(394.79)
Balance as at 31st March 2021	14	**16,722.77**	**5,140.00**	**17.16**	**33,739.05**	**55,618.97**

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)
Managing Director	Director	Chief Financial Officer	Company Secretary

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

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

Consolidated Cash Flow Statement as at 31.03.2021

(Amount Rs in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A Cash flow from Operating Activities:		
Profit (Loss) Before Tax	6,494.43	8,685.36
Adjustments for:		
Depreciation & amortisation expense	5,723.40	5,320.28
Net loss (gain) on sale/theft of property plant and equipment	(5.17)	(18.62)
Loss on discarded of property plant and equipment	9.59	-
Unrealised foreign exchange (gain)/Loss	(41.55)	57.21
Provision for bad and doubtful debt	196.28	25.00
Provision for doubtful advances	8.10	-
Bad debts written-off	1,076.78	2.31
Finance costs	1,163.66	1,766.66
Interest income/Income on fixed deposits and others deposits	(187.31)	(81.91)
Operating Profit (Loss) before Working Capital changes	**14,438.20**	**15,756.29**
Adjustment for changes in Working Capital:		
Decrease/(Increase) in loans (non-current)	(47.03)	(87.28)
Decrease/(Increase) in other financial assets (non-current)	0.34	5.40
Decrease/(Increase) in other non-current assets	(183.48)	(21.80)
Decrease/(Increase) in inventories	1,214.45	1,815.12
Decrease/(Increase) in trade receivables	(1,648.84)	6,964.55
Decrease/(Increase) in trade receivables (non-current)	(360.52)	-
Decrease/(Increase) in loans (current)	0.91	2.07
Decrease/(Increase) in other financial assets (current)	900.03	616.62
Decrease/(Increase) in other current assets	356.67	119.72
(Decrease)/Increase in non-current provisions	(78.05)	(97.41)
(Decrease)/Increase in trade payables	513.70	(2,163.54)
(Decrease)/Increase in other financial liabilities (current)	29.97	117.01
(Decrease)/Increase in current provisions	106.77	162.94
(Decrease)/Increase in other current liabilities	172.72	(416.38)
Cash generated from Operating Activities	**15,415.83**	**22,773.32**
Income tax paid (net of refunds)	(1,821.83)	(2,040.71)
Net cash from/(used in) Operating Activities (A)	**13,594.00**	**20,732.61**
B Cash flow from Investing Activities:		
Payments for purchase of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development and capital advances	(1,993.68)	(4,821.27)
Proceeds from sales of property, plant and equipment	15.86	93.09
Capital subsidy received	215.69	-
Maturity from (Investment in) other bank balance	42.33	(33.42)
Interest income/Income on fixed deposits and others deposits	187.31	81.91
Net cash from/(used in) Investing Activities (B)	(1,532.49)	(4,679.69)
C Cash flow from Financing Activities:		
Repayment of long term borrowings	(4,102.50)	(3,897.31)
Proceeds from long term borrowings	-	78.00
Increase (Decrease) in short term borrowings	(1.08)	(3,845.58)
Finance cost paid other than finance lease	(1,028.41)	(1,736.16)
Payment of Final dividend on equity shares	(394.79)	(526.39)
Payment of Interim dividend on equity shares	-	(1,315.98)
Payment of dividend distribution tax	-	(378.70)
Payment of finance lease	(186.30)	(186.30)
Net cash from/(used in) Financing Activities (C)	**(5,713.08)**	**(11,808.43)**

Consolidated Cash Flow Statement as at 31.03.2021

D	**Net Increase/(Decrease) in cash & cash equivalents (A+B+C)**	6,348.42	4,244.49
	Add:-Cash and cash equivalents at the beginning of the period	4,694.56	420.17
	Effect of Translation Reserve	(5.22)	21.10
	Effect of Exchange Rate change Gain/(Loss)	-	8.80
	Cash and cash equivalents at the end of period	11,037.76	4,694.56
E	**Component of cash and cash equivalents**		
	Cash on hand	22.65	29.27
	Balance with Banks:		
	Balance with bank in Cash Credit Account	384.51	39.00
	Deposits with original maturity of less than three months (net of book overdraft)	10,398.36	4,083.13
	Balance with bank in current accounts	232.24	543.16
	Total cash and cash equivalents	**11,037.76**	**4,694.56**

Note:1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Note:2.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**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

Notes to the Consolidated Financial Statements as at 31.03.2021

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, bank angle sensor, canister 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.

These consolidated financial statements are approved by the Company's Board of Directors on 30th June 2021.

(Aa) Accounting Policies Applicable in Consolidated Financial Statement

(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, 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 Research & Technology SRL incorporated in Italy and three joint venture i.e. Centro Ricerche Fiem Horustech SRL, Fiem Kyowa (HK) Mould Company Limited and Aisan Fiem Automotives India Pvt Ltd 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 in which future periods are also affected.

Assumptions and estimation uncertainties and judgements

Information about judgements, assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 31 March 2021 and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

(i) Recognition of deferred tax assets and provision for income tax - note 36 - The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time. The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

(ii) Provision for employee benefits - note 42 - The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

(iii) Provision for warranty - note 16- The provision is based on historical warranty data and weighing of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the income statement.

(iv) Tools, mould and dies - Revenue from sale of tools, mould and dies is recognised on a completed contract method considering that substantial activity for preparation of mould is outsourced to sub-contractors. Further, development of such tools, moulds and dies does not take the substantial time period, unless due to procedural delays from the customer's end.

(v) Lease-Measurement of lease liabilities and right of use asset (ROUA) (Note-37)

(vi) Useful lives of property, plant and equipment-The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Impact of COVID-19 (Pandemic):

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

(a) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

(b) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

(c) Specified format for disclosure of shareholding of promoters.

(d) Specified format for ageing schedule of trade receivables, trade payables capital work-in-progress and intangible asset under development.

(e) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

(f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(D) Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Notes to the Consolidated Financial Statements as at 31.03.2021

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.

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 accordance 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 asset'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 incurred.

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. The estimated useful lives of property, plant and equipment are as follows.

Assets	Estimated useful lives	Useful lives as per schedule II
Factory Building	30 years	30 years
Other Building	60 years	60 years
Plant and Equipment	5-15 years	15 years
Furniture & Fixture	10 years	10 years
Motor Vehicles	8-10 years	8-10 years
Office Equipment	3-5 years	5 years
Electrical Installation	10 years	10 years
Computer	3 years	3 years

Based on technical evaluation and internal assessment of useful lives, the management believes that its estimate of useful lives as given above best represent the period over which management expects to use these assets.

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

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 separately

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 acquired separately are carried at cost less accumulated impairment losses.

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 financial 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 Joint Ventures

Investment in joint ventures are measured at equity method

Financial liabilities

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

Notes to the Consolidated Financial Statements as at 31.03.2021

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.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) financial assets measured at amortised cost (ii) financial assets measured at FVOCI (iii) trade receivables under Ind-As 18

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The management considers internal and external information up to the date of approval of financial results including probability of credit impairment and economic forecast. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(I) 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.

(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.

(J) Revenue from contracts with customers

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. Amounts disclosed as revenue are net of goods and service tax (GST).

Sale of Goods

Revenue arising from the sale of goods (including moulds) is recognized when the customer obtains control of the promised asset, i.e. either at the delivery or dispatch of goods (based on the agreed terms of sale with the respective customers), which is the point in time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

Sale of Services

Customers obtain control of design and testing services when the services are completed to the satisfaction of the Customer.

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.

(K) Government Grants, Subsidies and Export Incentives

(i) Where the grant or subsidy relates to an asset, it is recognized by deducting the grant in arriving at the carrying amount of asset. However, when the grant or subsidy relates to an expenses item, it is recognised as income. Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

(ii) Export incentives are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(L) Foreign Currency Transactions

Functional and Presentation Currency

The functional currency of the Company is Indian rupee (INR).

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.

(M) Research and Development

Revenue expenditure pertaining to research 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.

Notes to the Consolidated Financial Statements as at 31.03.2021

(N) 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 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.

(O) 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.

(P) Taxation

Income Tax expense represent the sum of the tax currently payable 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 corresponding 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 measurement 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 entity intends and has ability to settle its current tax assets and liabilities on a net basis.

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 respectively.

(Q) 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.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

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.

(R) 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(S) 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.

(T) 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.

(U) 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 Others Segment on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems.

Notes to the Consolidated Financial Statements as at 31.03.2021

(V) Lease

Effective 1st April 2019, the Company has applied Ind AS 116 using modified retrospective approach.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(W) Dividend on Equity Share

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

(X) Corporate Social Responsibility (CSR) Expenditure

CSR Expenditure incurred by the Company is charged to the statement of the profit and loss

(Y) Exceptional Items

When an item of income or expense within Statement of profit and loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

(Z) Earnings Per Share

The Basic and Diluted 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.

Notes to the Consolidated Financial Statements as at 31.03.2021

2. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. In Lakhs)

Particulars	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installation	Computers	Total
	Freehold	Leasehold								
Gross Block										
As at 31 March, 2019	3,636.63	1,843.43	20,121.97	51,721.14	2,752.85	2,027.07	708.65	2,199.42	724.39	85,735.53
Additions	-		1,859.86	2,949.88	185.98	163.17	35.08	98.84	90.26	5,383.07
Disposals/adjustments	-		-	12.33	-	194.15	-	-	-	206.49
Transferred to right of use assets	-	1,843.43	-	-	-	-	-	-	-	1,843.43
As at 31 March, 2020	3,636.63	-	21,981.83	54,658.68	2,938.83	1,996.09	743.73	2,298.26	814.65	89,068.69
Additions	-	-	66.32	1,351.17	101.41	47.41	28.27	12.86	11.12	1,618.55
Disposals/adjustments	-	-	80.09	139.37	-	72.60	140.46	9.33	88.44	530.30
As at 31 March, 2021	3,636.63	-	21,968.05	55,870.48	3,040.24	1,970.90	631.53	2,301.80	737.32	**90,156.94**
Depreciation										
As at 31st March, 2019	-	211.90	3,546.18	21,404.86	1,092.90	960.13	472.99	1,151.69	560.18	29,400.83
For the year	-	-	696.19	3,505.68	245.90	229.84	75.40	180.65	83.10	5,016.75
Disposals/adjustments	-	-	-	2.39	-	129.78	-	-	-	132.17
Transferred to right of use assets	-	211.90	-	-	-	-	-	-	-	211.90
As at 31 March, 2020	-	-	4,242.37	24,908.15	1,338.80	1,060.19	548.38	1,332.35	643.28	34,073.52
For the year	-	-	729.37	3,963.17	243.94	203.29	65.80	161.97	70.00	5,437.54
Disposals/adjustments	-	-	14.61	48.00	-	70.77	133.95	8.86	86.02	362.21
As at 31 March, 2021	-	-	4,957.14	28,823.31	1,582.74	1,192.72	480.23	1,485.45	627.26	**39,148.85**
Net Block										
As at 31st March, 2020	3,636.63	-	17,739.46	29,750.53	1,600.03	935.90	195.34	965.91	171.37	54,995.17
As at 31 March, 2021	3,636.63	-	17,010.92	27,047.17	1,457.49	778.18	151.30	816.34	110.07	**51,008.08**

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

2. Property, plant and equipment amounting to Rupee 34,501.28 Lakhs (31 March 2020-Rupee 37,018.48 Lakhs) have been pledged as security by the Company.

3. During the year, the company has capitalised expenditure relating to property, plant and equipment amounting to Rupee 38.22 Lakhs (31 March 2020-Rupee 215.73 Lakhs)

4. During the year the company has received capital subsidy of Rs. 215.69 lakhs on account of GST concession on eligible fixed capital investment (on plant and machinery and factory building) situated at Karsanpura, Ahmadabad, Gujarat-Unit-9. The same has been adjusted in the respective cost of the assets.

5. Adjustment on Depreciation	2020-21	2019-20
Depreciation for Current Year	5,437.54	5,016.75
Less:-Adjustment on depreciation on account of capital subsidy Received	59.03	-
Net Depreciation charged to statement of profit & loss	**5,378.52**	**5,016.75**

6. During the current year, the company has capitalised borrowing cost relating to construction of buildings amounting to Rupee 2.44 Lakhs (31 March 2020-Rupee 45.07 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 9%, which is the effective rate of borrowing.

2. CAPITAL WORK-IN PROGRESS

Particulars	As at 31 March, 2021	As at 31 March, 2020
Building	265.65	25.21
Total	**265.65**	**25.21**

Notes to the Consolidated Financial Statements as at 31.03.2021

3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

Particulars	Land	Building	Total
Gross Block			
As at 31 March, 2019	-	-	-
Additions	-	2,072.98	2,072.98
Transferred from property, plant & equipment	1,843.43	-	1,843.43
Disposals/adjustments	-	-	-
As at 31 March, 2020	1,843.43	2,072.98	3,916.41
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March, 2021	1,843.43	2,072.98	3,916.41
Depreciation			
As at 31st March, 2019	-	-	-
For the year	25.27	129.56	154.84
Transferred from property, plant & equipment	211.90	-	211.90
Disposals/adjustments	-	-	-
As at 31 March, 2020	237.17	129.56	366.74
For the year	25.27	129.56	154.84
Disposals/adjustments	-	-	-
As at 31 March, 2021	262.44	259.12	521.58
Net Block			
As at 31st March, 2020	1,606.26	1,943.42	3,549.68
As at 31 March, 2021	1,580.99	1,813.86	3,394.84

4. INTANGIBLE ASSETS

(Amount Rs. In Lakhs)

Particulars	Computer Software	Technical Knowhow	Total
Gross Block			
As at 31 March, 2019	355.16	55.43	410.59
Additions	551.50	15.31	566.81
Disposals/adjustments	-	-	-
As at 31 March, 2020	906.66	70.74	977.40
Additions	0.51	-	0.51
Disposals/adjustments	-	-	-
As at 31 March, 2021	907.17	70.74	977.91
Amortization			
As at 31st March, 2019	293.61	17.88	311.50
For the year	133.77	14.92	148.69
Disposals/adjustments	-	-	-
As at 31 March, 2020	427.38	32.80	460.18
For the year	175.90	14.15	190.04
Disposals/adjustments	-	-	-
As at 31 March, 2021	603.28	46.95	650.22
Net Block			
As at 31st March, 2020	479.28	37.94	517.22
As at 31 March, 2021	303.89	23.79	327.69

Notes to the Consolidated Financial Statements as at 31.03.2021

5 NON - CURRENT INVESTMENTS			(Amount Rs in Lakhs)	
PARTICULARS	**AS AT 31.03.2021**		**AS AT 31.03.2020**	
UNQUOTED EQUITY SHARES (At cost)				
1 in Joint Venture (JV)				
a) Indian				
a) Aisan Fiem Automotive India P. ltd.				
2,60,00,000 Equity Share (Previous year - 2,60,00,000 Equity Share) of Rs 10 Each of the company, a Joint venture with Aisan Industry Co., Ltd. Japan (69% share) and Toyota Tsusho India Private Limited (5% share)	2,056.84		2,073.22	
b) Overseas				
a) Centro Ricerche FIEM Horustech S.r.l.				
a Limited Liability Company incorporated in Italy on 50:50 JV basis with Horustech Lighting S.r.l. Italy. Total amount invested 0.40 Lakhs Euros. (Previous Year 0.40 Lakhs Euros)	16.65		20.34	
b) Fiem Kyowa (HK) Mould Company Limited				
Company incorporated in Hong Kong on 50:50 basis with Kyowa Co., ltd. Japan. 1,000 fully paid shares (Previous Year -1000) of 100 Hong Kong dollar each	25.74		27.95	
		2,099.22		**2,121.52**
2 in Others				
a) M/s Shivalik Solid Waste Management Ltd.				
20,000 equity shares (Previous Year 20,000) of Rs 10 each fully paid up	2.00		2.00	
		2.00		**2.00**
TOTAL		2,101.22		2,123.52

6 TRADE RECEIVABLES				
(Unsecured but considered Good)				
PARTICULARS	**NON -CURRENT**		**CURRENT**	
	AS AT 31.03.2021	**AS AT 31.03.2020**	**AS AT 31.03.2021**	**AS AT 31.03.2020**
a) Retention money with Customers	485.42	124.90	208.70	-
b) Trade receivables				
Considered Good			7,878.00	7,698.28
Credit Impaired			338.60	142.32
Total	**-**	**-**	**8,216.60**	**7,840.60**
Less:- Allowances for Credit losses	-	-	338.60	142.32
TOTAL	**485.42**	**124.90**	**8,086.70**	**7,698.28**

7 LOANS (Unsecured but considered Good)				
PARTICULARS	**NON -CURRENT**		**CURRENT**	
	AS AT 31.03.2021	**AS AT 31.03.2020**	**AS AT 31.03.2021**	**AS AT 31.03.2020**
a) Loan to employees	46.82	19.69	41.42	49.25
b) Security deposit	944.00	924.10	7.47	0.55
TOTAL	**990.82**	**943.79**	**48.89**	**49.80**

Notes to the Consolidated Financial Statements as at 31.03.2021

8 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

(Amount Rs in Lakhs)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Term deposit held as margin money, with more than 12 months maturity	27.13	27.77	-	-
b) Income accrued on deposits	1.06	0.77	52.23	66.61
c) Insurance Claim Recoverable	-	-	-	860.38
d) Export Incentive Receivables	-	-	43.01	50.10
e) Derivative Assets -Long term	140.35	532.39		
f) Other Advances recoverable	-	-	78.20	96.38
TOTAL	**168.54**	**560.92**	**173.44**	**1,073.47**

9 OTHER ASSETS (Unsecured but Considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
a) Capital Advances	474.84	613.88	-	-
b) Advances other than capital advances				
i) Advances to Suppliers	-	-	765.41	1,180.56
Less Provision for doubtful advances			(8.10)	-
Net Advances to suppliers			757.31	1,180.56
ii) Balance with Customs or GST departments	-	-	613.06	557.22
iii) Prepaid Expenses	215.27	31.80	252.29	249.65
TOTAL	**690.11**	**645.68**	**1,622.66**	**1,987.43**

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

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Raw Materials and Components	7,404.79		7,441.58	
b) Raw Materials and Components in transit	3.92		-	
c) Work in Progress	1,300.08		1,215.30	
d) Finished Goods	2,565.04		3,899.15	
e) Stores and Spares (including Packing Material)	420.81		353.06	
		11,694.64		12,909.09
TOTAL		**11,694.64**		**12,909.09**

11 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a) Balances with Banks in current account		232.24		543.16
b) Balances with Banks in Cash Credit Account		384.51		39.00
c) Book Overdraft (see also note 17 also below for security given)	(830.24)		(1,716.87)	
d) Deposits with original maturity of less than three months	11,228.60		5,800.00	
		10,398.36		4,083.13
e) Cash on Hand		22.65		29.27
TOTAL		**11,037.76**		**4,694.56**

Notes to the Consolidated Financial Statements as at 31.03.2021

12 OTHER BANK BALANCES

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
1) Unpaid Dividend Account	7.76		17.17	
2) Margin money deposit with original maturity for more than 3 months but less than 12 months	9.20		42.11	
		16.96		59.29
TOTAL		**16.96**		**59.29**

13 EQUITY SHARE CAPITAL

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Authorised				
3,00,00,000 (as at 31.03.20- 3,00,00,000) Equity shares of Rs 10 each		3,000.00		3,000.00
Issued, Subscribed and Paid-up				
1,31,59,830 (as at 31.03.20- 1,31,59,830, Equity Shares of Rs. 10/- each fully paid up)		1,315.98		1,315.98
TOTAL		1,315.98		1,315.98

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 Rs 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 Rs 10 each fully paid up)

	Name of the Shareholder	AS AT 31.03.2021		AS AT 31.03.2020	
		No of Shares	% held	No of Shares	% held
1)	J.K. Jain	3,129,367	23.78%	3,129,367	23.78%
2)	Seema Jain	3,010,000	22.87%	3,010,000	22.87%
3)	Rahul Jain	1,625,668	12.35%	1,625,668	12.35%
4)	Aanchal Jain	898,184	6.83%	898,184	6.83%
5)	Elevation Capital V Fii Holdings Limited (former name- Saif India V Fii Holdings Limited)	952,467	7.24%	1,152,081	8.75%

c) Reconciliation of Number of Shares

Equity shares	AS AT 31.03.2021		AS AT 31.03.2020	
	No of shares	Amount (In Rs Lakhs)	No of shares	Amount (In Rs Lakhs)
Opening Balance	13,159,830	1,315.98	13,159,830	1,315.98
Issued During the Year	-	-	-	-
Closing balance	**13,159,830**	**1,315.98**	**13,159,830**	**1,315.98**

Notes to the Consolidated Financial Statements as at 31.03.2021

14 OTHER EQUITY

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
SECURITIES PREMIUM				
As Per Last Balance Sheet		16,722.77		16,722.77
GENERAL RESERVE				
As Per Last Balance Sheet	4,640.00		3,840.00	
Add :- Transferred from Surplus in the statement of Profit and Loss	500.00		800.00	
Closing balance		5,140.00		4,640.00
TRANSLATION RESERVE		17.16		22.38
SURPLUS -OPENING BALANCE	29,831.24		25,834.95	
Add:- Profit after tax	4,668.96		7,456.49	
Add:- Other Comprehensive Income	133.64		(63.78)	
Transition impact of Ind AS 116- Leases, net of tax	-		(375.35)	
Amount Available for Appropriation	34,633.84		32,852.31	
Less :- Appropriations				
i) Final Dividend Paid Rs 3 per share- (Previous Year Rs 4 per share)	394.79		526.39	
ii) Corporate Dividend Tax Paid on Final Dividend	-		108.20	
iii) Interim Dividend C.Y. Nil (Previous Year Rs 10 per share)	-		1,315.98	
iv) Corporate Dividend Tax Paid on Interim Dividend	-		270.50	
v) Transfer to General Reserve	500.00		800.00	
	894.79		3,021.07	
SURPLUS -CLOSING BALANCE		33,739.05		29,831.24
TOTAL		**55,618.97**		**51,216.39**

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 account 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.
3. Translation Reserve :-Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised and separately disclosed in translation reserve.

15 NON-CURRENT BORROWINGS

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	-	200.00	-	400.00
b) Foreign Currency Loan	2,148.82	5,504.59	3,214.24	3,772.51
	2,148.82	5,704.59	3,214.24	4,172.51
2) VEHICLE LOANS				
a) from Banks	40.73	104.68	63.95	128.14
	40.73	104.68	63.95	128.14
TOTAL	**2,189.55**	**5,809.27**	**3,278.19**	**4,300.65**

Notes to the Consolidated Financial Statements as at 31.03.2021

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE (Amount Rs in Lakhs)

a) From HSBC Bank:- Outstanding as on 31.03.21 is NIL (as on 31.03.20 Rs 600 Lakhs) The Loan was for 6 year and had 20 quarterly equal repayment beginning after moratorium period of 15 months. Interest is monthly payable. The loan carried fixed interest rate of 9.50% p.a.. The Loan was 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 CHARTERED BANK ECB-3 LOAN. The loan was fully repaid during the year

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

a) From Citibank :- FCNR Term Loan -3 outstanding as on as on 31.03.21 - Rs 758.44 Lakhs, (as on 31.03.20- Rs 1564.82 lakhs) 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 .

b) From Standard Chartered Bank ECB -3 for 55 lakh USD :- Loan outstanding as on 31.03.21- Rs 1231.20 Lakhs (as on 31.03.20- Rs 2091.96 Lakhs). 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 CITIBANK FCNR TERM LOAN-3 on all assets of Tapukara plant (Present and future) and secured against exclusive charge on movable fixed assets situated at Mysore unit-4, and Hosur Unit-3 Kelamangalam Road.

c) From HSBC Mauritius ECB :- Loan outstanding as on 31.03.21- Rs 643.17 Lakhs , (as on 31.03.20- Rs 1790.41 Lakhs). 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.

d) From Citibank FCNR Term Loan -4:- Outstanding as on 31.03.21 is Rs 1884.29 Lakhs (as on 31.03.20- Rs 2576.68 lakhs) The Loan is for 5 year and has 17 quarterly equal repayment starting from the end of 12 months of drawdown. Interest is monthly payable. The loan carries fully hedged interest cost of 9.00% p.a.. The Loan is Secured against exclusive charge on fixed assets financed out of the term loan and first exclusive charge of the movable assets of Unit-V situated at Hosur, Tamilnadu and exclusive charge on Plant and Machinery and Land and Building of unit-VI Located at Village Bhatian, tehsil Nalagarh, Distt. Solan -174101.

e) From Citibank FCNR Term Loan -5 :- Outstanding as on 31.03.21 is Rs 845.96 Lakhs (31.03.20- 1253.22 lakhs) the Loan is for 5 year and has 17 quarterly equal repayment starting from the end of 12 months of drawdown .The Loan carries fully hedged interest cost of 8.80% p.a..The Loan is Secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable assets of Unit-V situated at Hosur, Tamilnadu

VEHICLE LOANS FROM BANKS

Vehicle loan from banks:- outstanding as on 31.03.21- Rs 104.68 Lakhs, (31.03.20- Rs 232.82 Lakhs), secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8.50% p.a.to 9.50% p.a..

PARTICULARS	1-2 years i.e during f.y. 2022-23	2-3 years i.e during f.y. 2023-24	3-4 years	4 years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	1,460.50	729.05	NIL	NIL

Notes to the Consolidated Financial Statements as at 31.03.2021

16 PROVISIONS

(Amount Rs in Lakhs)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021	AS AT 31.03.2020
1 Provision for Retirement Benefits				
a) Leave Encashment	468.89	455.86	102.82	113.21
b) Gratuity	31.09	122.16	82.02	257.28
2 Provision for Warranties	-	-	181.14	67.30
TOTAL	**499.98**	**578.03**	**365.98**	**437.79**

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 31.03.21 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 31.03.2021	AS AT 31.03.2020
Opening Balance	67.30	71.70
Addition	181.14	67.30
Utilization /reversal	67.30	71.70
Closing Balance	181.14	67.30
Current Portion	181.14	67.30
Non Current Portion	-	-

17 CURRENT BORROWINGS

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks		
Indian Rupee Loan (see note 11 above also)	-	1.08
TOTAL	-	1.08
Indian Rupee Loan includes		

a) From Citibank NA :- Loan outstanding as at 31.03.21 - Rs NIL, (as on 31.03.20- Rs Nil). 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. 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.

b) From Standard Chartered Bank :- Loan outstanding as at 31.03.21- Rs NIL Lakhs (as on 31.03.20- Rs 1.08 Lakhs), Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time. 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.

(Amount Rs in Lakhs)

c) From HDFC BANK :- Loan outstanding as at 31.03.21- Rs NIL (as on 31.03.20- Rs NIL), Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time. 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.

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.

18 CURRENT TRADE PAYABLES

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
- Micro and Small enterprises	1,272.96		476.85	
-Other than Micro and Small enterprises	15,949.17		16,260.50	
		17,222.13		16,737.35
TOTAL		**17,222.13**		**16,737.35**

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,

19 OTHER FINANCIAL LIABILITIES- CURRENT

	PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a)	Trade Security Deposits		283.20		297.12
b)	Current Maturity of Long- term debt	3,278.19		4,300.65	
	Add/(Less) Derivative liability/ (Assets) Short Term	(250.52)		(398.16)	
			3,027.67		3,902.49
c)	Current maturity of Lease Liability		59.05		33.73
d)	Interest accrued		13.09		27.98
e)	Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))		7.76		17.17
f)	Creditors for Capital Expenditure		144.21		411.03
g)	Payable to employees		773.47		813.85
h)	Other payable (Includes accrued expense/liabilities)		807.32		713.65
	TOTAL		**5,115.76**		**6,217.01**

20 OTHER CURRENT LIABILITIES

	PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
a)	Advances received from Customers		2,172.75		2,061.80
b)	Statutory Dues payable		1,419.37		1,357.60
	TOTAL		**3,592.12**		**3,419.40**

21 CURRENT TAX LIABILITIES (NET)

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
Provision for Income tax (Net of advance tax and Tds)	225.07		122.48	
TOTAL		**225.07**		**122.48**

Notes to the Consolidated Financial Statements as at 31.03.2021

22 NET SALES

(Amount Rs in Lakhs)

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
a)	Sales of Products				
	- Sales of Finished Goods				
	Automotive Segment	118,925.12		133,626.26	
	Others Segment comprising LED Luminaries etc.	1,096.40		2,008.46	
		120,021.52		135,634.72	
	- Sales of Raw material/Traded goods				
	Automotive Segment	743.15		1,212.58	
	Others Segment comprising LED Luminaries etc.	-		-	
		743.15		1,212.58	
			120,764.67		136,847.30
b)	Sales of Services (Job work charges received)				
	Automotive Segment	-		-	
	Others Segment comprising LED Luminaries etc.	-		23.62	
			-		23.62
	TOTAL		**120,764.67**		**136,870.92**

23 OTHER OPERATING INCOME

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
1)	Scrap sales		367.21		420.72
2)	Testing, Design and Development charges received		371.23		210.30
3)	Support fee received (Aisan Fiem Automotives India Pvt Ltd)		260.00		260.00
4)	Duty Drawback Received		46.74		33.87
5)	Merchandise export Incentive received		27.74		41.62
6)	Rebate and Discount Received		48.34		12.60
7)	Govt subsidy received		115.93		100.00
8)	Difference in foreign exchange		42.27		(57.73)
9)	Segregation, Packing and Forwarding charges Received		71.49		51.82
	TOTAL		**1,350.95**		**1,073.20**

24 OTHER INCOME

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
1)	Interest income on Fixed Deposits and others Deposits		187.31		81.91
2)	Income on Income tax refund		-		43.94
3)	Sundry Creditors written back		114.98		15.39
4)	Rental Income received		3.78		9.18
5)	Profit/(Loss) on sale of Property, Plant and Equipment		5.17		18.62
6)	Other Non Operating Income		7.74		2.99
	TOTAL		**318.98**		**172.03**

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
	Opening Stock		7,441.58		6,878.32
	Add : Purchases		73,516.87		81,385.06
	Less :- Inventories at the end of the year		7,404.79		7,441.58
	TOTAL		**73,553.66**		**80,821.80**

Notes to the Consolidated Financial Statements as at 31.03.2021

26 PURCHASE OF STOCK IN TRADE

(Amount Rs in Lakhs)

Particulars	Current Year FY 20-21		Previous Year FY 19-20	
Purchase of Traded Goods		654.08		801.42
TOTAL		**654.08**		**801.42**

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

Particulars	Current Year FY 20-21		Previous Year FY 19-20	
Inventories at the end of the year				
a) Finished Goods	2,565.03		3,899.15	
b) Work -in- Progress	1,300.08		1,215.30	
c) Traded Goods	-		-	
		3,865.11		5,114.45
Inventories at the beginning of the year				
a) Finished Goods	3,899.15		3,953.54	
b) Work -in- Progress	1,215.30		3,555.53	
c) Traded Goods	-		0.08	
		5,114.45		7,509.15
		1,249.34		**2,394.70**

28 EMPLOYEES BENEFITS EXPENSES

Particulars	Current Year FY 20-21		Previous Year FY 19-20	
Salaries,Wages and Bonus to employees		15,374.92		18,366.58
Contribution to Provident and other Funds		436.95		495.23
Staff Welfare Expenses		511.32		641.35
Gratuity Expenses		211.43		213.05
Earned Leave to staff		53.34		133.28
TOTAL		**16,587.96**		**19,849.49**

29 FINANCE COSTS

Particulars	Current Year FY 20-21		Previous Year FY 19-20	
Interest Expense				
a) Interest on borrowings	990.20		1,600.19	
b) Interest on leasehold obligation	152.57		154.47	
		1,142.77		1,754.66
Other Borrowing Costs		20.89		12.00
TOTAL		**1,163.66**		**1,766.66**

30 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Current Year FY 20-21		Previous Year FY 19-20	
Depreciation on Property,plant and equipment (see note -2)		5,378.52		5,016.75
Depreciation on Right of Use assets (see Note-3)		154.84		154.84
Amortization of Intangible assets (See Note-4)		190.04		148.69
TOTAL		**5,723.40**		**5,320.28**

Notes to the Consolidated Financial Statements as at 31.03.2021

31 OTHER EXPENSES

(Amount Rs in Lakhs)

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
Manufacturing Expenses					
1)	Job Charges	252.16		266.65	
2)	Machinery running and Maintenance				
	a) Machinery Repair and Service Charges	115.19		180.72	
	b) Machinery Spares	618.08		906.77	
3)	Consumption of Stores and Spare parts	1,674.05		1,901.93	
4)	Packing Expenses	2,134.07		2,338.20	
5)	Power and Fuel	3,920.24		4,966.61	
6)	Repair - Dies	83.02		87.45	
7)	Factory / Godown Rent#	55.66		62.01	
8)	Freight, Cartage & Octroi	566.47		671.76	
9)	Testing and Design Fees	358.13		423.52	
10)	Segregation Charges Paid	0.12		0.72	
			9,777.19		11,806.34
Administrative and Selling Expenses					
1)	Advertisement, Sub & Membership Exp.	36.32		94.83	
2)	Payment to Auditors	71.80		85.71	
3)	Donation	21.94		27.04	
4)	Rates and taxes	294.20		255.12	
5)	Insurance	194.48		153.86	
6)	Bad debt written off	1,076.78		2.31	
7)	Provision for Bad and Doubtful Debt	196.28		25.00	
8)	Rent#	169.79		133.17	
9)	Repair & Maintenance- Building	37.17		73.21	
10)	Repair & Maintenance- Other	234.01		380.89	
11)	Royalty	88.76		62.49	
12)	Selling & Distribution Expenses	1,922.19		2,395.48	
13)	Travelling and Conveyance Expenses	319.98		609.23	
14)	Contribution toward CSR	170.91		141.90	
15)	Provision for doubtful advances	8.10		-	
16)	Other Office Expenses	2,069.77		2,141.63	
			6,912.48		6,581.87
	TOTAL		**16,689.67**		**18,388.21**
	# Represents lease rentals for short term leases and leases of low value assets		-		

32 Exceptional Items- income/(expenditure)

Particulars		Current Year FY 20-21		Previous Year FY 19-20	
	Loss on settlement of insurance claim of Property Plant and equipment	(318.40)		-	
	Loss on settlement of insurance claim on Inventory	-		(88.23)	
	TOTAL		**(318.40)**		**(88.23)**

Exceptional item :- In relation to the fire incident which occurred in the year ended 31.03.2018 i.e. on 25.01.2018 in one block of unit-5, situated at Kelamanglam Road, Achettipalli Post, Hosur 635110, Tamilnadu, the final Insurance claim of fixed assets has been settled and the final payment of Rs 541.98 lakhs has been received during the the fy 2020-21.Accordingly the loss of Rs 318.40 lakhs has been accounted as exceptional item in the statement of profit and loss. During the last financial year 2019-20, the Insurance claim on inventory was settled and the company received Rs 511.08 lakhs as final payment against inventory loss claimed which resulted in loss of Rs 88.23 lakhs which was shown as exceptional item.

Notes to the Consolidated Financial Statements as at 31.03.2021

33 Contingent Liabilities

(Amount Rs in Lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
(A)	**Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)**		
(i)	**Income Tax**		
	Case decided in the Company's favour by First Appellate Authorities for AY 2011-12 and for which the department has filed further appeals, 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.	617.71	617.71
(ii)	**Custom Duty**		
	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
(iii)	**Sales Tax**		
	(a) 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
	(b) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with High Court of Punjab & Haryana (net of deposit)	20.00	20.00
		831.18	831.18
	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 (iii) above and hence no provision is considered necessary against the same.		

(B) Other Money for which the Company is contingently liable

Particulars		As at March 31, 2021	As at March 31, 2020
(a)	Liability in respect of bill of exchange discounted from bank	5,665.16	4,593.57
(b)	The Hon'ble Supreme Court of India, through a ruling in February 2019, provided interpretation on the components of Salary on which the Company and its employees are to contribute towards Provident Fund under the Employee's Provident Fund Act. Based on the current evaluation, the Company believes it is not probable that certain components of Salary paid by the Company will be subject to contribution towards Provident Fund due to the Supreme Court order. The Company will continue to monitor and evaluate its position based on future events and developments.		

34 Capital & Other Commitments

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	179.51	429.44
(ii)	Estimated amount of contracts remaining to be executed on purchases account not provided, (net of advances)	343.22	919.02
(iii)	Estimated amount of Bank Guarantee Charges payable to Banks	-	0.85
		522.73	1,349.31

35 (a) Auditor's Remuneration

Particulars		2020-21	2019-20
	For Statutory Audit	37.00	43.00
	For Tax Audit	4.00	4.00
	For GST Audit	6.00	4.00
	For Limited Review	7.00	7.00
	For Other Services	15.00	25.00
	Total A	**69.00**	**83.00**
	(b). Cost Auditor's Remuneration		
	For Cost Audit Fees	2.80	2.50
	For Certification Fees	-	0.13
	For Reimbursement of Travelling and Out-of-Pocket Expenses	-	0.08
	Total B	**2.80**	**2.71**
	Total A + B	**71.80**	**85.71**

Notes to the Consolidated Financial Statements as at 31.03.2021

36 Deferred Tax Liabilities (Net)

(Amount Rs in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liability		
Property, Plant and Equipment & Intangible Assets	4,111.12	4217.72
Total (a)	**4,111.12**	**4,217.72**
Deferred Tax Assets		
Allowances for Credit Losses	85.22	35.82
Provision for Leave Encashment	143.90	143.24
Provision for Gratuity	20.64	91.97
Provision for Bonus	15.88	91.81
Welfare Fund	0.58	0.60
Provision for Warranties	45.59	16.94
Lease Liabilities	174.97	150.85
Others	-	1.11
Total (b)	**486.79**	**532.34**
Net Deferred Tax Liability (a-b)	**3,624.33**	**3,685.38**

Movement in Deferred Tax Liabilities and Deferred Tax Assets

Particulars	As at March 31, 2021	Recognised in profit and loss	As at March 31, 2020
Movement in Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	4,111.12	(106.59)	4,217.72
Total (A)	**4,111.12**	**(106.59)**	**4,217.72**
Movement in Deferred Tax Assets			
Allowances for Credit Losses	85.22	49.40	35.82
Provision for Leave Encashment	143.90	0.66	143.24
Provision for Gratuity	20.64	(71.32)	91.97
Provision for Bonus	15.88	(75.93)	91.81
Welfare Fund	0.58	(0.02)	0.60
Provision for Warranties	45.59	28.65	16.94
Lease Liabilities	174.97	24.12	150.85
Others	-	(1.11)	1.11
Deferred tax of Subsidiary company	-	10.37	-
Total (B)	**486.79**	**(35.18)**	**532.34**
Net Deferred Tax Liability (A-B)	**3,624.33**	**(71.42)**	**3,685.38**

		2020-21	2019-20
(a)	**Tax expense**		
	Current Tax		
	Current tax on profit for the year	1,956.55	2,178.91
	(Excess)/short current tax of prior periods	(81.95)	20.95
	Total current tax expense	**1,874.60**	**2,199.86**
	Deferred tax		
	(Decrease)/Increase in deferred tax assets	35.18	80.04
	(Decrease)/Increase in deferred tax liabilities	(106.59)	(1,463.09)
	Total deferred tax expense(benefit)	**(71.42)**	**(1,383.05)**
	Tax Expense (Current Tax plus Deferred tax)	**1,803.18**	**816.81**

(b) Income Tax recognised in other comprehensive income (Loss) (Amount Rs in Lakhs)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Before Tax	Tax expense	Net of tax	Before Tax	Tax expense	Net of tax
Premeasurement of Defined Benefit Plans	178.58	(44.94)	133.64	(85.23)	21.45	(63.78)

(c) Reconciliation of Effective Tax Rate

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Profit before tax	6,494.43	8,685.36
(b) Enacted tax rate in India	25.17%	25.17%
(c) Expected tax expenses	1,634.65	2,186.11
(d) difference due to		
Disallowances of CSR Expenditure	43.02	35.72
Loss on settlement of insurance claim of property, plant and equipment	80.14	-
Deferred Tax Liability (Assets)	(71.42)	(1,383.05)
Tax related to prior periods	(81.95)	20.95
Others	198.74	(42.91)
Income Tax Expenses	**1,803.18**	**816.81**

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

Deferred tax assets has not been recognised in respect of deductible temporary differences arising from unused tax losses arising from capital loss carried forward under Income Tax Act, 1961 on sale of property, transfer of land allotment rights and unquoted equity share because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Assessment Year	Nature of Loss	As at March 31, 2021	As at March 31, 2020	Available up to A.Y.
2014-15	Long-term capital loss	644.98	644.98	2022-23
2019-20	Long-term capital loss	185.03	185.03	2027-28
2019-20	Long-term capital loss	0.06	0.06	2027-28
	Total	830.07	830.07	

Deferred Tax Assets on Lease-hold Land

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.

37 Operating Lease Transaction

(Amount Rs in Lakhs)

A. Lease as Lessee

The company has taken premises under cancellable operating lease. Minimum lease payments in respect of assets taken on operating lease are as follows:-

Particulars	2020-21	2019-20
Total of future minimum lease payments under operating lease for following periods:		
Not later than one year	-	2.50
Later than one year and not later than five years	-	-
later than five years	-	-
Total	-	2.50

Notes to the Consolidated Financial Statements as at 31.03.2021

Information about leases for which the Company is a lessee. (Amount Rs in Lakhs)

Lease liabilities	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	2,542.76	-
Transition impact of Ind AS 116	-	2,574.58
Add: Addition during the year	-	-
Less: Deletion during the year	-	-
Add:Finance cost	152.57	154.47
Less:Repayment	186.30	186.30
Balance as at the end of the year	2,509.03	2,542.76
Current	59.05	33.74
Non-current	2,449.98	2,509.02

Amounts recognised in Statement of Profit and Loss	2020-21	2019-20
Interest on lease liabilities	152.57	154.47
Depreciation expense	154.84	154.84
Expenses relating to short-term leases and leases of low-value assets	225.45	195.18
Total	**532.86**	**504.50**

B. Lease as Lessor

The Company has leased out a portion of its building and subleased a building under a operating lease arrangement. The leases may be renewed for a further period based on mutual agreement of the parties. During the year, an amount of Rupee 3.78 lakhs (previous year Rupee 9.18 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at 31 March 2021, there are no future minimum lease payments under non-cancellable operating lease as receivable.

38 Earning Per Share

Particulars	2020-21	2019-20
Net Profit after tax attributable to equity shareholders	4,668.96	7,456.49
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	131.60	131.60
Basic/diluted earning per share* (In Rs.)	35.48	56.66
Face value per equity share (In Rs.)	10	10
*There are no dilutive instruments issued by the Company.		

39 Government Grant

Particulars	2020-21	2019-20
Duty Drawback on Export in Foreign Currency	46.74	33.87
Merchandise Export Incentive on Export in Foreign Currency	27.74	41.62
Interest Subsidy Under the Scheme for Assistance to Labour Intensive Industries	100.00	100.00
Covid-19 Subsidy Received from Govt of Japan	15.93	-
GST Concession on Eligible Fixed Capital Investment	215.69	-
Waiver of Electricity Duty (Notional)	14.60	73.03
Total	**420.70**	**248.52**

40 Segment Reporting

(Amount Rs in Lakhs)

(a) Identification of Segments:

Primary-Business Segments

The Company has identified two reportable business segments viz. Automotive and Others 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, sheet metal components, bank angle sensor and canisters for motorised vehicles and others parts for automotive.

(ii) Others Segment comprising of LED luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.

iii) (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"

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/liabilities, borrowings, 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**

Segment Revenue

Particulars	2020-21			2019-20		
	Automotive	Others Segment	Total	Automotive	Others Segment	Total
External Sales	1,19,668.27	1,096.40	1,20,764.67	1,34,838.84	2,032.08	1,36,870.92
Other Operating Income	1,332.39	18.56	1,350.95	1,061.67	11.53	1,073.20
Inter-Segment Sales	-	-	-	-	-	-
Total	**1,21,000.66**	**1,114.96**	**1,22,115.62**	**1,35,900.51**	**2,043.61**	**1,37,944.12**
Results						
Segment Results (Earning Before Interest & Tax) before Exceptional item	10,350.33	(647.06)	9,703.27	12,330.73	(176.78)	12,153.95
Exceptional item (Expenditure)	(318.40)	-	(318.40)	(88.23)	-	(88.23)
Segment Results (Earning Before Interest & Tax)	**10,031.93**	**(647.06)**	**9,384.87**	**12,242.50**	**(176.78)**	**12,065.72**
Unallocated corporate expenses (net of unallocable income)			1,726.78			1,613.70
Operating Profit			7,658.09			10,452.02
Cost of Finance			1,163.66			1,766.66
Profit before tax			6,494.43			8,685.36
Tax expense			1,803.18			816.81
Profit after tax			4,691.25			7,868.55
Share of profit/(loss) of associates			(22.29)			(412.06)
Profit after tax but before comprehensive income			4,668.96			7,456.49
Other Comprehensive Income (Loss) (Net of tax)			133.64			(63.78)
Total Comprehensive Income			4,802.60			7,392.71
Depreciation & Amortization	**5,496.38**	**227.02**	**5,723.40**	**5,095.88**	**224.40**	**5,320.28**

Particulars	As at 31st March, 2021			As at 31st March, 2020		
Segment Assets						
Segment Assets	74,053.68	5,128.01	79,181.69	75,149.90	9,773.08	84,922.98
Unallocated Corporate Assets			13,038.17			7,126.20
Total Assets			**92,219.86**			**92,049.18**
Segment Liabilities						
Segment Liabilities	23,427.67	111.10	23,538.77	22,937.30	257.31	23,194.61
Unallocated Corporate Liabilities			11,746.13			16,322.20
Total Liabilities			**35,284.90**			**39,516.81**
Capital Employed (Total Assets Minus Total Liabilities)			**56,934.95**			**52,532.37**
Capital Expenditure During the year (Net of CWIP)	1,857.34	2.08	1,859.42	4,803.67	22.16	4,825.83

* Note - The capital employed of Automotive and others segment has been worked out by excluding the amount of common financial facilities viz. Term loans and working capital limits. The common financial facilities are reflected under unallocable corporate liabilities.

Notes to the Consolidated Financial Statements as at 31.03.2021

(ii) Secondary-Geographical Segments:- (Amount Rs in Lakhs)

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

(a) Revenue from External Customers	2020-21	2019-20
India	1,19,079.14	1,35,852.22
Outside India	3,036.48	2,091.90
Total	**1,22,115.62**	**1,37,944.12**

(b) Segment Trade Receivables	As at March 31, 2021	As at March 31, 2020
India	7,914.45	7,647.94
Outside India	657.67	175.24
Total	**8,572.12**	**7,823.18**

1. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets have not be furnished.

(c) Major Customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows

Particulars	Segment	2020-21	in %	2019-20	in %
Honda Motorcycle and Scooter India Private Limited	Automotive	39,226.48	32.12%	53,785.53	38.99%
TVS Motors Company Limited	Automotive	31,513.83	25.81%	35,561.26	25.78%
India Yamaha Motors Pvt Limited	Automotive	15,315.62	12.54%	12,376.44	8.97%

41 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**	
	Mr. Jagjeevan Kumar Jain	Chairman and Managing Director
	Mrs. Seema Jain	Whole-time Director
	Ms. Aanchal Jain	Whole-time Director
	Mr. Rahul Jain	Whole-time Director
	Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)
	Mr. Kashi Ram Yadav	Whole-time Director
	Mr. Rajesh Sharma	Whole-time Director (w.e.f 1st January, 2020)
	Mr. Ashok Kumar Sharma	Independent Director
	Mr. Iqbal Singh	Independent Director
	Mr. Jawahar Thakur	Independent Director
	Mr. Mohan Bir Sahni	Independent Director
	Mr. Subodh Kumar Jain	Independent Director
	Mr. Vinod Kumar Malhotra	Independent Director
	Ms. Shobha Khatri	Independent Director (w.e.f 1st January, 2020)
	Mr. OP Gupta	Chief Financial Officer
	Mr. Arvind Kumar Chauhan	Company Secretary

(ii)	**Relative of Key Management Personnel with whom transactions have taken place**	
	Mrs. Pallavi Jain	Vice President (Spouse of Mr. Rahul Jain, Whole-time Director)

(iii)	Related Parties Controlled by Key Management personnel and/or their Relatives	
	Fiem Auto Private Limited	Entity Controlled by Mr. Jagjeevan Kumar Jain
	Jagjeevan Kumar Jain (HUF)	Entity Controlled by Mr. Jagjeevan Kumar Jain
	Fiem Auto & Electrical Industries	Entity Controlled by Mr. Jagjeevan Kumar Jain
	Fiem Foundation	Entity Controlled by Key Management Personnel

(iv)	Joint Ventures	
	Aisan Fiem Automotives India Pvt Limited	JV incorporated in India, 26% ownership interest held by the company
	Centro Ricerche Fiem Horustech S.R.L	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

(v)	Other Related Party	
	Fiem Industries Limited Group Gratuity Trust	Post-employment benefit plan of Fiem Industries Limited

Transaction with related party

(a)	Sale of Goods to:-	Nature of Related Party	2020-21	2019-20
	Aisan Fiem Automotive India Pvt Limited	Joint Venture	0.99	-
			0.99	-

(b)	Rendering of Services to:	Nature of Related Party	2020-21	2019-20
	Aisan Fiem Automotive India Pvt Limited	Joint Venture	260.00	260.00
			260.00	260.00

(c)	Purchase of Goods from:	Nature of Related Party	2020-21	2019-20
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	196.06	907.70
			196.06	907.70

(d)	Services received from	Nature of Related Party	2020-21	2019-20
	Centro Ricerche Fiem Horustech S.R.L	Joint Venture	-	25.62
	Fiem Auto & Electrical Industries (For Brand Royalty)	Related party controlled by KMP	50.00	50.00
			50.00	75.62

(e)	Lease Rent Paid to	Nature of Related Party	2020-21	2019-20
	Mr. Jagjeevan Kumar Jain	Key Management Personnel	2.40	4.80
	Ms. Aanchal Jain	Key Management Personnel	125.75	125.75
	Mr. Rahul Jain	Key Management Personnel	60.55	60.55
			188.70	191.10

Notes to the Consolidated Financial Statements as at 31.03.2021

(f) Dividend on Equity Paid to

(Amount Rs in Lakhs)

Particulars	Nature of Related Party	Interim Dividend		Final Dividend	
		2020-21	2019-20	2020-21	2019-20
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	-	312.94	93.88	125.17
Mrs. Seema Jain	Whole-time Director	-	301.00	90.30	120.40
Ms. Aanchal Jain	Whole-time Director	-	89.82	26.95	35.93
Mr. Rahul Jain	Whole-time Director	-	162.57	48.77	65.03
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	-	-	0.00
Mr. Kashi Ram Yadav	Whole-time Director	-	0.03	0.01	0.01
Mr. Iqbal Singh	Independent Director	-	2.00	0.60	0.80
Fiem Auto Private Limited	Related party controlled by KMP	-	8.44	2.53	3.38
Jagjeevan Kumar Jain (HUF)	Related party controlled by KMP	-	1.15	0.35	0.46
		-	**877.95**	**263.39**	**351.18**

(g) Benefits to Key Management and their relative

Particulars		2020-21	2019-20
Short-term benefits		576.30	692.18
Long-term benefits		-	30.75
Sitting Fee		21.30	25.50
Total Compensation		**597.60**	**748.43**

Short-term benefits	Nature of Related Party	2020-21	2019-20
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	93.60	124.80
Mrs. Seema Jain	Whole-time Director	54.45	66.00
Mr. Rahul Jain	Whole-time Director	54.45	66.00
Ms. Aanchal Jain	Whole-time Director	44.55	54.00
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	81.00
Mr. Kashi Ram Yadav	Whole-time Director	85.54	103.45
Mr. Rajesh Sharma	Whole-time Director (w.e.f 1st January, 2020)	106.43	32.25
Mr. OP Gupta	Chief Financial Officer	50.99	61.80
Mr. Arvind Kumar Chauhan	Company Secretary	60.04	72.88
Mrs. Pallavi Jain	Spouse of Mr. Rahul Jain	26.25	30.00
		576.30	692.18

Long-term benefits	Nature of Related Party	2020-21	2019-20
Mr. JSS Rao	Whole-time Director (upto 31st December, 2019)	-	30.75
		-	30.75

(Amount Rs in Lakhs)

	Sitting Fee	Nature of Related Party	2020-21	2019-20
	Mr. Iqbal Singh	Independent Director	3.70	4.40
	Mr. Ashok Kumar Sharma	Independent Director	2.50	3.50
	Mr. Jawahar Thakur	Independent Director	3.00	3.50
	Mr. Mohan Bir Sahni	Independent Director	2.50	3.50
	Mr. Subodh Kumar Jain	Independent Director	3.10	4.40
	Mr. Vinod Kumar Malhotra	Independent Director	4.00	4.70
	Ms. Shobha Khatri	Independent Director	2.50	1.50
			21.30	**25.50**

Note:1. The above short-term benefits 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.

Note:2. The above long-term benefits include gratuity and leave encashment paid at the time of retirement/resignation.

(h)	Purchase of Mould and Dies for own use from:	Nature of Related Party	2020-21	2019-20
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	91.81	132.85
			91.81	132.85

(i)	Contribution to Corporate Social Responsibility Activities	Nature of Related Party	2020-21	2019-20
	Fiem Foundation	Entity Controlled by KMP	75.00	126.73
			75.00	126.73

(j)	Contribution to Gratuity Fund	Nature of Related Party	2020-21	2019-20
	Fiem Industries Limited Group Gratuity Trust	Post-employment Benefit Plan	299.97	234.07
			299.97	234.07

Balances outstanding at Year-end

(a)	Other Current Assets (Advance to Suppliers other than capital goods):	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	6.36	129.66
			6.36	129.66

(b)	Non-Current Investment: (Accounted as per equity method)	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Aisan Fiem Automotives India Pvt Limited	Joint Venture	2,056.84	2,073.22
	Centro Ricerche Fiem Horustech Srl	Joint Venture	16.65	20.34
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	25.74	27.95
			2,099.22	2,121.52

(c)	Security Deposit Receivables Against Lease Rent	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	-	1.20
	Ms. Aanchal Jain	Whole-time Director	54.68	54.68
	Mr. Rahul Jain	Whole-time Director	26.33	26.33
			81.01	82.21

Notes to the Consolidated Financial Statements as at 31.03.2021

(Amount Rs in Lakhs)

(d)	Trade Receivables:	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Aisan Fiem Automotives India Pvt Limited	Joint Venture	-	140.40
			-	140.40

(e)	Trade Payable:	Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Centro Ricerche Fiem Horustech Srl	Joint Venture	12.54	12.10
	Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	21.79	78.23
			34.34	90.33

(f)	Other Current Financial Liabilities:		Nature of Related Party	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Mr. Jagjeevan Kumar Jain	Short term benefits payable	Chairman and Managing Director	0.21	6.71
	Mrs. Seema Jain	Short term benefits payable	Whole-time Director	1.13	3.54
	Ms. Aanchal Jain	Short term benefits payable	Whole-time Director	1.51	3.37
	Mr. Rahul Jain	Short term benefits payable	Whole-time Director	0.75	7.61
	Mr. Rajesh Sharma	Short term benefits payable	Whole-time Director (w.e.f 1st January, 2020)	6.65	7.27
	Mr. Kashi Ram Yadav	Short term benefits payable	Whole-time Director	5.94	5.90
	Mr. OP Gupta	Short term benefits payable	Chief Financial Officer	4.02	4.77
	Mr. Arvind Kumar Chauhan	Short term benefits payable	Company Secretary	4.16	3.81
	Mrs. Pallavi Jain	Short term benefits payable	Spouse of Mr. Rahul Jain	0.11	2.03
	Fiem Auto & Electrical Industries	For Brand Royalty	Related party controlled by KMP	0.19	13.50
				24.66	58.51

42 Post Employment Benefits Plan

Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	333.25	362.20
Employer's Contribution to ESI Fund	51.26	64.25
Employer's Contribution to Wages Welfare Fund	5.35	7.98
Others	47.09	60.80
Total	**436.95**	**495.23**

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) Earned Leave

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 31.03.2021 are as follows:

(Amount Rs in Lakhs)

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

Particulars	Gratuity		Leave Encashment	
	2020-21	2019-20	2020-21	2019-20
Current service cost	179.67	190.78	100.74	100.23
Interest cost	15.53	13.18	39.20	31.29
Actuarial (Gain)/Loss	-	-	(86.60)	1.75
Expenses recognized in Statement of Profit and Loss	195.19	203.95	53.34	133.28

Amount to be recognised in the Balance Sheet

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Liability at the end of the year	1,450.35	1,565.61	571.71	569.07
Fair value of plan assets at the end of the year	1,368.33	1,200.23	-	-
Amount to be recognised in Balance Sheet	**82.02**	**365.38**	**571.71**	**569.07**
Current	82.02	257.28	102.82	113.21
Non-Current	-	108.09	468.90	455.86

Reconciliation of benefit obligation

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Liability at the beginning of the year	365.38	310.26	569.07	481.84
Interest cost	-	-	39.20	31.29
Recognised in Accumulated Other Comprehensive Income	(326.75)	(241.52)	-	-
Current service cost	195.19	203.95	100.74	100.23
Employers Contribution	(299.97)	(234.07)	(50.70)	(46.04)
Remeasurement (gain) / loss	148.17	326.75	(86.60)	1.75
Liability at the end of the year	82.02	365.38	571.71	569.07

Reconciliation of fair value of plan assets:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Fair value of plan assets at the beginning of the year	1,200.23	924.06	-	-
Interest income	89.69	68.68	-	-
Employers Contribution	299.97	234.07	50.70	46.04
Benefits paid	(212.55)	(68.09)	(50.70)	(46.04)
Return on plan assets-gain /(loss)	(9.01)	41.52	-	-
Fair value of plan assets at the end of the year	1,368.33	1,200.23	-	-
Actual return on plan assets	80.68	110.20	-	-

Amount recognised in statement of other comprehensive income (OCI)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening amount recognised in OCI	326.75	241.52		-
Remeasurement for the year - Obligation (gain)/ loss	(187.59)	126.75	(86.60)	1.75
Remeasurement for the year - plan assets (gain)/ loss	9.01	(41.52)	86.60	(1.75)
Net Increasing in OCI	148.17	326.75		-
Total remeasurements cost / (credit) for the year recognised in OCI	148.17	326.75		-
Closing amount recognised in OCI	148.17	326.75		-

Principal actuarial assumptions

Particulars	2020-21	2019-20	2020-21	2019-20
Discount rate	7.21%	6.82%	7.21%	6.82%
Salary escalation	8% & 6% T.A.	8% & 6% T.A.	8% & 6% T.A.	8% & 6% T.A.
Expected return on assets	7.21%	6.82%	7.21%	6.82%
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.

Notes to the Consolidated Financial Statements as at 31.03.2021

(Amount Rs in Lakhs)

(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:

Year ending	Gratuity		Leave Encashment	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
31st March, 2022	70.00	80.50	41.18	37.70
31st March, 2023	93.17	40.57	34.14	10.93
31st March, 2024	53.08	91.14	11.89	28.98
31st March, 2025	42.02	53.73	8.79	14.98
31st March, 2026	73.51	33.79	25.61	6.57
31st March, 2027-2031	305.70	286.01	78.19	74.73

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 17.93 years (Previous year 19.51 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, 2021 is as shown below:

A. Effect of 1% Change in the assumed discount rate	Gratuity			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1314.83	1399.23	1611.20	1766.11

B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1598.96	1744.94	1321.93	1410.36

C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	1455.59	1540.50	1443.95	1594.62

A. Effect of 1% Change in the assumed discount rate	Leave Encashment			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	532.54	529.27	617.94	616.29

B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	616.56	614.73	533.02	529.87

C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Defined Benefit Obligation	570.57	566.74	572.65	571.36

Notes to the Consolidated Financial Statements as at 31.03.2021

43 Fair Value Measurements

(Amount Rs in Lakhs)

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

Particulars	Carrying Amount		Fair Value	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Security Deposits	951.47	924.65	951.47	924.65
Loan to Employees	88.24	68.94	88.24	68.94
Trade receivables	8,572.12	7,823.18	8,572.12	7,823.18
Term Deposit held as margin money, with more than 12 month maturity	27.13	27.77	27.13	27.77
Income accrued on deposits	53.29	67.38	53.29	67.38
Insurance claim recoverable	-	860.38	-	860.38
Export incentive receivables	43.01	50.10	43.01	50.10
Other advance Recoverable	78.20	96.38	78.20	96.38
Cash & Cash Equivalents	11,037.76	4,694.56	11,037.76	4,694.56
Other Bank Balances	16.96	59.29	16.96	59.29
	20,868.18	14,672.63	20,868.18	14,672.63
Financial assets measured at Cost				
Investment in joint venture (unquoted equity share)	2,099.22	2,121.52	-	-
	2,099.22	2,121.52	-	-
Financial assets measured at FVTPL				
Investment in unquoted equity shares	2.00	2.00	-	-
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non Current Borrowings	2,189.55	5,809.27	2,189.55	5,809.27
Current maturities of long-term debt	3,027.67	3,902.49	3,027.67	3,902.49
Current Borrowings	-	1.08	-	1.08
Trade Security deposits	283.20	297.12	283.20	297.12
Current Maturity of Lease liability	59.05	33.73	59.05	33.73
Interest accrued on borrowings	13.09	27.98	13.09	27.98
Creditors for capital expenditures	144.21	411.03	144.21	411.03
Trade Payables	17,222.13	16,737.35	17,222.13	16,737.35
Unpaid Dividend	7.76	17.17	7.76	17.17
Liabilities for expenses	1,580.79	1,527.50	1,580.79	1,527.50
	24,527.45	28,764.72	24,527.45	28,764.72

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current						
Investment	-	-	2.00	-	-	2.00
Current						
Investment	-	-	-	-	-	-

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.

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.

Notes to the Consolidated Financial Statements as at 31.03.2021

44 Financial Instruments and Risk Review

(Amount Rs in Lakhs)

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:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non Current Borrowing	2,189.55	5,809.27
Derivative Liability (Assets) on Non-Current Borrowings	(140.35)	(532.39)
Current Maturities of Non-Current Borrowing	3,027.67	3,902.49
Current Borrowing	-	1.08
Interest Accrued on Borrowing	13.09	27.98
Net Debt (A)	5,089.96	9,208.43
Equity (B)	56,934.95	52,532.37
Debt Ratio (A/B)	0.09: 1	0.17: 1

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, other balances with banks, loans and other receivables.

In assessing Post Covid-19, recoverability of receivables, the management has considered the asset type, past due status and other relevant factors considering the age of receivables. The provision for expected credit losses (ECL) are revised at each reporting date by the use of practical expedients viz provision matrix.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 8,572.12 Lakhs (net of write-off/provisions) (Previous Year Rs. 7823.18 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 1076.78 lakhs (previous year Rs. 2.31 lakhs) has been written-off during the year after re-assessing Post-Covid-19 long outstandings and obtaining objective evidences on the impairment of the 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.

The Company's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 71% of total receivables as of 31st March, 2021 (71% as at 31st March, 2020), 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.

Movement in the expected credit loss allowance: (Amount Rs in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	142.32	117.32
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	196.28	25.00
Balance at the end of the year	338.60	142.32

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.

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Financial liabilities				
Trade payables	17,222.13	-	16,737.35	-
Other Financial Liabilities (other than current maturity & interest)	2,015.96	-	2,252.81	-
Working capital demand loans	-	-	1.08	-
Term loans (Net of Derivative Assets)	3,027.67	2,049.20	3,902.49	5,276.88
Lease Liabilities	59.05	-	33.73	-
Interest Accrued	13.09	-	27.98	-
	22,337.90	2,049.20	22,955.44	5,276.88

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.

Particulars	31st March, 2021		31st March, 2020	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets				
Trade receivables	8,086.70	485.42	7,698.28	124.90
Loans (including security deposit)	48.89	990.82	49.80	943.79
Other Financial Assets	173.44	168.54	1,073.47	560.92
Other Bank Balance	16.96	-	59.29	-
Cash & Cash Equivalents	11,037.76	-	4,694.56	-
Non-Current Investment	-	2,101.22	-	2,123.52
	19,363.75	3,746.00	13,575.40	3,753.13

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.

Notes to the Consolidated Financial Statements as at 31.03.2021

a) Foreign Currency exchange rate risk (Amount Rs in Lakhs)

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, and Japanese Yen against the respective functional currencies of 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.

Particulars		As at 31st March, 2021		As at 31st March, 2020	
(a) Foreign Currency exposures that are not hedged by derivative instruments	Currency	Foreign Currency	Rupees	Foreign Currency	Rupees
(a) Trade payables (including capital assets)	USD	29.41	2,161.72	24.52	1,848.29
	EURO	0.18	15.56	0.72	59.44
	JPY	207.60	137.76	381.82	265.94
			2,315.04		2,173.66
(b) Trade receivables	USD	8.58	630.97	2.16	162.98
	EURO	0.34	29.31	0.15	12.26
	JPY	-	-	-	-
			660.28		175.24
(c) Other financial assets	USD	-	-	4.23	318.74
	EURO	-	-	-	-
	JPY	-	-	30.07	20.94
			-		339.68
Total (a-b-c)	USD	20.83	1,530.75	18.13	1,366.57
	EURO	(0.16)	(13.75)	0.57	47.18
	JPY	207.60	137.76	351.75	244.99

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.

Particulars	As At 31st March, 2021			As At 31st March, 2020		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.00%	153.08	USD	10.00%	136.66
	USD	-10.00%	(153.08)	USD	-10.00%	(136.66)
	EURO	10.00%	1.38	EURO	10.00%	4.72
	EURO	-10.00%	(1.38)	EURO	-10.00%	(4.72)
	JPY	10.00%	13.78	JPY	10.00%	24.50
	JPY	-10.00%	(13.78)	JPY	-10.00%	(24.50)

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 (Amount Rs in Lakhs)

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.

Particulars	31st March, 2021	31st March, 2020
Variable rate borrowings		
Cash Credit/Working Capital Loans	-	1.08
Fixed rate borrowings		
Term Loan (net of derivative liability)	5,076.88	9,179.37
Total	5,076.88	9,180.45

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:

Particulars	31st March, 2021	31st March, 2020
Increase by 1.00%	-	0.01
Decrease by 1.00%	-	(0.01)

c) Commodity price risk

Movement in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation/ adjustment of prices on the basis of changes in commodity prices.

45 Joint Venture Company

1.	**Centro Ricerche Fiem Horustech SRL**	
	Description of Interest	**Joint Venture**
	Country of Incorporation	Italy
	Proportion of Ownership Interest	50%
2.	**Fiem Kyowa (HK) Mould Company Ltd**	
	Description of Interest	**Joint Venture**
	Country of Incorporation	Hong Kong
	Proportion of Ownership Interest	50%
3.	**Aisan Fiem Automotives India Pvt Ltd**	
	Description of Interest	**Joint Venture**
	Country of Incorporation	India
	Proportion of Ownership Interest	26%

In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows-

Particulars	Centro Ricerche Fiem Horustech SRL		Fiem Kyowa (HK) Mould Company Ltd		Aisan Fiem Automotives India Pvt Ltd	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Non Current Assets	0.02	0.67	0.91	-	2,907.96	3,132.42
Current Assets	30.85	57.34	31.40	230.49	2,069.89	2,044.21
Non Current Liabilities	-	26.95	-	-	859.05	984.02
Current Liabilities	12.38	10.88	5.01	200.05	2,111.34	2,144.07
Revenue (total Income)	-	22.91	139.98	540.72	2,680.50	921.27
Expenses	3.70	25.06	142.19	528.90	2,751.88	1,494.75
Profit or (loss) from continuing operations	-	-	(2.21)	11.82	(41.90)	(446.28)
Post-tax profit or (loss) from discontinuing operations	(3.70)	(2.15)		-	-	-
Other comprehensive income (Loss)		-		-	(0.83)	(0.14)
Total comprehensive income (Loss)	(3.70)	(2.15)	(2.21)	11.82	(41.07)	(446.42)
Dividend Received	-	-	-	-	-	-

Notes to the Consolidated Financial Statements as at 31.03.2021

46 Disclosure required by Ind AS 115

(Amount Rs in Lakhs)

(i) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 22 to the financial statements. Further, the revenue is disclosed in the said note is net of Rs. 650.95 lakhs (previous year Rs. 471.41 lakhs) representing discount to customers. The following table provides further information as required by Ind AS 115.

Reconciliation of Revenue from sale of products with the contracted price	Year ended 31.03.2021	Year ended 31.03.2020
Contracted Price	1,21,415.62	1,37,342.33
Less: Trade discounts, cash discount, volume rebates, etc.	650.95	471.41
Sale of Products	1,20,764.67	1,36,870.92

47 Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
The principal amount remaining unpaid to any supplier at the end of each accounting year;	1,272.96	476.85
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

48 Dividend on Equity Share

(a) Dividend on Equity Shares paid during the year

Particulars	2020-21	2019-20
Final dividend for the FY 2019-20 [Rs. 3 (Previous Year Rs. 4) per equity share of Rs. 10 each]	394.79	526.39
Dividend distribution tax on above	-	108.20
Interim dividend for the FY 2020-21 [Rs. Nil (Previous Year Rs. 10) per equity share of Rs. 10 each]	-	1,315.98
Dividend distribution tax on above	-	270.50
Total	394.79	2,221.08

(b) Proposed Dividend

The Company has recommended the final dividend of Rs. 16 per equity share (160% of nominal value of Rs. 10 per share) for the financial year ended 31st March, 2021 for amounting to Rs. 2105.57 Lakhs/- on equity share capital of the company. The final dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and hence is not recognised as a liability. With the abolition of dividend distribution tax effective from 01st April, 2020, dividend will be taxable in the hands of recipient and hence dividend distribution tax is not applicable.

Notes to the Consolidated Financial Statements as at 31.03.2021

49 In relation to the fire incident which occurred in the year ended 31.03.2018 i.e. on 25.01.2018 in one block of unit-V, situated at Kelamanglam Road, Achettipalli Post, Hosur-635110, Tamilnadu the final insurance claim of fixed assets has been settled and the final payment of Rs. 541.98 lakhs has been received during the fy 2020-21. Accordingly the loss of 318.40 lakhs has been accounted as exceptional item in the statement of profit and loss. During the last financial year 2019-20, the insurance claim on inventory was settled and the company received Rs. 511.08 lakhs as final payment against inventory loss claimed which resulted in loss of Rs. 88.23 lakhs which was shown as exceptional item.

50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to the effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(Amount Rs in Lakhs)

51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2021		2020-21	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.30%	56,537.94	100.43%	4,823.32
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.32%	179.65	-0.53%	(25.47)
Fiem Research & Technology SRL	0.38%	217.36	0.10%	4.75
Total		56,934.95		4,802.60

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2020		2019-20	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.19%	52,109.46	100.33%	7,417.01
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.41%	214.57	0.03%	2.30
Fiem Research & Technology SRL	0.40%	208.34	-0.36%	(26.60)
Total		52,532.37		7,392.71

52 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure. The Figures are rounded off to nearest rupees in lakhs unless otherwise stated.

For and on behalf of the Board of Directors

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

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

(Amount Rs in Lakhs)

1.	**Sl. No.**	**1**	**2**
2.	Name of the subsidiary	**Fiem Industries Japan Co., Ltd.**	**Fiem Research and technology S.R.L.**
3.	Country of Incorporation	Japan	Italy
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period of 31.03.21	N.A.	N.A.
5.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**		
	a) Reporting Currency	Japanese Yen	Euro
	b) Exchange rate as on the last date of the relevant Financial year	0.6636	86.10
6.	Share capital	29.49	238.45
7.	Reserves & surplus	150.16	-21.09
8.	Total Assets	181.83	295.47
9.	Total Equity and Liabilities	181.83	295.47
10.	Investments	-	-
11.	Turnover	40.91	374.24
12.	Profit/(Loss) before taxation	-23.99	-5.61
13.	Provision for taxation	-1.49	-10.37
14.	Profit/ (Loss) after taxation	-25.47	4.76
15.	Proposed Dividend	NA	NA
16.	% of shareholding	100%	100%
OTHER MATTERS			
1.	Names of subsidiaries which are yet to commence operations		NIL
2.	Names of subsidiaries which have been liquidated or sold during the year		NIL

Part "B": Associates and Joint Ventures

S. No.	Particulars	Joint Venture		Associates
		Name of Joint Venture- Centro Ricerche FIEM HorustecH S.r.l.	**Fiem Kyowa(HK) Mould Company Ltd.**	**Aisan Fiem India Automotive private Limited**
1	Latest audited Balance Sheet Date	31.03.21	31.03.21	31.03.21
2	Country of Incorporation	Italy	Hongkong	India
3	Shares of Associate/Joint Ventures held by the company on the year end			
	No. of shares	50%	1000 Shares	2,60,00,000 Equity shares
	Amount of Investment in Associates/Joint Venture- Rs	33.16	8.40	2600
	Extend of Holding %	50%	50%	26%
4	Description of how there is significant influence	50: 50 Joint Venture	50: 50 Joint Venture	26% shareholding
5	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
6	Networth attributable to Shareholding as per latest audited Balance Sheet	18.49	18.9	2,007.47
7	Profit / (Loss) for the year			
	i. Considered in Consolidation	-3.70	-2.21	-16.38
	i. Not Considered in Consolidation	-3.70	-2.21	-174.33
OTHER MATTERS				
1	Names of associates or joint ventures which are yet to commence operations			NIL
2	Names of associates or joint ventures which have been liquidated or sold during the year.			NIL

For and on behalf of the Board of Directors

As per our report of even date
for **V. Sachdeva & Associates**
Chartered Accountants
Firm Registration Number -004417N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
(J. K. Jain)	(Rahul Jain)	(O.P. Gupta)	(Arvind K. Chauhan)	**(V. Sachdev)**
Managing Director	Director	Chief Financial Officer	Company Secretary	Proprietor
				Membership No.:-083435

Place: Rai, Sonepat (HR.)
Dated: 30/06/2021

NOTES

LIGHT UP THE WORLD

Fiem Industries Limited

CIN: L36999DL1989PLC034928

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