

September 21, 2016

(Through Listing Centre)

The Manager,
Dept. of Corporate Services
B S E Limited
25th Floor, P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001

Dear Sir,

Sub: Annual Report for Financial Year 2015-16.

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred herein as Listing Regulations).

Pursuant to Regulation 34 of the Listing Regulations, we hereby submit a copy of the Annual Report for the Financial Year 2015-16 duly approved and adopted by the members in the Annual General Meeting of the Company held on September 20, 2016 as per provisions of the Companies Act, 2013.

This is for your records please.

Thanking you

Yours faithfully,
For Fiem Industries Limited


Arvind K. Chauhan
Company Secretary



Encl: A/a.

Fiem Industries Ltd.



Fiem

LIGHT UP THE WORLD

ANNUAL REPORT 2015-16



QUEST FOR BEST



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Cautionary Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approving from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this Report. Fiem Industries Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Further certain industry data are collected from various reports and sources publically available. We cannot authenticate the correctness of the same. Readers are cautioned that the Company is in no way responsible for any loss / adverse result caused to the readers attributable to these statements. Readers are requested to exercise their own judgment in assessing the risk associated with the Company.





INDUSTRIES LTD.

Quest for Best



The best part about the best is that it does not exist in real. Like the ideal or the perfect, the best too remains abstract, at best. The best value of the non-existent best rests in its ability to inspire and challenge the mankind to aim and pursue it. In doing so, those who pursue the best end up making things better, life better, the planet better.

At Fiem Industries Ltd. (FIEM), we are in a continued pursuit of the best, which gets exemplified in our cumulative efforts towards steadily bettering the value of our business. Our 'Quest for Best' is about making the businesses of our automotive customers better. It is also about making the rides on those automobiles fitted with our products better and the roads safer.

In LED luminaries, our 'Quest for Best' is about making the ambient illumination better. It is about saving the power energy for better, making our luminaries last longer and thereby reducing our carbon footprints. It is also about manufacturing a world of opportunities by diverting the saved power for other noble usages. May be to a farmer for irrigating his fields or to an underprivileged child for his night studies. It is about making these luminaries biodegradable so that no leftover hazardous substance damages our environment.

In Intelligent Passenger Information System, our 'Quest for Best' is about making our public transport better. It is about making the travel information simpler, more accessible and consumable, inside our buses, trains and metros and also at bus terminals, railway stations and metro stations. It is about making the information sharing better by making real time tracking and updates possible.

At FIEM, our quest for the best is all about innovating better automotive lighting solutions in newer technology like LED, better illumination in general lighting space and better passenger information systems. We are bettering ourselves every day, by way of intense research & development, adoption of the best of available global technologies and their indigenous tweaking and best-in-class mass manufacturing. For, every single step, every single day, at every single location is a step forward in our 'Quest for the Best'.

Quest for Best

PERFORMANCE

In our Quest for Best Performance, we work relentlessly towards growth of the Company. We have been able to grow with a CAGR of 18% over a period of last 5 years. Over the same period of 5 years, this has been translated into an EBITDA CAGR of 27% and Net CAGR of 39%.

Balance Sheet Summary on Consolidated basis

₹ in Lacs

Financial Year	FY16	FY15	FY14	FY13	FY12
Shareholders' Funds	27,314	22,728	19,685	16,807	14,380
Non-current Liabilities	12,921	8,109	8,661	10,292	11,749
Current Liabilities	25,641	19,295	17,162	16,226	15,715
Total	65,876	50,132	45,508	43,325	41,844
Non-current Assets	44,766	34,691	31,866	30,212	29,004
Current Assets	21,110	15,441	13,642	13,114	12,839
Total	65,876	50,132	45,508	43,325	41,844

Income Statement Summary

₹ in Lacs

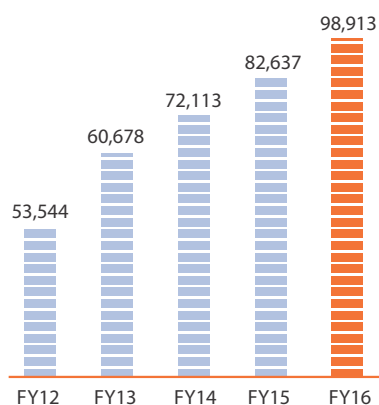
Financial Year	FY16	FY15	FY14	FY13	FY12
Total Income	98,913	82,637	72,113	60,678	53,544
EBITDA	12,827	10,365	8,906	7,067	6,798
EBIT	9,515	7,292	6,727	5,232	5,109
Profit After Tax	5,733	4,248	3,728	2,772	2,114
Key Ratios	FY16	FY15	FY14	FY13	FY12
EBITDA Margins (%)	12.97	12.54	12.35	11.65	12.70
EBIT Margins (%)	9.62	8.82	9.33	8.62	9.54
PAT Margins (%)	5.80	5.14	5.17	4.57	3.95
Earnings Per Share (₹)	47.93	35.51	31.16	23.17	17.67
Dividend Per Share (₹)	8.00	7.00	6.00	4.00	3.00

Operational highlights

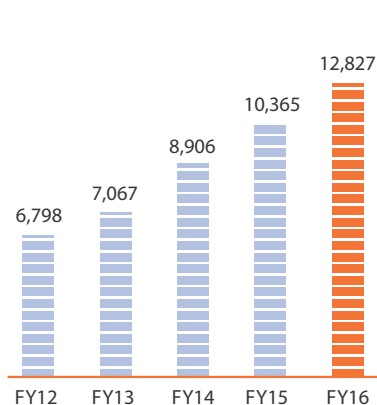
- Commissioned a new unit in Ahmedabad, Gujarat for supply of Automotive Lighting, etc. to newly setup factory of HMSI.
- Capacity expansion at Tapukara Plant, Rajasthan for LED Lighting Products.
- Completed the supply of 84 lacs LED bulbs (9W) to EESL.
- EESL order of LED street lights neared completion (96,700 delivered out of the total order of 111,000 street lights).
- Received acknowledgement for 'stringent cost reduction efforts' from Honda Motorcycle and Scooter India Pvt. Ltd.
- R&D laboratory received 'Certificate of Accreditation' from NABL for 'Photometry Testing'.

Key Performance Indicators

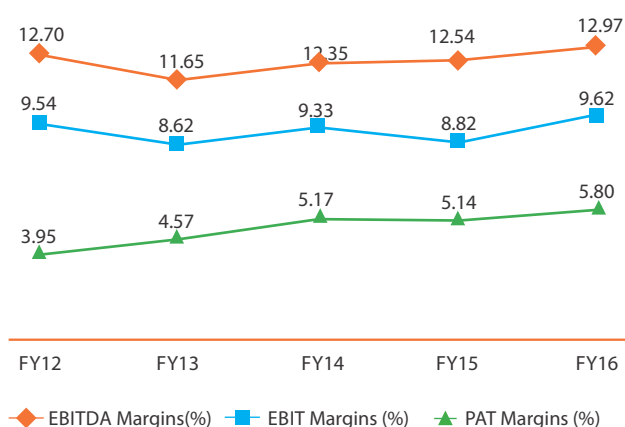
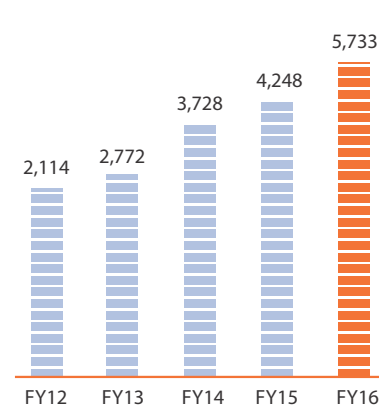
Total Income (₹ in Lacs)



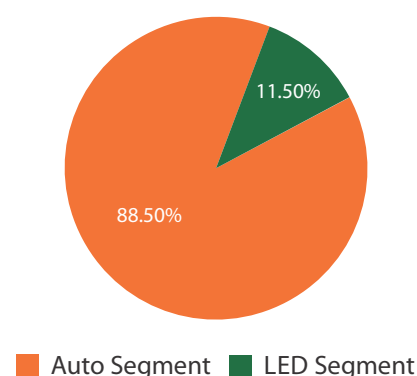
EBITDA (₹ in Lacs)



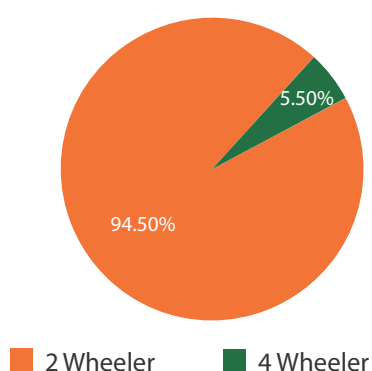
PAT (₹ in Lacs)



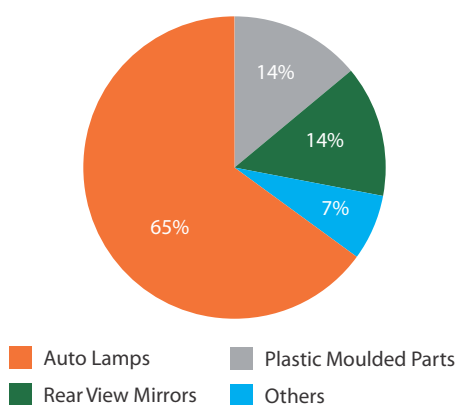
Revenue mix by segment (FY16)



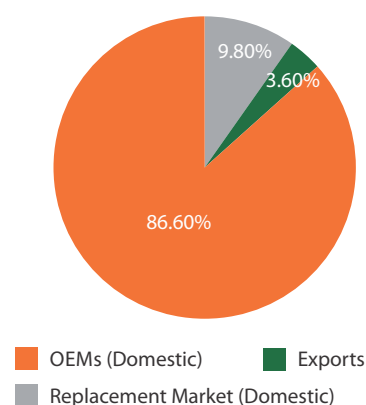
Revenue mix 4/2 wheelers (Automotive) (FY16)



Revenue mix by product (Automotive) (FY16)



Revenue mix by market segment (Automotive) (FY16)



Quest for Best

PRODUCTS

In our **Quest for Best Products**, we are manufacturing innovative and superior quality products at the very competitive cost, so that these remain affordable for the people at large. Our ability to differentiate our products in quality and value terms continues to give us impetus to develop more and more innovative products as per market demand.

Product Segments

Automotive Division

Automotive Lamps – Head Lamp,
Tail Lamps Blinker Lamp, Fog Lamp etc.
Rear View Mirror
Sheet Metal Parts
Plastic Moulded Parts

LED Division

Luminaires (indoor, outdoor)
LED Bulbs and LED Tubes
LED Down Lights
LED Street Lights
Solar LED Street lights
Solar LED Lantern

Integrated Passenger Information Systems (LED)for

Buses
Railways
Metros
Airports
Malls



Strategic differentiators

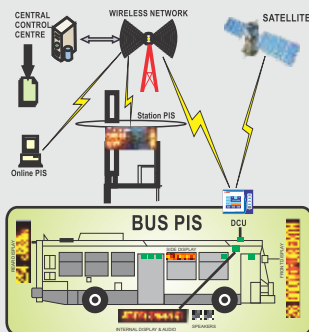
- 💡 Diversified product portfolio across automotive lighting & signaling, rear view mirrors and LED luminaires for indoor and outdoor applications
- 💡 Integrated LED operations with in-house research & development, manufacturing and assembly of ambient luminaires and Integrated Passenger Information System
- 💡 Enviable automotive Customer Base of over 50 OEMs and many supply relationships dating back to company's inception
- 💡 Three world class Research and Development (R&D) centers, one each in India, Italy and Japan having well experienced professionals in Designing, Optical Simulation and Guest Engineering facilities for development of the lamp assembly and LED luminaires
- 💡 State-of-the-art manufacturing infrastructure of 9 strategically located plants

RAILWAYS



BUSES

Intelligent Transportation Systems with LED displays for Buses



Quest for Best

MANUFACTURING FACILITIES

We have Nine State of the Art manufacturing facilities in India, 4 located in South India, 4 Located in North India and 1 located in Gujarat, West India. All the manufacturing facilities are certified with **ISO/TS 16949:2009, ISO 14000:2015 & OHSAS 18001:2007.**

The products manufactured by FIEM conform to **DOT, CCC, ADR, AIS** etc.



Unit 1

Location: Kundli, Sonapat, Haryana

Establishment: 1994

Products: Rear View Mirrors, Automotive Lights

Land Area (Sq. Mtrs): 16,588



Unit 2

Location: Hosur, Tamil Nadu

Establishment: 2004

Products: Automotive Lights, Reflectors

Land Area (Sq. Mtrs): 12,505



Unit 3

Location: Hosur, Tamil Nadu

Establishment: 2005

Products: Sheet Metal Parts

Land Area (Sq. Mtrs): 19,110



Unit 4

Location: Mysore, Karnatka

Establishment: 2005

Products: Rear Fender Assembly

Land Area (Sq. Mtrs): 4,014



Unit 5

Location: Hosur, Tamil Nadu

Establishment: 2006

Products: Rear View Mirrors, Automotive Lights

Land Area (Sq. Mtrs): 13,467



Unit 6

Location: Nalagarh, Himachal Pradesh

Establishment: 2006

Products: Rear View Mirrors, Automotive Lights, Plastic Parts

Land Area (Sq. Mtrs): 19,191



Unit 7

Location: Rai, Sonapat, Haryana

Establishment: 2010

Products: Automotive Lights, LED Luminaires & IPIS

Land Area (Sq. Mtrs): 28,357



Unit 8

Location: Tapukara, Rajasthan

Establishment: 2011

Products: Plastic Injection Moulded Parts, LED Luminaires

Land Area (Sq. Mtrs): 42,863



Unit 9

Location: Ahmedabad, Gujarat

Establishment: 2015

Products: Automotive Lights, Plastic Parts

Land Area (Sq. Mtrs): 32,500

Group Companies

- Fiem Industries Japan Co. Ltd. (wholly owned subsidiary)
- Centro Ricerche Fiem Horustech SRL, Italy (Joint Venture Company with Horustech Lighting S.r.l., Italy)

Key Customers

- Honda, TVS, Suzuki, Yamaha, Harley Davidson, Royal Enfield, Mahindra
- Tata Motors, Force Motors, Honda Siel, General Motors, Hyundai, Daimler, Mahindra Reva

Two Wheeler Segment (Domestic)



Two Wheeler Segment (Global Customers)



Four Wheeler Segment (domestic customers)



Four Wheeler Segment (global customers)





**From the desk of
the Chairman &
Managing Director**

*With the growth drivers
of all our business
segments clicking at the
same time, let us all step
together into an exciting
and fulfilling future.*

Dear Shareholders,

The privilege of communicating with you through our annual report is a pleasure indeed. I am happy to share with you my reflections on the year that was, another impressive performance of your company and how we are gearing up for an even exciting future.

The year 2015-16 started with sustained business sentiments on the back of encouraging macro-economic indicators like contained inflation, increased foreign direct investments, lower commodity prices and renewed global confidence in the India story. The impact of country's sustained thrust on infrastructure development and rebooting the manufacturing sector as the prime job creators started to become visible on the ground towards the fag end of FY16. But for the second consecutive year of a deficit monsoon and delay in some bigticket policy reforms, the Indian Economy shall have returned a better GDP growth than the 7.6% as estimated by the Central Statistical Office, for FY16.

It was a mixed bag for the Indian automobile industry in the fiscal year 2015-16 (FY16), with the volume growth clocking 2.58%. The two-wheeler segment, the prime growth aggregator in terms of volume for the industry and also the single largest contributor to your company's revenue, witnessed a growth of 3.01%. However like earlier years, your company registered a growth of about 7% in Automotive Segment, which is far better than the industry.

Thanks to our timely diversification of business and also the diversification choices, we managed to buck the trend of moderate automobile growth. Your Company returned another impressive performance with the total income growing at 19.70% to reach ₹ 989.13 crore and the net profit clocking growth of 34.98% to reach ₹ 57.33 crore.

In automotive division, we commenced commercial production at our new automotive manufacturing unit at Ahmadabad. The facility has been set up to exclusively cater to

Honda Motorcycles & Scooters with an investment of ₹ 46 crore in last financial year and more investment will be in current year.

The year was equally good for our LED segment. We supplied LED bulb and Street lights worth around ₹ 120 crore to Energy Efficiency Services Limited (EESL). To further augment our capacities, we are investing expansion at our Tapukara plant to setup a world class state-of-art LED product manufacturing facility.

The future growth potential of the LED segment is very bright on the back of government thrust on popularizing this energy saving alternative of ambient lighting, both for outdoor and indoor applications and eventual boost in consumer demand. The ongoing modernization of our railways network offers immense opportunities for installation of micro LED lighting. Modernization of the station navigation information system shall positively impact on your Company's IPIS segment, which includes train indication, coach guidance and computer based announcement systems. The forecast of good monsoon, the rural focus of the union budget 2016 and pay hike on account of the 7th pay commission and OROP augur well for the automobile demand, going forward.

With the growth drivers of all our business segments clicking at the same time, let us all step together into an exciting and fulfilling future. Before concluding, I thank all our stakeholders– shareholders, lenders, customers, employees and partners – for your continued trust and patronage. Together, let's light up the country's path to progress.

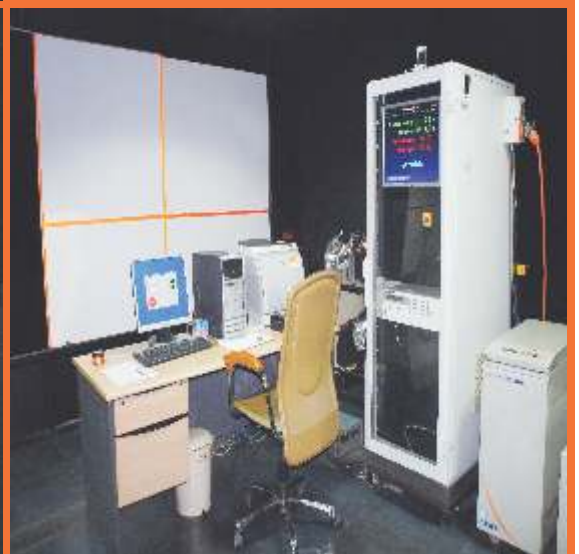
Best regards,

J K Jain

Chairman & Managing Director



**Integrating Sphere
and Photometric
Testing Laboratory**



**Environmental,
Electrical,
Mechanical and
Durability Test**



Quest for Best Research & Development

The world is changing at a rapid pace. So are the requirements of our customers. Our quest to provide the best possible solutions to their needs is backed by our research and development (R&D) prowess. Our government approved R&D centre at Rai and design centres located in Japan and Italy provide us the necessary edge in redefining the future of automotive lighting and mirrors, LED luminaries and passenger information systems.

These centers are well equipped with modern tools, technology, software and most importantly, a highly qualified and experienced talent pool. The centers are capable of carrying out all types of tests including Product Test, Photometry Test, Environmental Test, Thermal Test, Electronic Test, Vibration Test, Chemical Test and Mechanical Tests. Our Photometry testing labs, both LED General Lighting and Automotive Lighting are accredited with NABL.

At Fiem Industries, we are poised to raise our design and development capabilities with our quest for the best in Research and Development.



Quest for Best **Innovation**



Our Quest for Best Innovations give us passion to have latest technology in our Design, Development, Manufacturing and Testing facilities and develop innovative products with latest technology. Our proven R&D capability in LED has given confidence to our valued OEM customers and we are developing LED Head Lamps for two-wheelers. On the strength of our R&D prowess, we have been able to develop a large range of LED Luminaires without any outside technical collaboration.

3 in 1 Bulb:

3 in 1 bulb is a 7W LED bulb which works like the normal bulb. It has added feature of selecting the colour of light output by using the ON/OFF switch. By using your ON/OFF switch, you can select the colour of light between cool white, warm white and natural white. The user can replace his normal bulb with this bulb without making any change in the wiring, rest all will be taken care by the electronic built inside the bulb.

**Dimmable Bulb:**

Dimmable bulb is a 12W LED bulb which works like the normal bulb. It has added feature of dimming using the ON/OFF switch only. We can set its power from 1W to 12W.

We can replace the existing bulb with the dimmable bulb without making any changes in the electrical wiring. It is a plug and play solution and great energy saver.

Unlike the conventional bulb where you need a dimmer apart from the ON/OFF switch to dim the bulb which causes lot of electrical noise, this bulb does not create any electrical noise.

**Smart Bulb:**

Smart bulb is a 6W LED Bulb with Bluetooth LE Technology, which can be controlled using Mobile Apps on iOS and Android platform. Through Apps we can change its brightness, power and the colours as it can produce 1.5 million colours. Operation of this bulb is very simple, just plug in the bulb and open App on your mobile and it will be automatically connected to mobile phone. One can download apps from App Store and Google play.

**Emergency Bulb:**

Emergency bulb is a 7W LED bulb which works like the normal bulb but in case of power outage, remains on. It has an inbuilt battery which gets charged from the mains and in case of power outage, keeps the bulb on. So it is like inverter based lighting system without the need for inverter and is very useful for mass market.



Quest for Best
Manufacturing

To remain cost competitive and manufacture quality products, we make everything in-house except buying LED chips and some electronic components.

At Fiem Industries, we aspire to lead the 'Make in India' drive in our business segments from the front. The same aspiration shall sustain our quest for the best in manufacturing.

Manufacturing and supplying quality products at competitive cost and stringent timelines has always been our hallmark. Customer engagement as old as our history and a track record of scaling up capacities in line with our customers' growth plans and aspirations testify this.

Anticipating sustained growth in demand of our products over coming years, we have added a greenfield capacity in Ahmedabad and brownfield expansion at our existing location of Tapukara, during the year. While the Ahmadabad unit will cater to automotive lighting and component requirement of Honda Motors and Scooters, the brownfield expansion will manufacture LED luminaries and assemblies, thereby helping us speedily meet the growing demand across all our LED products.

All the new facilities stand equipped with latest machinery and tools and the same shall further enhance our productivity, cost efficiency and product quality. At Fiem Industries, we aspire to lead the 'Make in India' drive in our business segments from the front. The same aspiration shall sustain our quest for the best in manufacturing.



**Make in India
For India & the
World**





Corporate Social Responsibility

Fiem foundation undertakes a host of community welfare activities, providing financial assistance in case of life threatening illness has become a times. recent in focus structured



Narrower the divide between the haves and have-nots of any society, the higher goes its sustainability quotient. In a country with close to 250 million people still below poverty line, the onus of extending a helping hand remains as much ours. For, their rights to our operating environment, economic and otherwise, are not any lesser than ours.

It is with this belief that we, at Fiem Industries approach community welfare. To extend a dedicated focus to our CSR aims, we have formed 'Fiem Foundation'. Supporting the CSR provisions whole heartedly as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014, our Company remains compliant with its applicable provisions. Our adopted CSR policy is made available on the website www.fiemindustries.com.

While the foundation undertakes a host of community welfare activities, providing financial assistance in case of life threatening illness has become a structured focus in recent times. Towards this, the foundation has collaborated with the Social Welfare Unit of All India Institute of Medical Sciences (AIIMS). Against the recommendation of the said unit, the company provides financial assistance to patients suffering from cancer or other critical ailments.

Besides, our quest for the best in CSR takes us to organize mass marriages for girls and ophthalmic surgeries for members from the underprivileged class.

Fiem Foundation collaborated with Social Welfare Unit of AIIMS, Delhi



Name: **Mr. Promod Jain**,
Age: **56 Years**
Address: **Delhi**
Financial Help: ₹ 3,72,000/-



Name: **Harshit**,
Age: **10 Years**
Address: **Mathura, U.P.**
Financial Help: ₹ 2,34,000/-



Name: **Santosh Devi**,
Age: **30 Years**
Address: **Mehandargarh, Haryana**
Financial Help: ₹ 78,750/-



Name: **Raghuvansh Chaudhary**,
Age: **35 Years**
Address: **Saharsa, Bihar**
Financial Help: ₹ 1,00,000/-



Name: **Shiv Kumar**,
Age: **56 Years**
Address: **New Delhi**
Financial Help: ₹ 50,000/-



Name: **Vikas Yadav**,
Age: **14 Years**
Address: **Siwan, Bihar**
Financial Help: ₹ 2,00,000/-



Name: **Sripati**,
Age: **63 Years**
Address: **Agra, U.P.**
Financial Help: ₹ 30,900/-



Name: **Alka Devi**,
Age: **30 Years**
Address: **Etah, U.P.**
Financial Help: ₹ 25,000/-



Name: **Priya**,
Age: **20 Years**
Address: **Mehrauli, New Delhi**
Financial Help: ₹ 52,500/-



Name: **Hemlata**,
Age: **27 Years**
Address: **Meerut, U.P.**
Financial Help: ₹ 1,50,000/-

Quest for Best Community Welfare

In our pursuit of Corporate Social Responsibility as per Companies Act, 2013, we have selected 'healthcare' as one of area of intervention and way of serving the humanity. Company whole-heartedly supported the CSR provisions and remained compliant with the statutory requirements. Towards this noble cause, we are giving financial support to needy / poor cancer and other life threatening diseases patients for getting their treatment done in AIIMS. We have collaborated with Social Welfare Unit of AIIMS, Delhi and disburse the assistance amount as and when they recommend the poor and needy patients suffering from Cancer and other life threatening diseases for getting their treatment done in AIIMS. We are doing this work through our CSR Vehicle '**Fiem Foundation**'.

Company does various other social welfare programme like arranging mass marriages for poor girls, free eye operation and other activities to help underprivileged.



Name: **Hari**,
Age: **38 Years**
Address: **Gurgaon, Haryana**
Financial Help: ₹ **30,000/-**



Name: **Kishori Lal**,
Age: **53 Years**
Address: **Delhi**
Financial Help: ₹ **45,000/-**



Name: **Pankaj Kumar Ram**,
Age: **18 Years**
Address: **Purnia, Bihar**
Financial Help: ₹ **96,000/-**



Name: **Ramesh Chand**,
Age: **53 Years**
Address: **Agra, U.P.**
Financial Help: ₹ **49,170/-**



Name: **Afsari**,
Age: **43 Years**
Address: **Rampur, U.P.**
Financial Help: ₹ **50,000/-**



Name: **Riya Rai**,
Age: **5 Years**
Address: **Azamgarh, U.P.**
Financial Help: ₹ **2,68,000/-**



Name: **Rajesh Kumar**,
Age: **24 Years**
Address: **Gaya, Bihar**
Financial Help: ₹ **2,50,000/-**



Name: **Tilak Mandal**,
Age: **45 Years**
Address: **Girdih, Jharkhand**
Financial Help: ₹ **3,00,000/-**



Name: **Madhuri**,
Age: **16 Years**
Address: **Pratapgarh, U.P.**
Financial Help: ₹ **3,60,000/-**



Name: **Mazid**,
Age: **20 Years**
Address: **Delhi**
Financial Help: ₹ **3,00,000/-**



Example of a typical MSSO recommendation regarding the socio-economic condition of the patient: *There are 4 members in his family and only earning member is patient himself who is unable to work from last 6 months. He had a small business of school uniform which is not functioning now and he had to borrow money from friends & relatives for treatment. The entire amount has been exhausted now.*

Quest for Cost Rationalization and Improve on Efficiencies



Dear Colleagues,

Our quest to remain competitive, manufacture best quality products at affordable prices and at the same time improve our profitability, requires lot of frugality and prudence in all our operations. Small steps towards wastage management, managing and reducing idle time results in big cost savings. Our quest for improve on efficiencies give multiple good results in the form of increased production as well as enhanced customer satisfaction. Our cost rationalization initiatives must continue. It is the result of our frugal engineering that we are able to manufacture new products at a competitive price without compromising on quality. We have been able to identify, develop and launch new products as per market demand. We strive to maintain better margins across our product line for a healthy future. Our new

manufacturing facilities are equipped with latest machinery and tools which enhances our productivity, cost efficiency and product quality. One of the competitive strengths lies in our philosophy of manufacturing everything in-house. This has led us to be a major player in the industry. As you are aware, we have received kind words of appreciation from our esteemed customer 'Honda Motorcycle and Scooter India Pvt. Ltd.' (HMSI) for our 'stringent cost reduction efforts'.

Let us observe and practice cost rationalization and improve on efficiencies in all our actions!

Rahul Jain
Whole-time 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
Mr. J.S.S. Rao	– Whole-time Director
Mr. Kashi Ram Yadav	– Whole-time Director
Ms. Aanchal Jain	– Whole-time Director
Mr. Iqbal Singh	– Independent Director
Mr. Charoen Sachamuneewongse	– Independent Director
Mr. V. K. Malhotra	– Independent Director
Mr. S.K. Jain	– Independent Director
Mr. Mohan Bir Sahni	– Independent Director
Mr. Amitabh Prakash Agrawal	– Independent Director (upto November 4, 2015)
Mr. Abhishek Jain	– Independent Director (w.e.f. November 6, 2015)

CHIEF FINANCIAL OFFICER

Mr. O.P. Gupta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Arvind K. Chauhan

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

STATUTORY AUDITORS

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

REGISTERED OFFICE

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Tel: +91-11-25927820, 25927919, Fax: +91-11-25927740
CIN: L36999DL1989PLC034928

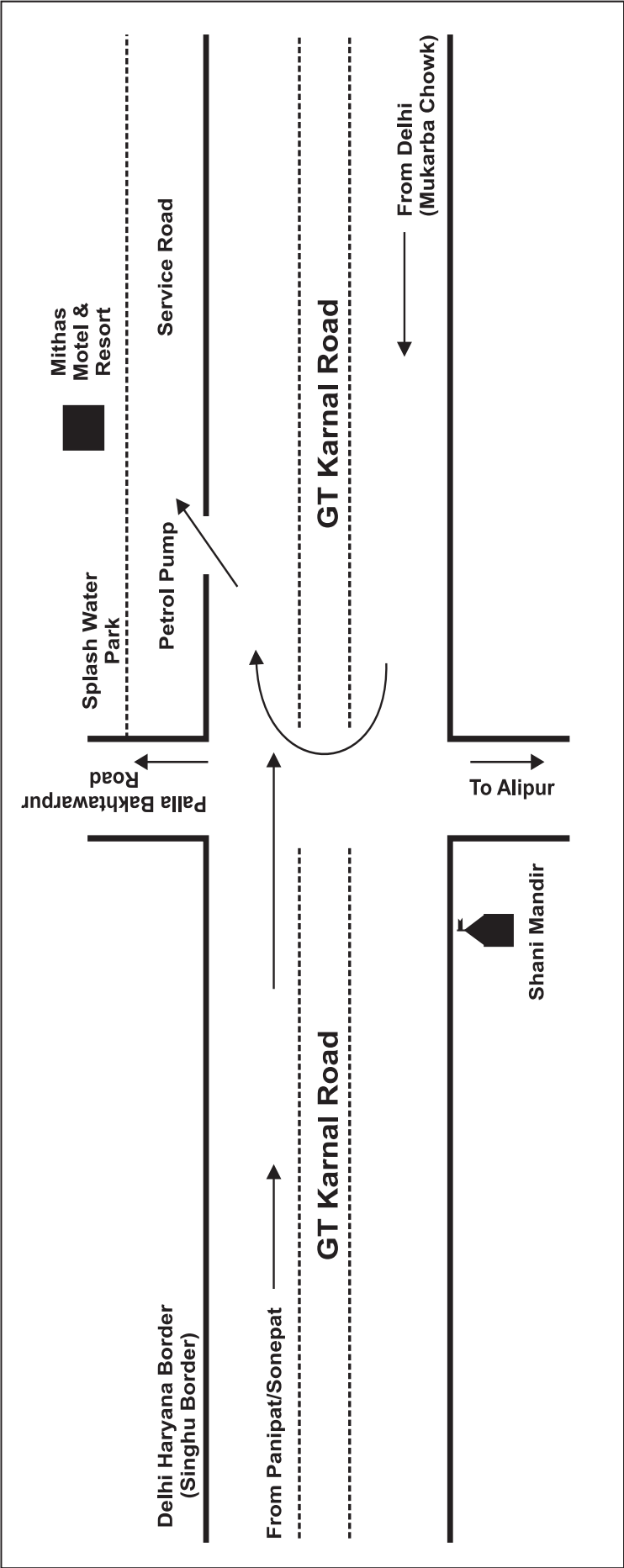
CORPORATE OFFICE & UNIT VII

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

REGISTRAR AND SHARE TRANSFER AGENT

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

ROUTE MAP TO THE VENUE OF AGM



DIRECTORS' REPORT

To the Members of Fiem Industries Limited,

Your Directors take great pleasure in presenting the Twenty Seventh Annual Report of Fiem Industries Limited ("Fiem" or the "Company") on the business and operations of the Company together with the Audited Financial Statements for the Financial Year (the "FY") ended on March 31, 2016.

FINANCIAL SUMMARY / HIGHLIGHTS

As mandated under Rule 8 of the Companies (Accounts) Rules, 2014, the Directors' Report is prepared on the basis of Standalone Financial Statements of the Company. However, this report also contain a separate section wherein a report is given on the performance and financial position of the Wholly-owned Subsidiary and Joint Venture Company, the financials of which are included in the Consolidated Financial Statements of the Company.

Company's financial performance for the year under review along-with previous year's figures are given hereunder on Standalone basis:

(₹ in Lacs)

Particulars	Standalone		% Increase or Decrease
	2015-16	2014-15	
Gross Sales	108230.94	90028.78	20.22%
Sales, Net of Excise	97745.79	81949.78	19.28%
Earning before Tax, Depreciation & Finance Cost	12796.06	10333.50	23.83%
Less: Cost of Finance	1576.84	1204.08	30.96%
Profit before Tax & Depreciation	11219.22	9129.42	22.89%
Less: Depreciation	3303.49	3063.35	7.84%
Profit Before Tax	7915.73	6066.07	30.49%
Less: Tax Expenses	2197.26	1839.68	19.43%
Profit After Tax	5718.47	4226.39	35.30%
Earnings Per Share (₹)	47.80	35.33	35.30%

Dividend

The Board in its meeting held on March 12, 2016, had declared an interim dividend at the rate of 50% i.e. ₹5/- per equity share of ₹ 10/- each. Further, the Board, in its meeting held on May 30, 2016, has recommended a final dividend at the rate of 30% i.e. ₹ 3/- per equity share for the financial year ended on March 31, 2016 to the shareholders. Interim dividend was paid to the shareholders as per their shareholding in the Company as on March 19, 2016 (Record Date). Consequently, the total dividend for the financial year ended on March 31, 2016 including the interim dividend paid during the year, amounts to 80% i.e. ₹ 8/- per equity share of ₹ 10/- each.

The Final Dividend payout is subject to approval of members at the ensuing Annual General Meeting of the Company. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹431.92 lacs including dividend tax. The total dividend on equity shares including dividend tax for the Financial Year 2015-16 would aggregate ₹ 1151.80 lacs.

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

1. Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, an extract of Annual Return in form MGT-9 as on March 31, 2016, has been prepared and enclosed as Annexure I, which forms part of this report.

2. Number of meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other matters. Due to business exigencies, the Board has also approved some proposals through resolution passed by circulation from time to time.

Six (6) Board Meeting were held during the financial year 2015-16. One separate meeting of Independent Directors of the Company was also held during the Financial Year. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms the 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:**

- in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2016 and of the Profit and Loss of the Company for that period;
- 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;
- the Directors have prepared the Annual Financial Statements on a 'going concern' basis;
- 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
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including review of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

4. Independent Directors' declaration

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

5. Directors' Appointment Criteria and Remuneration Policy etc.

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

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

6. Auditors & Auditor's Reports

(a) Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s Anil S.

Gupta & Associates, Chartered Accountants (ICAI Firm Registration No.004061N), Statutory Auditors of the Company, were re-appointed in the 25th Annual General Meeting of Company to hold office till the conclusion of 28th Annual General Meeting to be held in the calendar year 2017. However, their continuation is subject to ratification by the members at every Annual General Meeting. They have confirmed their eligibility to the effect that their continuation as Statutory Auditor, if ratified, would be within the prescribed limits under the Act and they are not disqualified for such continuation. Accordingly, the Board of Directors recommend the ratification by the members, the continuation of M/s Anil S. Gupta & Associates, Chartered Accountants, as the statutory auditors of the Company to hold office till the conclusion of 28th Annual General Meeting to be held in the calendar year 2017 on such remuneration to be decided by the Board.

(b) Statutory Auditor's Reports

The Auditor's Reports on standalone as well as on consolidated financial statements are self-explanatory and do not call for any further comments. These Reports don't contain any qualification, reservation, adverse remarks or disclaimer.

(c) Secretarial Auditor

Pursuant to Section 204 of the Act, the Company had appointed M/s Ranjana Gupta & Associates, a firm of Company Secretaries in Practice (C.P. No. 9920) as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2015-16. The Company provided all assistance and facilities to the Secretarial Auditor for conducting the Audit.

(d) Secretarial Audit Report

Based on the Secretarial Audit, the Secretarial Auditor has furnished a report to the Company for the financial year 2015-16 which is annexed to this report as **Annexure III**. There is no qualification, reservation or adverse remark in the Secretarial Audit Report; hence no explanation by Directors is warranted.

(e) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost records maintained by the Company in respect of the products manufactured by the Company are required to be audited for financial year 2015-16. The Cost Auditor, Mr. Krishan Singh Berk, will submit his report for financial year 2015-16 and that will be filed to Registrar of Companies in due course. For financial year 2016-17, your Directors, on the recommendation of the Audit Committee has appointed Mr. Krishan Singh Berk, Cost Accountant (Membership No. 2724) as Cost Auditor of the Company at the Board Meeting held on May 30, 2016.

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

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

8. Contracts and Arrangements with Related Parties

All contracts/ arrangement/ transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business. Due approvals from Board and Audit Committee were taken under the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. Further, no approval from shareholder required for any related party transaction during the year under review. There are no 'material' related party transactions during the year under review with the Promoters, Directors, Key Managerial Personnel or any other related entity as defined under Regulation 23 of the Listing Regulations read with 'Related Party Transactions Policy' of the Company. Therefore, disclosure

in form AOC-2 in terms of Section 134(3)(h) of the Companies Act, 2013 are not required. Kindly refer Note no. 45 of the Standalone Financial Statements of the Company for details on all related party transactions.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company www.fiemindustries.com. The web-link of the same has been provided in the Corporate Governance Report.

9. State of the Company's affairs / Business Review

The financial year 2015-16 was another successful year. In Auto component segment, Company grew better than industry and in LED Lighting segment Company won very good business from Energy Efficiency Services Ltd. (EESL). Company successfully executed orders from EESL and supplied 84 Lacs LED Bulbs and installed around 96,700 LED Street Lights in South Delhi Municipal Corporation (SDMC). Sales from LED segment were ₹ 118 Crores. The unexecuted portion of the LED Street Light order of SDMC will be completed during the current year.

Amid all these developments, Company delivered healthy results. Company achieved a net turnover of ₹ 977.46 Crore in comparison to ₹ 819.50 Crores in previous financial year. Company has also been able to increase the Profit after tax from ₹ 42.26 Crore in 2014-15 to ₹ 57.18 Crore in 2015-16.

The Operational Performance of the Company has remained among best in the Industry with an EBITDA margin of slightly better than 13%, because of blend of higher margins from LED Lighting segment.

On operational front, company has set-up new facility in Gujarat, District Ahmedabad, for manufacturing of automotive lighting and plastic parts etc. which has started commercial production w.e.f. January 11, 2016. Total Investment as on March 31, 2016 for this unit was ₹ 46 Crore.

Further, Company is expanding capacity in Tapukara Plant (Rajasthan) for Manufacturing of LED Lighting products such as LED Bulbs, LED Street Lights and LED Tubes etc. The expansion at Tapukara Plant is underway and will substantially be completed during the current year. This will result in huge capacity for LED Bulbs, LED Street Lights and LED Tube Lights etc. Company is seeing big opportunity in the LED Lighting segment, hence increasing capacities for these products.

10. Transfer to Reserves

Your Company has transferred ₹ 575.00 Lacs to the General Reserve from the profits of the Company.

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred after the close of financial year till the date of this Report. However, during the month of April, 2016 Company has received one order from Paschimanchal Vidyut Vitran Nigam Limited (PVVNL), Meerut (U.P.) for supply and distribution of 28 lac LED Bulbs under PVVNL area. The value of order is ₹ 23.92 Crore. Supply has already been started for this order.

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

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

13. Risk Management

The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. As per Listing Regulations, the Board of Directors of the Company are responsible for framing, implementing and monitoring the Risk Management plans of the Company.

The Company has defined a "Risk Management Policy" and the same has been approved by the Board of Directors of the Company. Audit Committee plays a vital role in risk management and overseeing.

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

14. Corporate Social Responsibility (CSR)

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

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

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

During the financial year 2015-16, through the help of AIIMS, Company helped to many poor and indigent patients who are not able to bear their medical treatment expenses due to their weak financial conditions.

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

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

15. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Listing Regulations. The performance of the board was evaluated by the board after seeking inputs from all the directors.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

16. Performance and Financial position of Subsidiary and Joint venture company

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

Subsidiary- Fiem Industries Japan Co. Ltd.

(Amount In INR)

	FY 15-16	FY 14-15
% of shareholding	100%	100%
Turnover	150,95,827	31,21,586
Other Operating Income	16,18,751	66,56,400
Other Income	34,279	43,066
Total Income	1,67,48,857	98,21,052
Total expenses	1,40,11,773	102,91,590
Profit/(Loss) before taxation	27,37,084	(4,70,538)
Provision for taxation	6,40,991	41,998
Profit/ (Loss) after taxation	20,96,093	(5,12,536)

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

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

(Amount In INR)

	FY 15-16	FY 14-15
Extend of Holding %	50%	50%
Turnover	92,09,416	79,18,803
Total Income	92,09,416	79,18,803
Total expenses	97,64,492	53,31,630
Profit/(Loss) before taxation	(5,55,076)	25,87,172
Provision for taxation	-	-
Profit/ (Loss) after taxation	(5,55,076)	25,87,172

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

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

- Financial summary/ highlights are already mentioned in the beginning of the report.
- Change in Directors and Key Managerial Personnel:**
 - The Board of Directors, at its meeting held on May 30, 2016, upon recommendation of the Nomination & Remuneration Committee, re-appointed Mrs. Seema Jain (DIN: 00013523) as Whole-time Director of the Company, w.e.f. April 1, 2017 to hold the office for a period of five years, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
 - The Board of Directors, on May 30, 2016, upon recommendation of the Nomination & Remuneration Committee, also re-appointed Mrs. Aanchal Jain (DIN: 00013350) as Whole-time Director of the Company for a period of five years w.e.f. April 1, 2017, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
 - Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of

- Association of the Company, Mr. Kashi Ram Yadav (DIN: 02379958) and Mr. Rahul Jain (DIN: 00013566), Directors of the Company liable to retire by rotation and being eligible have offered themselves for re-appointment and they are not disqualified under Section 164(2) of the Companies Act, 2013.
- Mr. Amitabh Prakash Agrawal was freshly appointed as Independent Director w.e.f. September 29, 2014 as per provisions of the Companies Act, 2013. He resigned from the Directorship of the Company w.e.f. November 4, 2015. As per the provisions of the Act read with the Articles of Association of the Company, and on the recommendation of the Nomination & Remuneration Committee, Board in their meeting held on November 6, 2015 had appointed Mr. Abhishek Jain (DIN: 02274894) as an Independent Director in place of Mr. Amitabh Prakash Agrawal to fill the casual vacancy arose due to his resignation.
 - The details of Directors being recommended for appointment/re-appointment as required under the Listing Regulations are contained in the Notice convening the ensuing Annual General Meeting of the Company.
 - Mr. J.K. Jain, Chairman & Managing Director; Mr. O. P. Gupta, Chief Financial Officer and Mr. Arvind K. Chauhan, Company Secretary are the Key Managerial Personnel of the Company within the meaning of Section 203 of the Act.
 - None of the Key Managerial Personnel has resigned or appointed during the year under review.
- iii. There is only one Subsidiary and one Joint Venture Company of the Company and there was no change during the year about numbers of subsidiary or Joint Venture Company.
- iv. **Details relating to Deposits:**
- The Company has not accepted any Deposit within the meaning of the Companies (Acceptance of Deposit) Rules, 1975 or Chapter V of the Companies Act, 2013 and as such no details are required to be furnished.
- v. **No significant and material orders were passed by any Regulators or court or tribunals impacting the going concern status and company's operations in future.**
- vi. **Details in respect of adequacy of internal financial controls with reference to the Financial Statement:**
- The Company has in place adequate internal financial controls, which are commensurate to size and operations of the Company. During the year, no area of concern, continuing failure or major weakness was observed.
- vii. **Other disclosures required under provisions of the Companies Act, 2013 and the Listing Regulations, as may be applicable:**
- As per provisions of Section 177(8) of the Act, composition of the Audit Committee has been disclosed under Corporate Governance Report. The Board, during the year under review, had accepted all the recommendation made to it by the Audit Committee.

- **Establishment of vigil mechanism as per provision of Section 177(10) of the Act:** Company has already at place a vigil mechanism namely, 'Whistle Blower Policy'. The details of the same are reported under Corporate Governance Report;
- Disclosure regarding remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure VI**.
- Disclosure as required under Section 62(1)(b) of the Act read with Sub-rule 9 of Rule 12 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable, as during the year no shares were issued under- ESOS / ESOP or under sweat equity scheme.
- Disclosure as required under Section 43(a)(ii) of the Act read with Sub-rule 4 of Rule 4 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable as during the year no equity shares with differential rights as to dividend, voting or otherwise were issued.

Corporate Governance Report & Management Discussion & Analysis Report

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

Consolidated Financial Statements

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

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

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

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

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of
Fiem Industries Limited

-Sd-

J.K. Jain

Chairman & Managing Director
(DIN: 00013356)

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

ANNEXURE-I

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2016

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

I. Registration and Other Details

(i) CIN:	L36999DL1989PLC034928
(ii) Registration Date	06/02/1989
(iii) Name of the Company	Fiem Industries Limited
(iv) Category / Sub-Category of the Company	Public Company / Limited by shares
(v) Address of the Registered office and contact details	D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi – 110015, India Tel: +91-11-25927820, 25927919 Fax: +91-11-25927740 Email: investor@fiemindustries.com Website: www.fiemindustries.com
(vi) Whether listed company Yes /No	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 Ph: 011-41410591-94 Fax No: 011-41410591

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Lights, signaling equipment and parts	2740	57.20%
2	Rear View Mirror and Parts	2310	12.43%
3	Plastic Moulded Parts	2930	12.61%
4	LED Luminaries (including LED Integrated passenger Information System)	2740	11.54%
5	Other Misc. Items (being less than 10%)	–	6.22%

III. Particulars of Holding, Subsidiary and Associate Companies

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015)				No. of Shares held at the end of the year (as on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/ Promoters Group									
1. Indian									
a) Individual / HUF	8283878	0	8283878	69.2503	8283878	0	8283878	69.2503	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Body Corporates	84400	0	84400	0.7056	84400	0	84400	0.7056	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total A(1)	8368278	0	8368278	69.9559	8368278	0	8368278	69.9559	0
2. Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any others	0	0	0	0	0	0	0	0	0
Total shareholding of the Promoter/ Promoters group (A) = A(1) + A(2)	8368278	0	8368278	69.9559	8368278	0	8368278	69.9559	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	374943	0	374943	3.1344	410075	0	410075	3.4281	0.2937
b) Bank/ FI	3404	0	3404	0.0285	0	0	0	0	-0.0285
c) Central Government	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2015 i.e. on the basis of SHP of March 31, 2015)				No. of Shares held at the end of the year (as on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Government(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	595853	0	595853	4.9811	0	0	0	0	-4.9811
h) Financial Institutions/ Banks	0	0	0	0	671	0	671	0.0056	0.0056
i) Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total B (1)	974200	0	974200	8.144	410746	0	410746	3.4337	-4.7103
2. Non-Institutions									
a) Bodies Corporate									
I. Indian	798000	0	798000	6.6710	656212	0	656212	5.4857	-1.1853
II. Overseas									
b) Individuals									
I. Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	650834	478	651312	5.4447	944533	477	924996	7.7326	2.2879
II. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	268039	0	268039	2.2407	187715	0	207729	1.7365	-0.5042
c) Others (Specify)									
c-i) NRIs	715549	0	715549	5.9817	109156	0	109156	0.9125	-5.0692
c-ii) Directors and their relatives	315	20049	20364	0.1702	315	20049	20364	0.1702	0
c-iii) Clearing Members	49144	0	49144	0.4108	50633	0	50633	0.4233	0.0125
c-iv) Foreign Corporate Bodies	0	104051	104051	0.8698	0	104051	104051	0.8698	0
c-v) Trusts	10199	0	10199	0.0853	0	0	0	0	-0.0853
c-vi) Foreign Portfolio Investor	3090	0	3090	0.0258	968434	0	968434	8.0958	8.0699
C-vii) Hindu Undivided family	0	0	0	0	141627	0	141627	1.1840	1.1840
Total Public Shareholding (B)=(B)(1)+(B)(2)	3469370	124578	3593948	30.0441	3469371	124577	3593948	30.0441	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11837648	124578	11962226	100	11837649	124577	11962226	100	0

ii) **Shareholding of Promoters/ Promoters Group**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2015)			Shareholding at the end of the year (As on March 31, 2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledge/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledge/ encumbered to total shares	
1.	Mr. J. K. Jain	2960000	24.7446	0	2960000	24.7446	0	0
2.	Mrs. Seema Jain	2960000	24.7446	0	2960000	24.7446	0	0
3.	Mr. Rahul Jain	1552340	12.9770	0	1552340	12.9770	0	0
4.	Ms. Aanchal Jain	800000	6.6877	0	800000	6.6877	0	0
5.	Mr. Jagjeevan Kumar Jain(HUF)	11538	0.0965	0	11538	0.0965	0	0
6.	Fiem Auto Private Limited	84400	0.7056	0	84400	0.7056	0	0
	Total	8368278	69.9559	0	8368278	69.9559	0	0

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

Sr. No		Shareholding at the beginning of the year (As on April 1, 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the Beginning of year	8368278	69.9559	8368278	69.9559
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus / sweat equity etc.):	No Change	No Change	No Change	No Change
3	At the end of year	8368278	69.9559	8368278	69.9559

Note: There is no change in the total shareholding of promoters between April 1, 2015 and March 31, 2016.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (April 1, 2015)		Transactions during the year		Cumulative Shareholding during the year and at the end of year (March 31, 2016)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	DSP BLACKROCK MICRO CAP FUND	175000	1.4629			175000	1.4629
	Transfer			18 Dec 2015	26352	201352	1.6832
	Transfer			31 Dec 2015	152214	353566	2.9557
	Transfer			15 Jan 2016	10000	363566	3.0393
	Transfer			22 Jan 2016	10000	373566	3.1229
	Transfer			04 Mar 2016	9971	383537	3.2062
	AT THE END OF THE YEAR					383537	3.2062
2	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	110000	0.9196			110000	0.9196
	Transfer			10 Apr 2015	100000	210000	1.7555
	Transfer			29 May 2015	10000	220000	1.8391
	Transfer			26 Jun 2015	5000	225000	1.8809
	Transfer			03 Jul 2015	1000	226000	1.8893
	Transfer			07 Aug 2015	5000	231000	1.9311
	Transfer			31 Dec 2015	(1501)	229499	1.9185
	Transfer			01 Jan 2016	7000	236499	1.9770
	Transfer			08 Jan 2016	5000	241499	2.0188
	Transfer			26 Feb 2016	5000	246499	2.0606
	Transfer			04 Mar 2016	(38000)	208499	1.7430
	Transfer			11 Mar 2016	25000	233499	1.9520
	Transfer			18 Mar 2016	20000	253499	2.1192
	Transfer			25 Mar 2016	15000	268499	2.2446
	Transfer			31 Mar 2016	66900	335399	2.8038
	AT THE END OF THE YEAR					335399	2.8038
3	SAIF INDIA V FII HOLDINGS LIMITED	0	0.0000			0	0.0000
	Transfer			05 Feb 2016	49758	49758	0.4160
	Transfer			19 Feb 2016	11563	61321	0.5126
	Transfer			04 Mar 2016	73592	134913	1.1278
	Transfer			31 Mar 2016	141715	276628	2.3125
	AT THE END OF THE YEAR					276628	2.3125
4	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	199258	1.6657			199258	1.6657
	AT THE END OF THE YEAR					199258	1.6657
5	EM RESURGENT FUND	15500	0.1296			15500	0.1296
	Transfer			10 Apr 2015	32100	47600	0.3979
	Transfer			24 Apr 2015	30000	77600	0.6487
	Transfer			15 May 2015	1535	79135	0.6615
	Transfer			12 Jun 2015	21500	100635	0.8413
	Transfer			14 Aug 2015	5550	106185	0.8877
	AT THE END OF THE YEAR					106185	0.8877
6	SL CORPORATION	104051	0.8698			104051	0.8698
	AT THE END OF THE YEAR					104051	0.8698
7	ECAP EQUITIES LIMITED	0	0.0000			0	0.0000
	Transfer			07 Aug 2015	101400	101400	0.8477
	AT THE END OF THE YEAR					101400	0.8477
8	SURESH SHETTY	60000	0.5016			60000	0.5016
	AT THE END OF THE YEAR					60000	0.5016
9	MILLENIUM PORTFOLIO SERVICES PRIVATE LIMITED	124117	1.0376			124117	1.0376
	Transfer			10 Apr 2015	(12)	124105	1.0375
	Transfer			01 May 2015	40	124145	1.0378
	Transfer			24 Jul 2015	(820)	123325	1.0310
	Transfer			23 Oct 2015	792	124117	1.0376
	Transfer			25 Dec 2015	(40000)	84117	0.7032
	Transfer			31 Dec 2015	(25000)	59117	0.4942
	Transfer			12 Feb 2016	(3000)	56117	0.4691
	AT THE END OF THE YEAR					56117	0.4691
10	EW LONG TERM GROWTH OPPORTUNITIES FUND	0	0.0000			0	0.0000
	Transfer			07 Aug 2015	50700	50700	0.4238
	AT THE END OF THE YEAR					50700	0.4238
11	SAROJ AGENCIES PVT. LTD.	129492	1.0825			129492	1.0825
	Transfer			04 Dec 2015	(50000)	79492	0.6645
	Transfer			11 Dec 2015	(25000)	54492	0.4555

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (April 1, 2015)		Transactions during the year		Cumulative Shareholding during the year and at the end of year (March 31, 2016)	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			31 Dec 2015	(30000)	24492	0.2047
	AT THE END OF THE YEAR					24492	0.2047
12	MARUTI CAPITAL SERVICES PRIVATE LIMITED	135937	1.1364			135937	1.1364
	Transfer			13 Nov 2015	(30000)	105937	0.8856
	Transfer			25 Dec 2015	(34000)	71937	0.6014
	Transfer			31 Dec 2015	(53000)	18937	0.1583
	AT THE END OF THE YEAR					18937	0.1583
13	VARINDER SINGH PHANICHKRIVALKOSIL	107529	0.8989			107529	0.8989
	Transfer			23 Oct 2015	(25000)	82529	0.6899
	Transfer			27 Nov 2015	(75000)	7529	0.0629
	Transfer			25 Mar 2016	(500)	7029	0.0588
	Transfer			31 Mar 2016	(3300)	3729	0.0312
	AT THE END OF THE YEAR					3729	0.0312
14	AMON PANICKIVALKOSIL	522210	4.3655			522210	4.3655
	Transfer			10 Apr 2015	(151629)	370581	3.0979
	Transfer			29 May 2015	(100000)	270581	2.2620
	Transfer			31 Jul 2015	(50000)	220581	1.8440
	Transfer			07 Aug 2015	(118174)	102407	0.8561
	Transfer			14 Aug 2015	(25000)	77407	0.6471
	Transfer			21 Aug 2015	(50000)	27407	0.2291
	Transfer			23 Oct 2015	(25000)	2407	0.0201
	Transfer			13 Nov 2015	29450	31857	0.2663
	Transfer			11 Dec 2015	148711	180568	1.5095
	Transfer			22 Jan 2016	9389	189957	1.5880
	Transfer			29 Jan 2016	630	190587	1.5932
	Transfer			19 Feb 2016	8000	198587	1.6601
	Transfer			18 Mar 2016	(20000)	178587	1.4929
	Transfer			25 Mar 2016	(18114)	160473	1.3415
	Transfer			31 Mar 2016	(160473)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	NEW DELHI MEDIA PRIVATE LIMITED	101756	0.8506			101756	0.8506
	Transfer			05 Dec 2015	(50000)	51756	0.4327
	Transfer			11 Dec 2015	(25000)	26756	0.2237
	Transfer			31 Dec 2015	(10000)	16756	0.1400
	AT THE END OF THE YEAR					16756	0.1400
16	L AND T MUTUAL FUND TRUSTEE LTD- L AND T TAX ADVANTAGE FUND	199943	1.6715			199943	1.6715
	Transfer			10 Apr 2015	(150110)	49833	0.4166
	Transfer			24 Apr 2015	(7824)	42009	0.3512
	Transfer			01 May 2015	(4104)	37905	0.3169
	Transfer			08 May 2015	(8642)	29263	0.2446
	Transfer			15 May 2015	(82)	29181	0.2439
	Transfer			22 May 2015	(4727)	24454	0.2044
	Transfer			05 Jun 2015	(19210)	5244	0.0438
	Transfer			26 Jun 2015	(5244)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Notes:

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

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of Directors / KMP	Shareholding at the beginning of the year (As on April 1, 2015)		Cumulative Shareholding during the year		At end of year (As on March 31, 2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. J. K. Jain	2960000	24.74	2960000	24.74	2960000	24.74
2.	Mrs. Seema Jain	2960000	24.74	2960000	24.74	2960000	24.74
3.	Ms. Aanchal Jain	800000	6.69	800000	6.69	800000	6.69
4.	Mr. Rahul Jain	1552340	12.98	1552340	12.98	1552340	12.98
5.	Mr. Kashi Ram Yadav	338	0.00	338	0.00	338	0.00
6.	Mr. J. S. S. Rao	12	0.00	12	0.00	12	0.00
7.	Mr. Iqbal Singh	20014	0.17	20014	0.17	20014	0.17
8.	Mr. Charoen Sachamuneewongse	0	0.00	0	0.00	0	0.00
9.	Mr. V. K. Malhotra	0	0.00	0	0.00	0	0.00

Sr. No	Name of Directors / KMP	Shareholding at the beginning of the year (As on April 1, 2015)		Cumulative Shareholding during the year		At end of year (As on March 31, 2016)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10.	Mr. S. K. Jain	0	0.00	0	0.00	0	0.00
11.	Mr. Mohan Bir Sahni	0	0.00	0	0.00	0	0.00
12.	Mr. Amitabh P. Agrawal (Upto November 4, 2015)	0	0.00	0	0.00	NA	NA
13.	Mr. Abhishek Jain (w.e.f. November 6, 2015)	NA	NA	0	0.00	NA	NA
14.	Mr. O.P Gupta, CFO	0	0.00	0	0.00	0	0.00
15.	Mr. Arvind K. Chauhan, CS	0	0.00	0	0.00	0	0.00

VI. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I. Principal Amount *	116,57,40,667	54,54,032	–	117,11,94,699
II. Interest due but not paid	48,25,717	–	–	48,25,717
III. Interest accrued but not due	16,42,661	1,63,621	–	18,06,282
Total (I+II+III)	117,22,09,045	56,17,653	–	117,78,26,698
Change in Indebtedness during the financial year				
+ Addition	70,53,27,880	–	–	70,53,27,880
– Reduction *	46,69,40,764	56,17,653	–	47,25,58,417
Net Change	23,83,87,116	–56,17,653	–	23,27,69,463
Indebtedness at the end of the financial year				
i) Principal Amount *	140,02,89,778	–	–	140,02,89,778
ii) Interest due but not paid	42,55,116	–	–	42,55,116
iii) Interest accrued but not due	60,51,267	–	–	60,51,267
Total (i+ii+iii)	141,05,96,161	–	–	141,05,96,161

* includes restatement of loan due to foreign exchange fluctuation.

VII. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD						Total Amount
		Mr. J. K. Jain (CMD)	Mrs. Seema Jain (WTD)	Mr. J.S.S. Rao (WTD)	Mr. K. R. Yadav (WTD)	Ms Aanchal Jain (WTD)	Mr. Rahul Jain (WTD)	
1	Gross Salary							
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.00	42.00	84.00	84.14	36.00	39.00	408.14
	b. Value of perquisites u/s 17(2) of Income tax Act, 1961	1.80	0.00	0.00	0.00	0.00	0.00	1.80
	c. Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission							
	• As % of profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	• Other, specify							
5	Others (Company Contribution towards PF, Medical Reimbursement)	0.00	0.00	0.00	1.31	0.00	0.00	1.31
	Total (1+2+3)	124.80	42.00	84.00	85.45	36.00	39.00	411.25
	Ceiling as per the Act*							'Refer Note'

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

B. Remuneration to other Directors:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr Iqbal Singh	Mr Charoen Sachamune ewongse	Mr Amitabh Prakash Agrawal	Mr Vinod K Malhotra	Mr Subodh Kumar Jain	Mr Abhishek Jain	Mr Mohan Bir Sahni	
1	Independent Directors								
	Fee for attending Board/ Committee meetings	3.90	0.75	0.00	4.40	3.90	2.50	3.00	18.45
	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission • As % of profit • Other, specify	0	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0	0
	Total (1)	3.90	0.75	0.00	4.40	3.90	2.50	3.00	18.45
2	Other Non-Executive Directors	NA	NA	NA	NA	NA	NA	NA	NA
	Fee for attending Board/ Committee meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission • As % of profit • Other, specify	0	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0	0
	Total (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1+2)	3.90	0.75	0.00	4.40	3.90	2.50	3.00	18.45
	Ceiling as per the Act*								'Refer Note'

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

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of KMP		
		CFO	CS	Total Amount
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	43.80	42.90	86.70
	b. Value of perquisites u/s 17(2) of Income tax Act, 1961	0	0	0
	c. Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission • As % of profit • Other, specify	0	0	0
5	Others (Company Contribution towards PF, Medical Reimbursement)	0	0	0
	Total (1+2+3)	43.80	42.90	86.70

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of
Fiem Industries Limited

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

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, Sonapat (HR.)
Date : May 30, 2016

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 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 a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

We report that -

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the Financial Statements of the Company.
- d) Wherever required, we have obtained the Management Representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, documents, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 (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 31st March, 2016 and made available to us, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct

Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (applicable upto 14th May 2015);
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable w.e.f. 15th May, 2015);
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 1st December, 2015) and the clauses of Listing Agreements entered into by the Company with Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. (applicable up to 30th November, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.
4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines & Standards, to the extent applicable as mentioned above.

We further report that -

5. The Company is engaged in manufacturing of Automotive Lighting & Signaling Equipments, Rear View Mirror, Plastic Moulded Parts and other Auto Components. Company also manufactures LED Luminaries / LED products for general lighting applications and LED Integrated Passenger Information System for buses and railways etc. Company has manufacturing facilities, depots and offices in different States of the Country. During the course of business operations, various Labour, Industrial, Environmental, Local / State Laws as well as Laws specific to the Industry (such as Indian Motor Vehicle Act, 1988 and Rules made there under) applies to the

Company. We have examined the compliance management system of the Company for ensuring the compliances of these laws. In our opinion and to the best of our information and explanations given to us, the compliance management system is adequate to ensure compliance of above referred applicable laws.

6. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
7. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
8. Adequate notice is given to all Directors for Board and Committee Meetings. Notice, Agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
9. Decisions by the Board and Committees are carried out unanimously and therefore, no dissenting views were required to be captured and recorded as part of the minutes.
10. There are adequate systems and processes in the company commensurate with the size and operations of the company to

monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

11. During the audit period, the shareholders of the Company in their Annual General Meeting held on 25th September, 2015 had passed the following special resolution(s):

To adopt new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013 in substitution and to the entire exclusion of the existing Articles of Association of the Company.

12. Further, during the audit period, there were no instances of :
 - (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
 - (ii) Redemption / buy-back of securities
 - (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
 - (iv) Merger / amalgamation / reconstruction, etc.
 - (v) Foreign technical collaborations

**For Ranjana Gupta & Associates,
Company Secretaries
-Sd-
Ranjana Gupta, Proprietor
FCS No. - 8613
CP No. - 9920**

**May 30, 2016
New Delhi**

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

The Company believe that the energy conservation is the duty and responsibility of all executives and employees at all levels and that they are required to deliver their cooperation to comply with the energy conservation measures. We term it the '**Energy Conservation - From Shop Floor to Top Floor**'. Energy Conservation helps decrease the greenhouse gas which is the main cause of global warming problem and climate change. As a responsible corporate citizen, Company aims at creating corporate value based on the sustainable growth in terms of economic, social and environment dimensions. The Company practices a policy of energy conservation and sustainability through the integration of green energy practices and environmental friendly principles.

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

- Instil a culture of energy management innovation throughout the Company and collaborate with suppliers to achieve the highest energy efficiencies possible;
- Minimize energy consumption at every level of Company operations;
- Encourage supplier's adherence to green practices as an important prerequisite to the Company purchasing strategy;
- Replaced all high energy consuming light sources to LED Lamps, thereby saving around 60% energy.
- Improving cooling tower efficiency, thereby reducing load on heat exchangers in moulding area which result in energy saving.
- Barrel of the injection moulding machine were exposed earlier, now provided jackets to control the loss of heat resulting in saving energy.

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 resulted in the overall cost reduction.

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

As the processes of the Company are not largely power intensive, hence traditional source of power is being utilised by the Company. However, at small area like canteen, solar water heaters are being provided for warm water supply and at some places LED Street Lights are installed with solar power.

(iii) The Capital Investment on Energy Conservation Equipments:

Most of the energy conservation measures are in the form of improvement / change in the existing practices and big capital investment was not on these measures. During the year under review no major capital investment was made on energy saving equipment.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

We at Fiem continuously strive for improvements in technology and efforts in technology absorption remain throughout the year. Technology absorption is essential strength in the operations of the Company for enhancing efficiency and product quality as well overall production improvement. All range of the products of the company i.e. Automotive Lighting and Mirrors, LED Indoor and outdoor lighting and IPIS require continuous improvement in the technology.

Company has made efforts for technology absorption, adaptation and innovation in the area of product development, new process development and Improvement in existing production processes as well as overall manufacturing processes as under:

- Additional manufacturing area created for complete operations start from store to dispatch converted in to clean room where the whole environment is Dust free, Humidity and Temperature controlled according to Global automotive norms to produce our LED automotive lights at par global standards.
- To stringent the testing qualification parameters, to qualify final products we have decided to check 100% for Leakage and photometry of every light before dispatch.
- After PCB assy. With LED, every LED is tested for individual output of light before assembling in main light.
- In mirror assembly Stay Rod converted in forging, and glass profile cutting changed from double stage to single
- Our testing facility are now NABL accredited.

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

- Controlled environment help to manufacture products for longer life, achieve close tolerance of specifications,
- It will reduce the cost and process time of stay rod and Glass
- Customer delight

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year 2015-16), following information:

- the details of technology imported;
- the year of import;
- whether the technology been fully absorbed;
- If not fully absorbed, area where absorption has not taken place, and the reasons thereof.

Note: No such technology imported, hence information not required to be furnished. However, Company keep importing latest machines to keep its manufacturing and other facilities state-of-the-art. Like Company imported Electronic Manufacturing System (EMS) (total 6 SMT line from Japan and installed to facilitate our in-house increase demand of drivers for LED.)

(iv) RESEARCH & DEVELOPMENT (R&D)

Both of the segments of the Company are i.e. Automotive Lighting & other Auto Components and LED Lighting are highly technology and research driven. Hence, Research & Development is backbone for growth of the Company. LED is a new and evolving technology and need more focus on Research & Development. Hence, the Company is well aware about the required focus on R&D. Company is investing in the Research & Development programme of the Company inter alia to achieve the following objectives:

- To carryout research for developing state-of-the-art technology and products for automotive lighting, rear view mirrors and other automotive components in compliance of latest international standards and to fulfill the requirement of Indian and Global OEMs.
- To enhance and improve our R&D capabilities for designing and development of new and innovative products in:
 - Automotive lighting, rear view mirrors and other automotive components;
 - LED Luminaires for indoor and outdoor applications;
 - LED Integrated Passenger Information and Display Systems for Indian Railways and other transport vehicles.
- To develop new and innovative LED general lighting products and technology with low carbon emission, low power consumption and high efficiency, with an endeavor to contribute towards solution of lighting and energy requirements of future India.
- To disseminate knowledge acquired from R&D activities to train the manpower in our industry.
- To develop futuristic ultra-compact lamps using advanced technology on lens and reflector designs using LED.

In furtherance of above objectives, the Company had set-up its in-house R&D Unit at Rai Plant. In the month of December, 2011, the Govt. of India, Ministry of Science and Technology, Department of Science and Industrial Research has accorded Recognition to our 'In-house R&D Unit' situated at Plot No. 1915, Rai Industrial Estate, Phase-V, Distt. Sonapat (Haryana). The recognition further renewed up to March 31, 2017.

A brief on the R&D activities of the Company is as under.

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

- Design and Development of many new Generation Lighting including LED Lamps for Automotive, industrial and domestic applications from low power to high power series.
- Development of LED street lights starting from 15W to 200W.
- Increased optical efficiency by optimising the LEDs power and Optical polymer material to reduce the LED quantities.
- In-house design and development of Railway PIS (Passenger Information System) with computer programme.
- In-house Optical Designing and Simulation for headlamp, tail lamp, signalling lamps and LED lighting products for indoor and outdoor applications.

- vi) Design and development of LED Bi-projector lamps for two wheeler high end models which can meet stringent regulatory requirements with low power consumption.
- vii) In-house design and development of LED down light 5W, energy saving light designed and developed for niche showroom markets.
- viii) Design and developed energy saving LED bulbs.
- ix) Diffuser optical property material introduced on Two wheeler LED Tail lamp - optical lens for signature aesthetics appearance.
- x) World most compact LED BI-FUNCTION - Projector LED head light designed and developed using - Advanced Technology optical collimators.
- xi) In-house design and development of Display Boards single line, two line, four line for RDSO - Indian Railways.
- xii) In-house design and development of 10 lines large Display boards for RDSO - Indian Railways.
- xiii) Design and development of CGDB for Indian Railways (Coach Guidance Data Base Box)
- xiv) Design and development PDCH (Flat Form Communication Hub) for Indian Railways.
- xv) In house design and development of MDCH (Main Data Communication Hub) for Indian Railways.
- xvi) Design and development of Bus Display boards SDU (Side Display Unit), FDU (Front Display Unit), IDU (Internal Display Unit) in house successfully.
- xvii) Design and development of sleek energy saving Tube lights using LED, T5 14W for general lighting markets.

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

- i) In-house design and development of LED 9W and 12W led bulbs developed for commercial markets.
- ii) Developed 5W energy saving down light for showroom interior focus lighting markets.
- iii) India first MFR based LED head light developed of two wheeler segment.
- iv) LED tail lamp in house design and development with Minimum numbers LED which will meet ECE and AIS regulations, benefited cost savings.
- v) LED license lamp in house design and development with minimum numbers LED which will meet ECE, AIS, and FMVSS regulations for two wheeler high end motor cycle segment.
- vi) Compact and unique looking LED tail light using Light bar optical system developed for Two wheeler high end motor cycle segment.
- vii) Using single LED - Direction Indicator lamp designed and developed using combination of Collimator lens and MFR reflector for ECE and SAE regulations.
- viii) Energy saving Direction Indicator, Side Marker, End out line Marker - LED lamps designed and developed for 4 wheeler Truck segments, derived for higher safety.
- ix) LED Cabin lamp with 4 times brighter than convention bulb designed and developed using optical filter lens technology, which is resulted in better reading with less glare effect for Truck markets.
- x) Introduced single low power LED parking lamp meeting ECE regulations for two wheeler motor cycle, where high thermal environment withstanding capability.

(c) Future Plan of action:

- i) Research on DIFFUSER polymers for optical lens, OLED products and benchmarking.
- ii) Development of more cost effective LED bulbs and Street Lights OLED products with high quality.
- iii) Target cost reduction on High end LED Bi-projector head lamp by design means and futuristic concept of lower power consumption.
- iv) Target cost reduction on MFR LED head lamps by design means and futuristic concept of lower power consumption.
- v) Research on using polymer based heat sinks in place of metal heat sinks to reduce manufacturing costs.
- vi) Further strengthening and improving the existing R&D infrastructure and facilities for complete designing of the products from conceptualization to production covering product design, testing, optical simulation etc.
- vii) Designing & Development of LED Head Lamp with indigenous developed control module.

- viii) More research and development on solar based lighting system to provide complete system for all kind of solar based lighting systems.
- ix) Extending Research on DIFFUSER polymers in optical lens, for Side direction indicator lens and DRL lamps.
- x) Development to be carried out on of more cost effective LED Head lights without heat sinks.
- xi) Research on multifunction IC usage on LDM - LED DRIVING MODULES for high end LED head lights to reduce the cost in LDMs.
- xii) Research on BI-Function low power LED HEAD LIGHTS with High reliability for Agricultural vehicles.
- xiii) Extending Research on using collimator optical technology on LED Tail lamps.
- xiv) Research on Light bar optical system for Direction Indicator for two wheeler segments.
- xv) More research & development on Plasmonic LED Lightings.

(d) Expenditure on R&D:

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

Amount in (₹)

Particulars	2015-16	2014-15
Capital Expenditure:		
Capital Expenditure	1,11,20,964	32,02,065
Total (A)	1,11,20,964	32,02,065
Recurring/Revenue Expenditure:		
Raw Material Consumed	6,74,088	63,396
Employees Benefits	5,28,59,132	4,69,25,397
Other Expenses	61,62,137	51,64,510
Finance Cost	796	1,67,618
Depreciation & Amortization	27,83,841	84,65,304
Total (B)	6,24,79,995	6,07,86,225
Grand Total (A+B)	7,36,00,960	6,39,88,290

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details on foreign exchange earnings and outgo are as under:

i) Foreign Exchange Outgo

Amount (in ₹ lacs)

S. No.	Particulars	2015-16	2014-15
1.	Value of Import on CIF basis	9341.25	5239.36
2.	Finance Cost	92.44	60.70
3.	Travelling expenses	97.37	64.81
4.	Consultancy Charges	2.49	8.64
5.	Liasioning charges	16.58	62.68
6.	Design/Testing Charges Paid	60.97	-
7.	Others	34.62	20.73
	TOTAL	9645.72	5456.92

ii) Earning in Foreign Exchange

Amount (in ₹ lacs)

S. No.	Particulars	2015-16	2014-15
1.	Export Sale on FOB Value	1724.45	1646.39
2.	Design/Testing/Modification Charges Received	206.10	-
3.	Sales of Moulds & Dies	17.21	-
4.	Other Income	0.38	0.56
	TOTAL	1948.14	1646.95

**For and on behalf of the Board of
Fiem Industries Limited**

**-Sd-
J.K. Jain**

**Chairman & Managing Director
(DIN: 00013356)**

**Place : Rai, Sonepat (HR.)
Date : May 30, 2016**

Annual Report for Corporate Social Responsibility (CSR)

S. No.	Particulars	Details							
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken: In our pursuit of Corporate Social Responsibility as per Companies Act, 2013, we have selected 'healthcare' as one of the areas of intervention and way of serving the humanity. The Company has set up a dedicated trust, namely 'Fiem Foundation' for undertaking CSR programmes as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Company whole-heartedly supported the CSR provisions and remained compliant with the statutory requirements. Towards this noble cause, Company is giving financial support to needy / poor cancer and other life threatening diseases patients for getting their treatment done in 'All India Institute of Medical Sciences', New Delhi (AIIMS). Company has collaborated with Social Welfare Unit of AIIMS, New Delhi and disburses the assistance amount as and when they recommend the poor and needy patients suffering from Cancer and other life threatening diseases for getting their treatment done in AIIMS. All this work is being done through Company's CSR Vehicle 'Fiem Foundation.' During the financial year 2015-16, through the help of AIIMS, Company helped to many poor and indigent patients who are not able to bear their medical treatment expenses due to their weak financial conditions. Company also does various other social welfare programme like free eye operation and other activities to help underprivileged. Company also providing financial support to 'Kutch Vikas Trust' which organizing eye and dental operation camps for poor patients. As permitted under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company had set up a registered trust namely 'Fiem Foundation' exclusively for undertaking CSR activities and transferred the CSR fund (equal to 2% of average profits of Company for last 3 years) in the corpus of the Trust for more planned utilization in the CSR programs. During the Financial Year 2015-16, 'Fiem Foundation' has extended financial assistance of more than ₹ 28 Lac to around 17 poor patients for helping them to get their treatment done in AIIMS, New Delhi.								
1(a)	The Web link to the CSR Policy and projects or programs	www.fiemindustries.com/CSR%20Policy_FIEM%20(F).pdf							
2	Composition of CSR Committee	Mr. Rahul Jain - Whole-time Director - Chairman Mr. K. R. Yadav - Whole-time Director - Member Mr. V. K. Malhotra - Independent Director – Member							
3	Average Net Profit of the Company for last 3 financial years	50,59,02,534/-							
4	Prescribed CSR Expenditure (2% of amount as in item 3 above)	1,01,18,051/-							
5	Details of CSR Spent during the financial year:								
	a) Total amount to be spent for the year:	1,01,18,051/-							
	b) Amount unspent, if any:	-							
	c) Manner in which the amount spent during the financial year								
	1	2	3	4	5	6	7	8	
				Projects or programmes		Amount Spent in the Projects of Programs			Amount Spent
	S. No.	CSR Project or Activities identified	Sector in which project is covered	1.Local Area or Other 2.Specify the state and district where projects of program where undertaken	Amount Outlay(Budget) project or program wise	Direct expenditure on projects or programs	Overheads	Cumulative Expenditure upto the reporting period	Direct or through Implementing agency* (Give Details of Implementing Agency)
	1	Free Eye Operation Camps/ Dental Care for Poors	Health Care	Kutch, Gujarat	₹ 12,50,000/-	₹ 12,50,000/-	Nil	₹ 12,50,000/-	Implementing Agency (Kutch Vikas Trust Regn No. E-644, Add: Raidhanpar Village, Nagor PO, Bhuj-370001, Kutch, Gujarat)
	2	TRANSFER TO CORPUS of FIEM FOUNDATION						88,70,000/-	-
		Total						1,01,20,000/-	-
6	In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.				Not Applicable, please refer point 5(c) above.				
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.				The Committee hereby affirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.				

For and on behalf of the Board of
Fiem Industries Limited

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

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

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

ANNEXURE-VI

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr No.	Requirements	Disclosures
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Please refer enclosed 'Table-A'.
II.	The percentage increase in remuneration of each director, CFO, CS in the financial year	Please refer enclosed 'Table-A'.
III.	The percentage increase in the median remuneration of employees in the financial year	Please refer enclosed 'Table-A'.
IV.	The number of permanent employees in the financial year	There were 1856 direct employees on the rolls of the Company at the end of the Financial Year 2015-16.
V.	The explanation on the relationship between average increase in remuneration and	Average increases in employee remuneration for the financial year 2015-16 is 14.56%. Company follows holistic approach while increase the remuneration and take into consideration various factors like performance of the Company, rewarding the performers, trends and practices in the industry, objective to retain talent keeping in view of long term growth objective of the Company, increase in operations of the Company etc. For Company Performance for FY 2015-16, please refer 'Table-A'.
VI.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	Please refer enclosed 'Table-A'.
VII.	Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the share of the Company in comparison to the rate at which the Company came out with the last public offer.	The market capitalisation of the Company has increased from ₹ 755.71 Crore as of March 31, 2015 to ₹ 1099.33 Crore as of March 31, 2016. Over the same period, the price earnings ratio moved from 17.88 to 19.23. Company came with public issue in 2006 at the issue price of ₹ 137/- per share. The closing share price as at March 31, 2016 was ₹ 919.00 which is an increase of 570% from issue price in public issue.
VIII.	Average percentile increase already made in the salaries of employees over the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase during the year 2015-16 in the salaries of employees (excluding managerial persons) was 14.87%. Average percentile increase during the year 2015-16 in managerial remuneration was 10.96%. For other information, please refer enclosed 'Table-A'.
IX.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Please refer enclosed 'Table-A'.
X.	The Key parameters for any variable components of remuneration availed by the directors	There is no variable remuneration availed by the directors.
XI.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	There is no employee who is not a director but receive remuneration in excess of the highest paid director during the year.
XII.	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

	Name & Designation of Directors and KMPs	Remuneration FY 15-16 (₹)	% increase	Ratio with Median Remuneration	Company's Performance for FY 2015-16
	Median Remuneration of Employees	155,520	12.73%		
1	Mr. J.K. Jain, Chairman & Managing Director	12,480,000	—	80.25	Refer Note 2 below
2	Mr. Rahul Jain, Whole-time Director	3,900,000	8.33%	25.08	
3	Mrs. Seema Jain, Whole-time Director	4,200,000	16.67%	27.01	
4	Mr. J.S.S Rao, Whole-time Director	8,400,000	16.67%	54.01	
5	Ms. Aanchal Jain, Whole-time Director	3,600,000	20.00%	23.15	
6	Mr. K. R. Yadav, Whole-time Director	8,544,864	16.34%	54.94	
7	Mr. O.P. Gupta, Chief Financial Officer	4,380,000	10.61%		Refer Note 2 below
8	Mr. A.K. Chauhan, Company Secretary	4,290,000	16.26%		Refer Note 2 below
	Total Managerial Remuneration	49,794,864	10.96%		

Notes:

- The calculation of median remuneration of employees and increase therein is based on the employees of the company who were at company's roll at the beginning as well as at the end of the financial year.
- This has been another year of stellar performance of the Company. Revenue increased by 19.28% from ₹ 819.50 Crore to ₹ 977.46 Crore. PAT increased by 35.31% from ₹ 42.26 Crore to ₹ 57.18 Crore. Company procuring good business in LED Luminaries and expanding capacities in Tapukara Unit. New Plant has been set-up in Ahmedabad to supply the parts to new Plant of HMSI in Ahmedabad..

For and on behalf of the Board of
Fiem Industries Limited

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

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

(i) Employed throughout the Financial Year (2015-16), was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 60,00,000/-:

Name	Designation	Remuneration Received (₹ In Lacs)	Qualification	Experience in years	Date of Commencement of Employment	Age in years	Last Employment & position held	%age of Equity Shares held
Mr. J. K. Jain	Chairman & Managing Director	124.80	B.Com	44	05.08.1996 ¹	64	See Note ¹	24.74%
Mr. J.S.S. Rao	Whole-time Director	84.00	Post Graduate	35	02.05.2003	59	Toshi Auto Industries Ltd. As Executive Director	See Note ²
Mr. Kashi Ram Yadav	Whole-time Director	85.45	Matriculation	37	01.05.1995	60	B.P. Plastic Industries as Manager (Operations)	See Note ²
Mr. Rajesh Sharma	Marketing Head	87.00	BSc, MBA	29	01.09.2003	54	Toshi Auto Industries Ltd. as Sr. Vice President	Nil
Mr. Piyush Gahalaut	Head - LED	79.92	BE, MBA	21	15.05.2014	43	Surya Roshni Ltd. Vice President	Nil

(ii) Employed for a part of the Financial Year (2015-16), was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than ₹ 5,00,000/- per month:

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

Notes:

- Mr. J.K Jain is among founder promoters of the Company. Since incorporation he is on the Board of the Company.
- As on March 31, 2016, Mr. J.K Jain alone hold 24.74% and along with family members and related concerns hold 69.96 % of the total share capital of the Company. As on March 31, 2016, Mr. J.S.S Rao hold 12 Shares and Mr. Kashi Ram Yadav hold 338 Shares.
- The above remuneration does not include leave encashment, gratuity and perquisites. The remuneration of Mr. Kashi Ram Yadav also includes Bonus and contribution to Provident Fund.
- Nature of Employment, whether Contractual or Otherwise:** All the above Directors and Employees are on payroll of the Company as regular employees.
- Whether any such employee is a relative of any director or manager of the company, with name of such Director:**
Only Mr. J.K. Jain, Chairman & Managing Director is related to other Directors i.e. Mrs. Seema Jain, Whole-time Director, Ms. Aanchal Jain, Whole-time Director and Mr. Rahul Jain, Whole-time Director. Further, all of these are promoters of the Company with 69.96% shareholding.

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

**For and on behalf of the Board of
Fiem Industries Limited**

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW OF THE ECONOMIC ENVIRONMENT

According to Moody's Investors Service report, 'Global Macro Outlook 2016-17', the Indian economy will grow at 7.5% in 2016 and 2017, as it is relatively less exposed to external headwinds, like the China slowdown and would benefit from lower commodity prices.

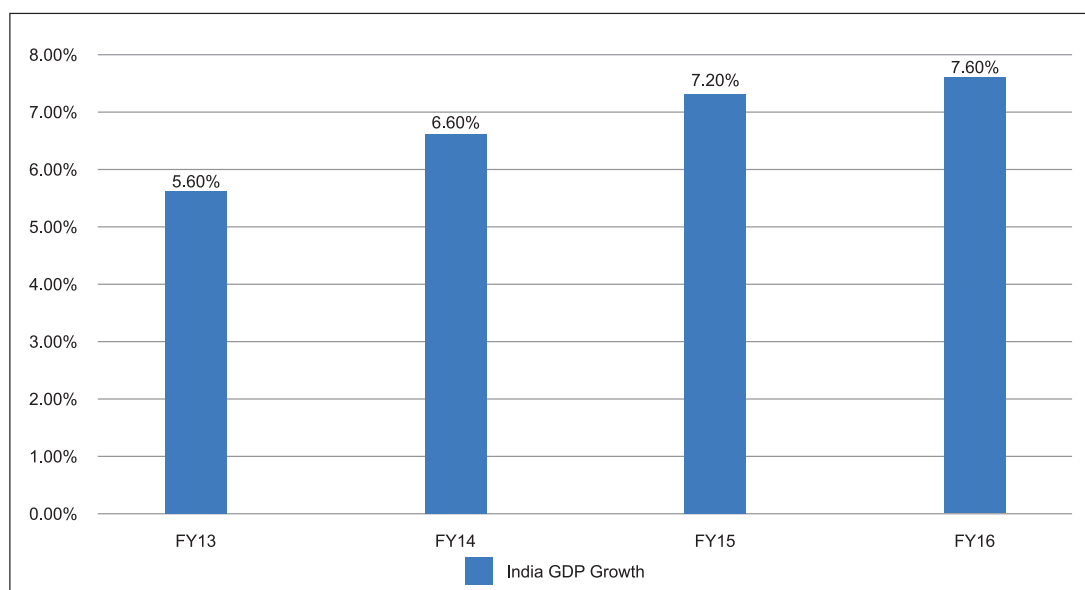
With regard to the global economy, it opined that the global growth faces many geo-political and financial risks and growth would fail to pick up steam over the next two years. The slowdown in China, lower commodity prices and tighter financing in some countries weigh on the economy. Together with Turkey and China among the G20 emerging markets, India benefited from lower commodity prices in 2014; the net commodity imports amounted to 5.9% of India's GDP, compared with the net exports worth 1.3%, 3.3% and 4.3% for South Africa, Brazil and Indonesia, respectively.

Amid low growth of goods in global trade, India's large services export sector (the IT services account for around 18 per cent of total exports) provides another source of resilience.

As per business dailies quoting the report, India is relatively less exposed to external factors, including the China slowdown and the global capital flows. Instead, the economic outlook will be primarily determined by domestic factors. India's economy is powered by sustained growth in consumer spending, fostered by moderate inflation and still favorable demographics and strengthening investment in particular FDI. The recent measures allowing 100% foreign ownership in a number of sectors will foster further increases in FDI.

Another booster is the 23.55% increase in public sector salaries, proposed by the 7th Pay Commission; it is worth 0.7% of the country's GDP.

India GDP Growth



Source: Central Statistics Office (CSO)

As per the Central Statistics Office (CSO) data, the Indian economy grew at 7.6% during 2015-16, mainly on account of good performance of the manufacturing sector, although the farm sector grew at a much slower pace. It is expected that the Government's focus on capital spending in infra and social sector spending, as well as a good monsoon will help agriculture production and help boost rural spending and productivity.

Another major factor affecting the Indian economy is crude oil pricing. It appears that most organizations feel that crude oil would remain in the \$ 40/bbl range in 2016, with a stable demand and a surplus supply coming mainly from Iran. The picture for 2017 is in the slightly upward direction and is not expected to cause concern.

The impact on the Indian economy is generally positive as the final impact also depends on how the rupee behaves, as well as how prices move in the market, as the sharp fall in oil prices has not resulted in equivalent decrease in prices of petrol and diesel in the country. Imports will be under control, but exports will also be impacted. From the Government's perspective, while the subsidy would come down, the tax collections through excise and customs may be impacted in case consumption remains unchanged.

The Government addressed key issues in the Union Budget 2016-17 which would drive the economy steadily on its recovery path. As per the Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received during the period April-December 2015 rose by 40% at US \$ 29.44 billion, showcasing the Government's effort to improve the ease of doing business in the country.

The sound fundamentals of the Indian economy viz. fiscal deficit, Inflation and measured reductions in the policy rates, will ensure a smooth transition to the next phase of growth. Furthermore, initiatives like 'Make in India' and 'Digital India' will play a vital role in driving the Indian economy. Certain sectors are seeing an upsurge in investments backed by the further relaxation of FDI limits.

Industry Structure & Development, Opportunities & Threats and Outlook:

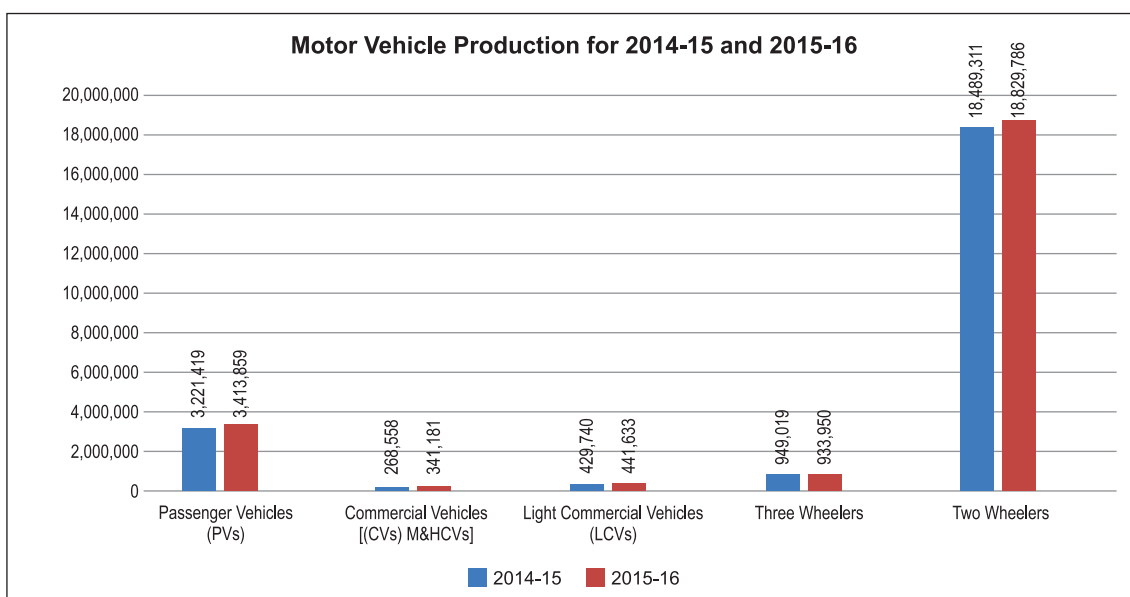
Auto Components Segment

The Company's primary and historic business is manufacturing of automotive components. The Company manufactures automotive lighting equipments, rear view mirrors, sheet metal and plastic moulded parts, etc. The growth of the automotive components industry is directly linked with the automobile industry. Within the automotive industry, the Company's major business comes from the two-wheeler segment. Further, the major business of the Company is from the domestic market, including OEMs and replacement market. In this backdrop, growth in the auto components segment of the Company is directly linked with the growth of the domestic automobile industry, especially the two-wheeler industry. Hence, the industry structure, development, outlook, opportunities and threats have to be looked at in that context.



The two-wheelers domestic sales grew by 3% (from 159 lakh units in 2014-15 to 164 lakh units in 2015-16). Scooters as a category continued to gain share in the total two wheeler industry. The category share of scooters in the domestic sales increased from 28% to 30.50%, due to the changing consumer preferences and a strong urban demand. The scooters domestic sales increased from 45.00 lakh units to 50.31 lakh units. It shows that all incremental numbers added in the domestic sales were from scooters, as the motorcycle segment remained flat for the second consecutive year (107 lakh numbers) and mopeds declined by 3.5% in 2015-16. The two wheeler exports grew by 1% from 24.6 lakh units in 2014-15 to 24.8 lakh units in 2015-16.

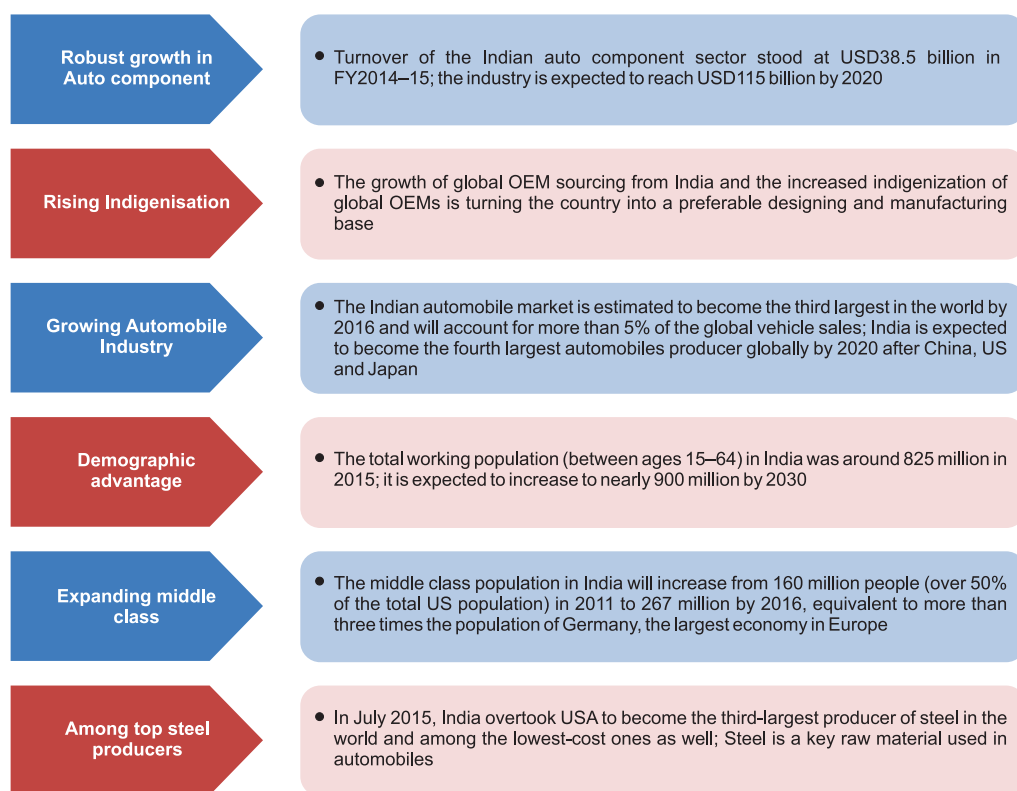
The following chart shows the statistics of segment wise vehicle production data:



Category	Production		
	April-March		
	2014-15	2015-16	% Change
I Passenger Vehicles (PVs)			
Passenger Cars	2,422,158	2,519,444	4.02
Utility Vehicles(UVs)	626,296	711,830	13.66
Vans	172,965	182,585	5.56
Total Passenger Vehicles (PVs)	3,221,419	3,413,859	5.97
II Commercial Vehicles (CVs)			
M&HCVs			
Passenger Carriers	49,365	54,187	9.77
Goods Carriers	219,193	286,994	30.93
Total M&HCVs	268,558	341,181	27.04
LCVs			
Passenger Carriers	46,585	50,654	8.73
Goods Carriers	383,155	390,979	2.04
Total LCVs	429,740	441,633	2.77
Total Commercial Vehicles	698,298	782,814	12.10
III Three Wheelers			
Passenger Carrier	845,372	834,134	-1.33
Goods Carrier	103,647	99,816	-3.70
Total Three Wheelers	949,019	933,950	-1.59
IV Two wheelers			
Scooter/Scooterette	4,722,747	5,275,888	11.71
Motor cycles/Step- Throughs	13,011,219	12,816,012	-1.50
Mopeds	755,345	737,886	-2.31
Total Two wheelers	18,489,311	18,829,786	1.84
Grand Total of All Categories	23,358,047	23,960,940	2.58

Source: ACMA

The auto component industry has grown well with the support of domestic demand and the export market. The following summary shows the health of the Indian auto component industry:



Source: IBEF, ACMA, TechSci Research Note

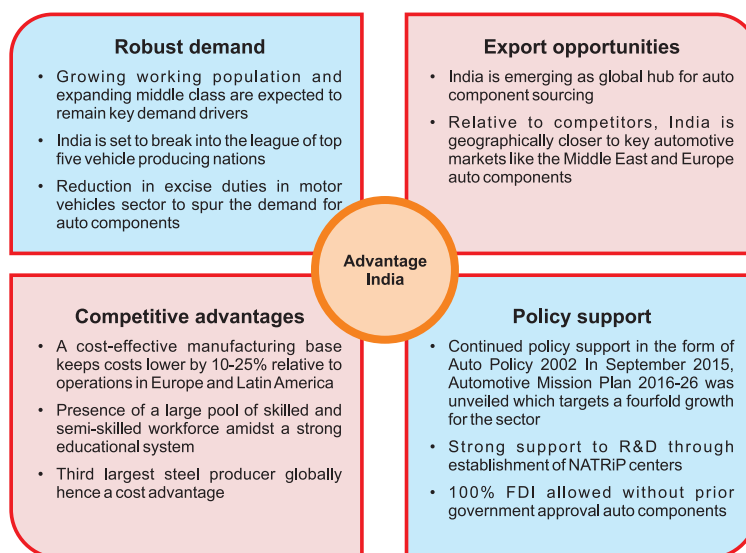
The Road Ahead.... and Opportunities

The rapidly globalising world is opening up new avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid vehicles, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for the auto-component manufacturers, who would need to adapt to the change via systematic research and development.

The Indian auto-components industry is set to become the third largest in the world by 2025. The Indian auto-component makers are well positioned to benefit from the globalisation of the sector, as its exports potential could be increased by up to four times, to US\$ 40 billion by 2020.

India's automotive industry is one of the most competitive in the world. It does not cover 100% of technology or components required to make a car, but it is giving a good 97%, as highlighted by Mr. Vicent Cobee, Corporate Vice-President, Nissan Motor's Datsun.

India as a country has many advantages for the auto component industry in comparison to other countries. The same can be summarized as under:



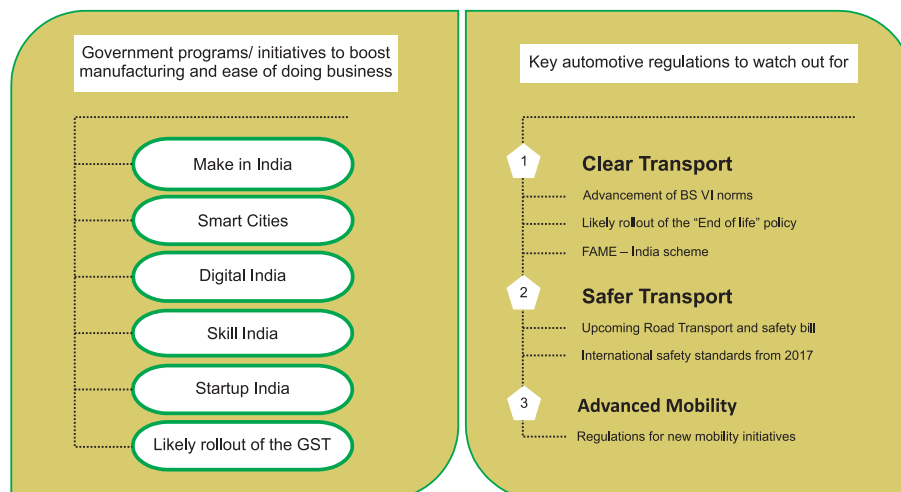
Notes: NATRIP - National Automotive Testing and R&D Infrastructure Project



Government Initiatives

The Government of India encourages foreign investment in the automobile sector and allows 100% FDI under the automatic route.

Key Government programs/ regulations expected to affect the automotive Industry



Source: SIAM and EY analysis

The Government of India's Automotive Mission Plan (AMP) 2006-2016 has come a long way in ensuring growth for the sector. It is expected that this sector's contribution to the GDP will reach US\$ 145 billion in 2016, due to the Government's special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has also helped foreign companies to make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016-2026 envisages the creation of an additional 50 million jobs, along with an ambitious target of increasing the value of the output of the sector to up to ₹ 18,89,000 crore (US\$ 282.65 billion).

The Indian auto-components industry has experienced a healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

The auto-components industry accounts for almost 7% of India's Gross Domestic Product (GDP) and employs as many as close to 19 million people, directly and indirectly. A stable Government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favourable destination for investment.

Over the last decade, the automotive components industry has scaled up to three times, to US\$ 40 billion in 2015, while exports have grown even faster, to US\$ 11 billion. This has been driven by the strong growth in the domestic market and the increasing globalisation (including exports) of several Indian suppliers.

The Indian auto component industry is expected to grow by 8-10% in the Financial Year 2017-18, based on the higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited.

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

The auto component manufacturers in India have benefited from the entry of global OEMs through exposure to global standards and technology by forming tie-ups with foreign suppliers. As a result, many global OEMs have also managed to achieve a fairly high level of localization in India.

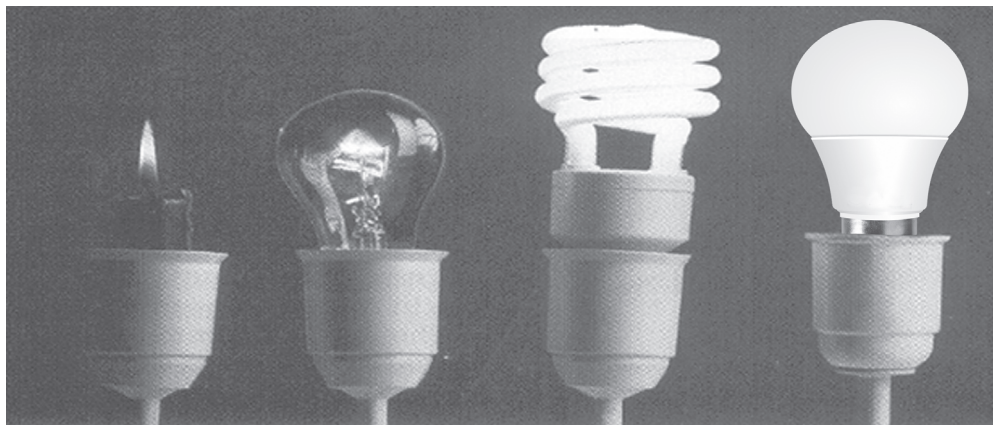


With ample opportunities, the Indian auto component industry also faces some challenges / threats in the form of competition from China and other low cost countries. Further, there is still quite a bit of work to do. The Indian automotive suppliers need to achieve operational excellence and the imperative for a global customer footprint to sustain profitable growth. While most Indian suppliers pursued an "operational excellence" agenda, only a few managed to focus on international growth. To realise this aspiration, the industry will have to overcome key challenges. These include, limited R&D investments, relatively less matured ecosystem e.g., tooling, volatility in input costs, expensive funding costs, infrastructure bottlenecks, lower productivity and flexibility in labour, limited talent pool, etc.

Harmonious industrial relations is a significant driver to develop India's manufacturing excellence. This necessitates a change in industrial relations within the automotive sector in line with the evolving scenario. It shows that labour costs, labour skills and flexibility of labour laws are critical parameters for driving investment in India. Due to the intertwined nature of business, importance of industrial relations in the auto sector does not stop with the OEMs, but is critically dependent on the partners in the ecosystem. The changing times call for a mutual appreciation for ease of doing business and maintaining the cost competitiveness of the organization while treating the larger workforce with fairness, trust and equity.

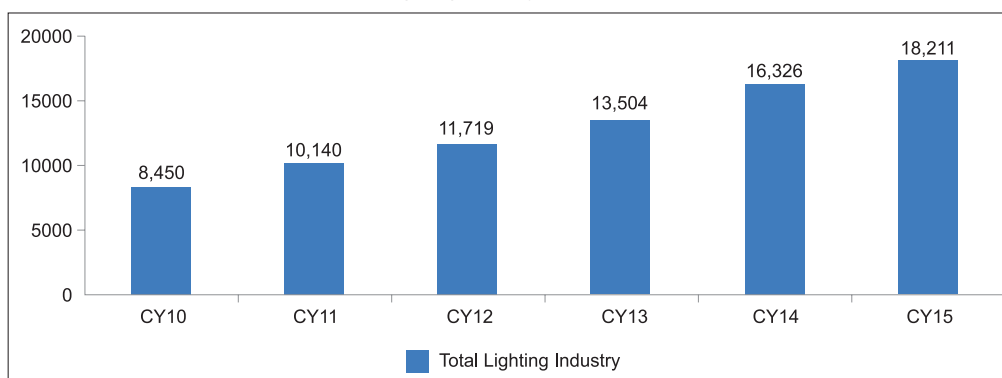
Industry Structure & Development, Opportunities & Threats and Outlook: LED Segment-LED Luminaires and Integrated Passenger Information System (IPIS).

LED Lighting is changing the landscape of lighting industry in India and conventional lighting products like incandescent bulb and CFL will be history sooner than later.



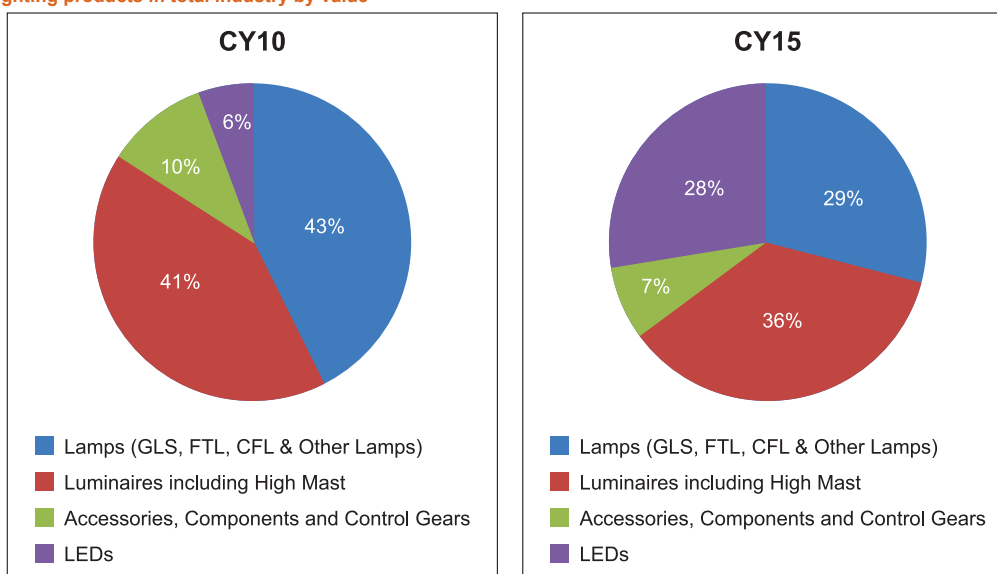
As per the latest LMIS study done by iMaCS, the LED sector has been identified as an emerging sector in which there would be high employment opportunities in both service as well as manufacturing space in near future. The LED market in India, as per ELCOMA, has crossed ₹ 5,000 crore mark growing, at a CAGR of around 59%, over CY10 to CY15.

Total Lighting Industry in India, ₹ crore



Source: ELCOMA

Share of various lighting products in total industry by value



Source: ELCOMA

The new Government has a special focus on Energy Efficiency. As a result Energy Efficiency Services Ltd. (EESL), which was founded as a joint venture by central power PSUs, has become an important market player as well as the biggest facilitator of the LED revolution in India. The Demand Side Management (DSM) is being given paramount importance.

India's LED lighting market is currently at a nascent stage but is growing at an unprecedented pace. The country offers a huge growth potential, especially over the next 5-10 years for the LED products. The increasing adoption of LED lighting is being witnessed across commercial and residential sectors, government projects, upcoming smart building projects, etc.

The key factors that are expected to boost the market include the lowering of LED prices, coupled with favorable Government initiatives to provide LED lighting at subsidized cost and the LED installation projects for street lights. In addition, the growing awareness among customers on account of awareness programs by manufacturers and regulatory bodies is expected to play a vital role in shaping the growth of the country's LED market over the next five years.

"With manufacturing cost witnessing a decline every year and various Government initiatives backing LED adoption, the LED lighting market in the country is anticipated to grow robustly through 2020. Moreover, rising consumer awareness about cost-effectiveness and eco-friendliness of LED lights would continue to drive sales volume from the residential as well as commercial sectors.

The Company saw the LED opportunity early. As a first mover in Automotive LED Lamps, the Company got the immense advantage and developed in-house technology for LED Products Design, Development, Manufacturing and Testing.

Today, the Company's backward integration and state-of-the-art manufacturing set-up with the quest for doing everything in-house to remain cost competitive, has proved to be a major competitive strength of the Company and it is today a major player in the industry. With all this historic experience and steady journey, today the Company is in a position to develop the LED segment as its next growth driver.

Similarly, the Company found the Integrated Passenger Information System (IPIS) with LED Display as a strategic fit in its quest for growth through diversification. With the strength of its state-of-the-art Design, Development, Manufacturing and Testing facilities for this segment, the Company is serving the Indian Railways for IPIS and sees a huge potential with Indian Railways, and the Metro and State Transport systems, among other display requirements.

Product Information: IPIS for BUS application: This Passenger Information System (PIS) constitutes an on board control system like controller LED Displays, LED Displays, Announcement System, Camera, GPS/ GPRS, Ticketing and On Board Diagnostic System.

While functioning, there is a real time connectivity of the on board system with a back-end server to control and monitor the real time information about the vehicles and schedule management and at the same time providing the real time information to the passengers at bus stops through LED Displays, on mobile and PC, through web based applications.



Product Information: IPIS for Railways: This is a computer based announcement system for announcing train information to passengers, electronic display boards and coach guidance display boards for displaying train information to passengers with the feature of networking and operation from a centralized place. The older systems are being replaced with the newer technology and latest specifications.

Product Information: PIS for Coaches: Information about trains, their current location, next halting station and late running status of trains and alarm system are of great help to the passengers. The GPS based Passenger Information System is a cost effective solution to provide this information to passengers on a moving train. Further, integrating the same information on smartphones makes it personalized and handy to use for the passengers.

The growing awareness about the environmental benefits of LED lights and the cost saving has delivered during their life has spurred demand for these products. Further, the Government's drive to replace existing street lights with their LED counterpart will also increase the overall demand. Also as per the TechSci Research report, "India LED Lighting Market Forecast and Opportunities, 2020", the LED market in India is estimated to grow at a CAGR of over 32%, during 2015-20. Fiem has been able to capitalise the change in technology in the lighting segment and in the time to come, it aims to be major player in the industry.

The Company has largely invested in LED technology in the facilities, including heavily in R&D facilities. Additionally, the Company is working to fulfill the Prakesh Path projects, and introducing its lighting products to meet local demands. So far the Company has obtained many orders under this initiative.

The vision of Prakesh Path is to make LED solutions viable and available across the board to homes, buildings and cities. If 100% of India's lights are converted to LEDs it would save the country 20,000 megawatts of power, which is exactly the country's peak power deficit.

With lighting industry moving to LED technology big time, the Company has designed and developed high end LED Luminaires to suit a wide variety of applications, ranging from office lighting, retail lighting, power plants, manufacturing industry, warehouses, street lighting, area lighting and city beautification. The Company is offering energy efficient, value for money and environment friendly lighting solutions to the customers under one roof.

The demand for LED Luminaires is gaining momentum with tremendous push from the Government and hence, the Company has focused on the development of LED luminaires. Other than the Government and local bodies, the Company has serviced various institutional and corporate customers.

On the outlook, it can be said that the ESCO industry in India is headed in the right direction. The cost reduction attributed to aggregation strategies adopted by EESL and the success of its business model has created a positive outlook for EESL in the coming years.

"Riding on the success and investments of the previous years, EESL envisions installation of around 77 crore domestic LEDs through its DELP program and 3.5 crore energy efficient street lights through its street lighting program. This would form the backbone of the projects for EESL. As per the Annual Report 2014-15 of EESL, it would try to adopt the best practices from these programs to other technologies, including energy efficient fans, air conditioners, etc. Similarly, it would strengthen their programs for the agricultural demand side, management and buildings".

EESL in future is also planning to work with multi and bilateral agencies in promotion of other energy efficient technologies including tri generation, industrial chillers and smart grids.

As per the Annual Report 2014-15 of EESL, it has developed in-house expertise in execution of energy efficiency and demand side management projects. This would aid EESL's planned projects including DELP program for tube lights and energy efficient fan program.

With such a high growth potential, there are some challenges and threats for the LED Industry. One of such challenges is the flood of non-serious players in the market, which may distort the market for some time. However, like any other industry, the serious players will stay and participate in this growth opportunity with a long-term and stable vision.

OPERATIONAL REVIEW

During the financial year 2015-16, the operations of the Company have remained smooth. The new Plant at Ahmedabad was commissioned successfully and it started commercial production in January, 2016. The expansion at the Tapukara Plant for LED has remained on track. A brief information is provided below:

- The Company's newly set-up facility in Gujarat, District Ahmedabad, for manufacturing of automotive lighting and plastic parts, etc., has started commercial production w.e.f. January 11, 2016. The total Investment as on March 31, 2016 for this unit is ₹ 46 Crore.
- The Company is expanding the capacity in the Tapukara Plant (Rajasthan), for manufacturing of LED Lighting products, such as LED Bulbs, LED Street Lights and LED Tubes, etc. The total Investment as on March 31, 2016 was around ₹ 74 Crore in LED Manufacturing facilities.
- **Progress on LED orders with EESL:**
 - o **LED 9W Bulb Order:** 84 Lacs Bulb [Approx. Value ₹ 61 Crore].
 - Fully Completed during FY 2015-16.
 - o **LED Street Light Order:** 1.11 lacs Street Lights [Approx. value ₹ 100 Crores].
 - Partly completed during FY 2015-16 (Around 96,700 Street Lights - Value Approx. ₹ 60 Crore).
 - Order yet to be completed: equivalent to ₹ 40 Crore.
- **LED Bulbs (9W and 7W) Orders with PVVNL-Meerut (Supply and Distribution):**
 - o 7W LED Bulbs: 20 Lac
 - o 9W LED Bulbs: 8 Lac
 - Total Value - ₹ 23.92 Crore
 - Estimated Period of Supply & Distribution: 10 Months
 - Supply Started during May, 2016

FINANCIAL REVIEW

In tandem with the operation performance, the financial performance of the Company has also remained outstanding. The highlights are as under:

- Total Income from Operations for F.Y. 2015-16 is ₹ 986.98 Crore in comparison to ₹ 824.77 Crore in FY 2014-15, **up by 19.67%**
- Profit After Tax (PAT) for FY 2015-16 is ₹ 57.18 Crore in comparison to ₹ 42.26 Crore for FY 2014-15, **up by 35.31%**
- Sales from LED Segment during FY 2015-16 are ₹ 118 Crore (Net).
- EBITDA Margin in LED Segment is approx. 16.60% and in Auto Segment approx. 12.50%.

During the financial year, the Company has paid an interim dividend of ₹ 5/- per equity share of ₹ 10/- each. The Company has also recommended a final dividend of ₹ 3/- per equity share of ₹ 10/- each, subject to approval of the shareholders.

The Company's focus on cost efficiency throughout the product portfolio enabled it to improve margins across product segments. The Company's overall business has witnessed sequential improvements aided by its continued focus on innovations and brand building, supported by less expensive marketing investments and enhancements in our go-to market infrastructure.

During the financial year the product-mix of the Company with in the Automotive Segment has remained almost the same. However, during the financial year, the LED segment constitutes around 11.50% and there is steady growth in revenue of all product categories. The financial chart given in the initial pages reflect all the details.

RISKS AND CONCERNS

The Company is committed to best benchmarking in good corporate governance, which promotes the long-term interests of all stakeholders, creates self-accountability across its management pedigree and helps built public trust in the Company.

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

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

Emerging businesses, expansion, diversifications are growth drivers, where some risks are attached. However, as a strategy, the Company goes with utmost caution, without losing the opportunity for growth.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the scale as well as complexity of its operations and the same were operating effectively throughout the year. These controls are routinely tested and certified by statutory as well as internal auditors and cover all offices, factories and key areas of business.

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

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

HUMAN RESOURCES

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

At the closing of Financial Year there were 1856 employees at the payroll of the Company.

DISCLAIMER CLAUSE

Statements in the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

(The Report on Corporate Governance forms part of the Directors' Report for the financial year ended March 31, 2016)

The Board of Directors of the Company present the Company's Report on Corporate Governance pursuant to the statutory compliances as required under Clause 49 of the Listing Agreement ("Old Listing Agreement") later substituted by Uniform Listing Agreement entered into with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations") notified on September 2, 2015. The Listing Regulations have incorporated the principles for corporate governance in line with the Organization for Economic Co-operation and Development (OECD) principles and provide broad principles for periodic disclosures by listed entity in line with the International Organization of Securities Commissions (IOSCO) principles.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

We at Fiem believe that good corporate governance is key contributor to **sustainable growth** and creating enduring values and wealth for our stakeholders. Hence, we are committed to define and follow the highest level of corporate governance practices and principles in the organization. Our corporate governance philosophy ensures that the working framework should facilitate the conduct of business in **compliance with the applicable laws**, rules and regulations and with the highest standard of **business ethics**.

Our governance practices imbibe **sensible, ethical and responsible business conduct** towards all stakeholders and **transparency and accountability** for the society at large. In the journey of **wealth creation** for our stakeholders, we must abide by our duty towards larger society, environment and humanity.



The Company believes that there is a need to view Corporate Governance as more than just regulatory requirements as there exist a fundamental link with the business conduct, corporate responsibility and shareholder's wealth maximization.

2. BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management achieve the objectives of the Company.

In compliance with the law and for proper functioning, Board needs to have an appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management.

Independent Directors: The Companies Act, 2013 and the Listing Regulations define an 'Independent Director'. All our Independent Directors fulfil the conditions of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations.

- Your Company's Board has an optimum combination of Executive and Independent Directors with Women Directors as per Regulation 17 of the Listing Regulations. On March 31, 2016 our Board consists of twelve (12) members, one (1) of whom is Chairman & Managing Director, Five (5) are Whole-time Directors, while the remaining Six (6) are Independent Directors. Two (2) out of twelve (12) of the Board Members are women. The Board periodically evaluates the needs for change in its composition and size.
- The Board provides and evaluates the Company's strategic direction, management policy and their effectiveness, and ensures that shareholder's long-term interests are being served.
- The Board has established Four (4) Committees to discharge its responsibilities in an effective manner and each of the following Committee has been mandated to operate within a given framework, namely—
 - Audit Committee,
 - Nomination & Remuneration Committee,
 - Stakeholders' Relationship Committee and
 - Corporate Social Responsibility (CSR) Committee.

The Board is authorized to constitute additional functional committee, depending on business needs. Company Secretary of the Company act as the Secretary to all the Committees of the Board constituted and operated under the Companies Act, 2013 and the Listing Regulations. The Management works under direction of the Board. Operations and functioning of the Company is 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 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, 2016 are given herein below:

Sr. No.	Name of the Director	Designation	Category	Attendance at board meetings during the year 2015-16	Whether attended last AGM held on September 25, 2015	Number of directorship in other Boards/Committees		
						Number of other Boards in which Director is a Member or Chairman*	Number of other Public Company's Board Committees in which Director is a Member or Chairman**	Shareholding in Fiem Industries Limited (No. of Shares as on 31.03.2016)
1.	Mr. J. K. Jain	Chairman & Managing Director	PED	6/6	Yes	NIL	NIL	2960000
2.	Mrs. Seema Jain	Whole-time Director	PED	6/6	Yes	NIL	NIL	2960000
3.	Mr. J.S.S. Rao	Whole-time Director	NPED	4/6	No	NIL	NIL	12
4.	Mr. K. R. Yadav	Whole-time Director	NPED	6/6	Yes	NIL	NIL	338
5.	Ms. Aanchal Jain	Whole-time Director	PED	6/6	Yes	NIL	NIL	800000
6.	Mr. Rahul Jain	Whole-time Director	PED	6/6	Yes	NIL	NIL	1552340
7.	Mr. Iqbal Singh	Independent Director	ID	6/6	Yes	NIL	NIL	20014
8.	Mr. Charoen Sachamuneewongse	Independent Director	ID	2/6	No	NIL	NIL	NIL
9.	Mr. Amitabh Prakash Agrawal [^] (upto November 4, 2015)	Independent Director	ID	0/2	No	NIL	NIL	NIL
10.	Mr. Vinod K. Malhotra	Independent Director	ID	6/6	Yes	NIL	NIL	NIL
11.	Mr. Subodh Kumar Jain	Independent Director	ID	6/6	Yes	NIL	NIL	NIL
12.	Mr. Mohan Bir Sahni	Independent Director	ID	6/6	Yes	1	NIL	NIL
13.	Mr. Abhishek Jain [#] (w.e.f November 6, 2015)	Independent Director	ID	4/4	NA	NIL	NIL	NIL

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

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

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

[^] Mr. Amitabh Prakash Agrawal resigned from the directorship of the Company w.e.f. November 4, 2015.

[#] Mr. Abhishek Jain was appointed on the Board as an Independent Director w.e.f. November 6, 2015.

- e. None of the Directors on the Board hold directorships in more than ten (10) public companies. Further none of them is a member of more than ten (10) committees or chairman of more than five (5) committees across all the public companies in which he is a Director.
- f. None of the Independent Directors of the Company served as Independent Director in more than Seven (7) listed companies.
- 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. Six (6) Board Meetings were held during the financial year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:
May 29, 2015; August 1, 2015; November 6, 2015; December 26, 2015; February 12, 2016 and March 12, 2016
The necessary quorum was present at all the meetings.
- j. During the financial year under review one separate meeting of Independent Directors was also held on February 12, 2016. 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. Mr. Rahul and Ms. Aanchal Jain is son and daughter of Mr. J.K. Jain and Mrs. Seema Jain. Hence all four are related to each other. Further, these are promoters of the Company with combined shareholding of 69.96%. Except these, none of other directors are inter-se related to each other.
- l. The Company has not issued any convertible instruments.
- m. The details of the familiarisation programme of the Independent Directors are available on the website of the Company (www.fiemindustries.com).

3. AUDIT COMMITTEE

During the financial year 2015-16, the Audit & Risk Management Committee was re-named as the Audit Committee. The Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope of terms of reference are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations.

3.1 Brief Description of Terms of Reference

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

- 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;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval,
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- To discuss guidelines and policies to govern risk assessment and risk management;
- evaluation of internal financial controls and risk management systems;
- To discuss the Company's major risk exposures and the steps Company's management has taken to monitor and control such exposures;

- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) to look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;
- s) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- t) Review the management discussion and analysis of financial condition and results of operations;
- u) Review the statement of significant related party transactions (as defined by the audit committee), submitted by management;
- v) Review the management letters / letters of internal control weaknesses issued by the statutory auditors;
- w) Review the internal audit reports relating to internal control weaknesses;
- x) Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation 32(7).

3.2 Composition of Committee

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

The meetings of Audit Committee are also attended by Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitee. The other members of the Board or senior executives of the Company attend the Meetings as and when required. The Company Secretary acts as Secretary to the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 25, 2015.

3.3 Meetings and Attendance

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

May 29, 2015; August 1, 2015; November 6, 2015; December 26, 2015; February 12, 2016 and March 12, 2016.

The necessary quorum was present at all the meetings.

The details of attendance of members of Audit Committee meetings are given below:

Sr. No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1	Mr. S.K. Jain	6	6
2	Mr. Iqbal Singh	6	6
3	Mr. V.K. Malhotra	6	6

4. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee is entrusted with the responsibilities to screen and to review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board. The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of the Regulations 19 of Listing Regulations, read with Section 178 of the Act.

4.1 Brief Description of Terms of Reference

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4.2 Composition of Committee

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

The Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company held on September 25, 2015.

4.3 Meetings and Attendance

Three (3) Nomination & Remuneration Committee meetings were held during the year. The dates on which the said meetings were held are as follows:

August 1, 2015; November 6, 2015 and February 12, 2016.

The necessary quorum was present at all the meetings.

The details of attendance of members of Nomination & Remuneration Committee meetings are given below:

Sr. No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1	Mr. S.K. Jain	3	3
2	Mr. Iqbal Singh	3	3
3	Mr. V.K. Malhotra	3	3

4.4 Performance Evaluation Criteria for Independent Directors:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The performance evaluation criteria for independent directors are determined by the Nomination & Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually.

5. Remuneration Policy

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

- 5.1 There are no other pecuniary relationships or transactions between Non-Executive Directors vis-à-vis the Company except payment of sitting fees and travelling expenses incurred for attending the Meetings.
- 5.2 The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors or separate meeting of Independent Directors attended by them.

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

Details of Remuneration to all Directors

(a) Remuneration of Chairman & Managing Director and Whole-time Directors:

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD					
		Mr. J. K. Jain (CMD)	Mrs. Seema Jain (WTD)	Mr. J.S.S. Rao (WTD)	Mr. K. R. Yadav (WTD)	Ms. Aanchal Jain (WTD)	Mr. Rahul Jain (WTD)
1	Gross Salary						
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.00	42.00	84.00	84.14	36.00	39.00
	b. Value of perquisites u/s 17(2) of Income tax Act, 1961	1.80	—	—	—	—	—
	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)	—	—	—	1.31	—	—
	Total (1+2+3)	124.80	42.00	84.00	85.45	36.00	39.00

(b) Remuneration to other Directors (all Non-executive Directors are Independent Directors):

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Independent Directors						
		Mr. Iqbal Singh	Mr. Charoen Sachamunee wongse	Mr. Amitabh Prakash Agrawal	Mr. Vinod K. Malhotra	Mr. Subodh Kumar Jain	Mr. Mohan Bir Sahni	Mr. Abhishek Jain
1	Gross Salary	—	—	—	—	—	—	—
2	Fee for attending Board/ Committee meetings	3.90	0.75	0.00	4.40	3.90	3.00	2.50
3	Commission • As % of profit • Other, specify	—	—	—	—	—	—	—
4	Others (Company Contribution towards PF, Medical Reimbursement, Fixed Pay, LTA, Bonus)	—	—	—	—	—	—	—
	Total (1+2+3+4)	3.90	0.75	0.00	4.40	3.90	3.00	2.50

Notes:

- (a) The Company does not have any Stock Option Scheme or performance-linked incentives for the Directors.
- (b) The Nomination & Remuneration Committee considers and recommends the remuneration on appointment/re-appointment of Directors or any change in remuneration during the currency of tenure as per Remuneration Policy of the Company. The appointment and remuneration of all the Whole-time Directors and Managing Director are approved at the Board Meeting subject to approval of Members in the General Meeting and Central Government, wherever required. There are no provisions for notice period, service contract and severance fees for the Directors.
- (c) Mr. Kashi Ram Yadav was elevated to the Board w.e.f. October 25, 2008. Prior to that he was working with the Company as regular employee of the Company. The above remuneration of ₹ 85.45 lacs for Financial Year 2015–16 includes ₹ 13,824 as Bonus and ₹ 1,31,040 as employer's contribution towards Provident Fund. Except Mr. Kashi Ram Yadav, none of the other Directors are receiving these benefits.
- (d) The above remuneration of executive 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.
- (f) 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 has the mandate to monitor, review and redress shareholder grievances. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

- 6.1 The Committee comprises of Mr. V. K. Malhotra, Independent Director, as the Member Chairman of the Committee and Mr. Rahul Jain and Mr. Kashi Ram Yadav, Whole-time Directors are the Members of the Committee.
- 6.2 The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc.
- 6.3 During the financial year, Four (4) meetings of Stakeholders' Relationship Committee held on May 29, 2015; August 1, 2015; November 6, 2015 and February 12, 2016.
- All Four (4) meetings were attended by all members of the committee.
- 6.4 Name and designation of Compliance Officer: Mr. Arvind K. Chauhan, Company Secretary.
- 6.5 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.
- 6.6 The Status and details of the Shareholder's complaint received during the Financial Year 2015–16 is as follows:

Particulars / Details	Opening Complaints	No. of Complaints received	No. of Complaint resolved	No. of Complaints not solved to the satisfaction of Shareholders	Pending Complaints
Received directly from shareholders	NIL	55	54	NIL	1
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	54	NIL	1

7. Corporate Social Responsibility (CSR) Committee

- 7.1 Company has a CSR Committee as required under Section 135 of the Companies Act, 2013. 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.
- 7.2 The broad terms of reference of CSR Committee are as follows:
- Formulate and recommend to the Board, a CSR Policy within the scope of section 135 read with Schedule VII of the Act;
 - Approval of spent and activities under CSR Programme / Projects;
 - Approval and periodically monitor the CSR Programme of the Company;
- 7.3 During the Financial Year 2015–16, One (1) CSR Committee meeting was held on August 1, 2015, which was attended by all the Members of the Committee.

8. GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Details of Special resolutions passed
2014–15	September 25, 2015 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	Adopt the New Articles of Association of the Company containing regulations in line with the Companies Act, 2013.
2013–14	September 29, 2014 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	1. Re-appointment of Mr. Kashi Ram Yadav as Whole-time Director for a period of 3 years w.e.f. from 25 th October, 2014 at revised remuneration of ₹ 6,00,000/– per month. 2. Re-appointment of Mr. J.S.S. Rao as Whole-time Director for a period of 3 years w.e.f. from 1st December, 2014 at revised remuneration of ₹ 6,00,000/– per month.
2012–13	September 23, 2013 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036	1. Re-appointment of Mrs. Seema Jain as Whole-time Director for a period of 3 years w.e.f. 1st April, 2014 at revised remuneration of ₹ 3,00,000/– per month. 2. Re-appointment of Ms. Aanchal Jain as Whole-time Director for a period of 3 years w.e.f. 1st April, 2014 at revised remuneration of ₹ 2,50,000/– per month. 3. Increase in Remuneration of Mr. Kashi Ram Yadav, Whole-time Director from ₹ 4,50,000/– to ₹ 5,50,000/– per month w.e.f 1st April, 2013. 4. Increase in Remuneration of Mr. J.S.S. Rao, Whole-time Director from ₹ 4,50,000/– to ₹ 5,50,000/– per month w.e.f. 1st April, 2013.

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

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

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

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

During the Financial Year 2015–16, no special resolution was passed through exercise of postal ballot.

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

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

9. Means of communication

The Company provided 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 displayed on the Company's website (www.fiemindustries.com) in addition to submission to stock exchanges.

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

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

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

10. General Shareholder Information

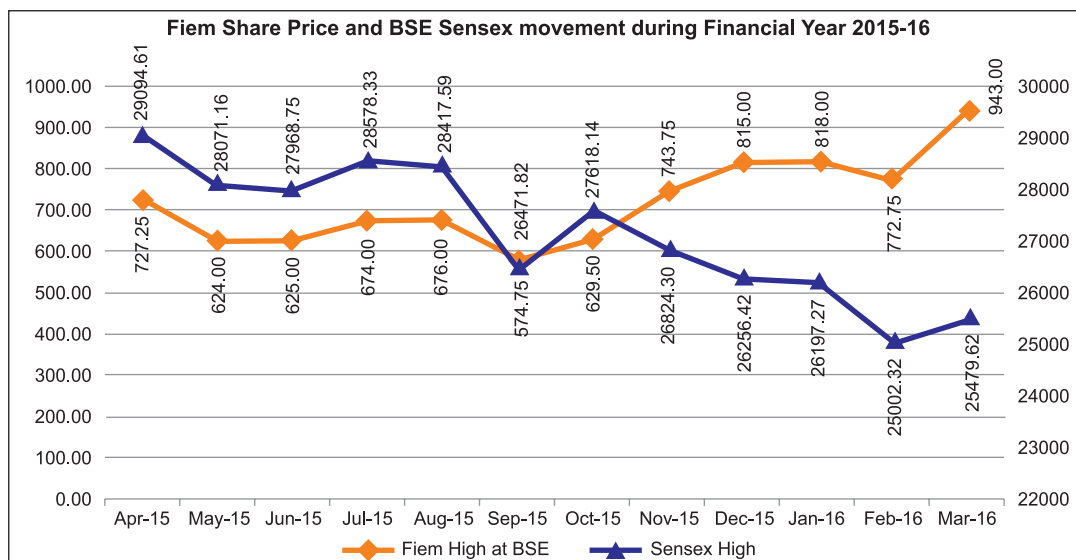
a) Annual General Meeting for financial year 2015–16:

Day and Date Tuesday, September 20, 2016
Time 10.00 AM

Venue	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi–110036
b) Financial Year	April to March
c) Date of Book Closure	September 14, 2016 to September 20, 2016 (both days inclusive)
d) Dividend Payment Date	The final dividend, if declared, shall be paid/credited on or before September 30, 2016
e) Listing on Stock Exchanges	B S E Ltd. National Stock Exchange of India Ltd.
f) Stock Codes	The Stock Codes are 532768 (BSE) and FIEMIND (NSE) Listing Fees as applicable for financial year 2015–16 have been paid.
g) Market Price Data:	High, Low (based on daily closing prices) in comparison to Sensex during each month in the financial year 2015–16 on NSE and BSE

Month	NSE		BSE		Sensex
	High Price	Low Price	High Price	Low Price	High
Apr–15	727.25	586.00	755.00	582.00	29094.61
May–15	624.00	567.00	622.00	565.90	28071.16
Jun–15	625.00	510.50	624.50	519.35	27968.75
Jul–15	674.00	515.75	672.90	515.25	28578.33
Aug–15	676.00	475.00	678.00	475.00	28417.59
Sep–15	574.75	478.00	574.90	477.35	26471.82
Oct–15	629.50	533.50	627.90	509.60	27618.14
Nov–15	743.75	584.25	745.00	581.55	26824.30
Dec–15	815.00	676.00	814.80	675.10	26256.42
Jan–16	818.00	668.50	816.00	669.95	26197.27
Feb–16	772.75	655.00	774.00	653.60	25002.32
Mar–16	943.00	719.75	944.00	716.00	25479.62

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



i) Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.

44, Community Centre, 2nd Floor Naraina Industrial Area, Phase-I, New Delhi-110028

Ph: 011-41410592/93/94

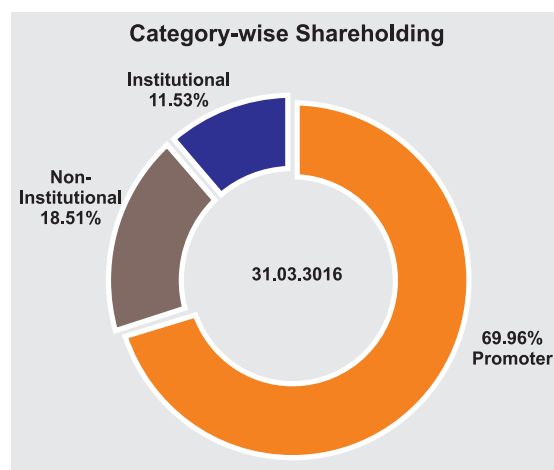
Fax No: 011-41410591

j) Share Transfer System

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

k) Distribution of shareholding as on March 31, 2016

Category code	Category of shareholder	Number of share holders	Total number of shares	As a % of Total Capital
(I)	(II)	(III)	(IV)	(V)
(A)	Shareholding of Promoter Group	6	8368278	69.96
(B)	Public Shareholding			
(1)	Institutions			
	(a) Mutual Funds	2	410075	3.43
	(b) Foreign Portfolio Investors	20	968434	8.10
	(c) Financial Institutions / Banks	1	671	0.00
(2)	Non-Institutions			
	(a) Individuals	6920	1153089	9.64
	(b) Any Other (specify)–			
	i. Hindu Undivided Family	256	141627	1.18
	ii. Foreign Corporate Bodies	1	104051	0.87
	iii. Non Resident Indians	181	109156	0.91
	iv. Clearing Members	156	50633	0.42
	v. Bodies Corporate	175	656212	5.49
	Total Public Shareholding	7712	3593948	30.04
	TOTAL (A)+(B)	7718	11962226	100.00



l) Distribution by Size:

Sr. No.	Shareholding Range	No. of share-holders	%age of Total (Share-holders)	Shares held	%age of Total (Share-holders)
1	1 to 500	7247	93.90	553519	4.63
2	501 to 1000	231	2.99	180257	1.51
3	1001 to 2000	115	1.49	175233	1.46
4	2001 to 3000	34	0.44	84692	0.71
5	3001 to 4000	12	0.16	43631	0.36
6	4001 to 5000	11	0.14	51075	0.43
7	5001 to 10000	25	0.32	186394	1.56
8	10001 and above	43	0.56	10687425	89.34
	Total	7718	100	11962226	100

m) Dematerialization of shares and Liquidity status as on March 31, 2016

Sr. No.	Demat / physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	2890736	Free to trade	24.16
2	CDSL	8946913	Free to trade	74.79
3	Physical	124577	Free to trade	1.05
	Total	11962226		100.00

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

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

o) Address for Correspondence**Registered Office Address:**

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

p) Address of Compliance Officer & Corporate Office:**Company Secretary**

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

11. OTHER DISCLOSURES:**11.1 Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large:**

There were no material significant related party transactions during the financial year 2015-16 which were in conflict with the interest of the Company. Suitable disclosures have been made in notes to financial statements.

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

There was One (1) matter involving a Show Cause Notice (SCN) No. EAD3/DRK/JP/3226/2014 dated 28.01.2014 which has been finally adjudicated by SEBI vide Order NO. ISD/FIEM/AO/DRK-AKS/EAD3-681-684/06-09-2015 dated 03.02.2015 by imposing penalty of ₹ 1,00,000/- on the each Promoter of the Company (Total 4x1,00,000=4,00,000). A Letter No. CFD/DCR/SKD/256/2014 dated January 3, 2014 was also received from SEBI, which was replied to their satisfaction. The referred SCN and Letter pertains to one transaction involving promoters inter-se share transfer held on April 30, 2013.

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

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

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

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

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

11.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

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

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

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

11.6 Disclosure of commodity price risk and commodity hedging activities:

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

12 The Company has complied with all requirements of corporate governance report of sub-para(2) to (10) of Schedule V read with Regulation 34(3) of the Listing Regulations.**13 The Company has duly fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:**

- Modified opinion(s) in audit report: Company endeavoured to move towards a regime of financial statements with unmodified audit opinion.
- 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 follows the Accounting Standards issued by the Institute of Chartered Accountants of India and has not adopted a treatment different from that prescribed in Accounting Standards.****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 2015-16 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 this Annual Report.****19 Code of Conduct**

The Board of Directors has amended the Code of Conduct for the Board of Directors and Senior Management to align with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Confirmation from the Chairman & Managing Director regarding compliance with the Code by all the Directors and Senior Management Personnel forms part of this Report. The Code of Conduct is available on the website of the Company (www.fiemindustries.com)

20. Code of Conduct for Prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, following Codes has been approved and adopted by the Company:

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

21. Brief profile of the Directors retiring by rotation and eligible for re-appointment is attached to the notice convening Annual General Meeting.**22. Disclosure about unpaid dividend transferred to Investor Education and Protection Fund**

Pursuant to provisions of Section 205A(5) and 205C and other applicable provisions of Companies Act, 1956 (corresponding to Sections 124(5) and

125 of Companies Act, 2013), all unclaimed/unpaid Dividend for the Financial Year 2006–07 and 2007–08 have been transferred to the Investor Education and Protection Fund established by the Central Government. No claim lies with the Company for the funds transferred to Investor Education and Protection Fund.

23. Disclosure under Regulation 39 read with Schedule VI of the Listing Regulations

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

As no Shares of the Company were left unclaimed in Escrow Account, therefore, requirement of opening a Demat Suspense Account and disclosure requirements related to the Account, as mandated under Schedule VI of the Listing Regulations are not applicable on the Company.



CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members,
Fiem Industries Limited

I have examined the compliance of conditions of Corporate Governance by Fiem Industries Limited, for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company entered with the Stock Exchange(s) for the period from April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) as stipulated in Regulation 15(2) of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.

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

In my opinion, and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

**FOR RANJANA GUPTA & ASSOCIATES,
COMPANY SECRETARIES**

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

Place: Delhi
Date : May 30, 2016

COMPLIANCE WITH CODE OF CONDUCT

I, J.K. Jain, Chairman & Managing Director of the Company hereby certify that the Directors of the Company and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the company for the financial year ended March 31, 2016.

Place : Rai, Sonapat (HR)
Date : May 30, 2016

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

CERTIFICATION BY MANAGING DIRECTOR AND CFO FOR FINANCIAL YEAR 2015-16

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 and that to the best of our knowledge and belief:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the financial year and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Rai, Sonapat (HR)
Date : May 30, 2016

Sd/-
O.P. Gupta
Chief Financial Officer

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



Standalone

Financial Statements

of

Fiem Industries Ltd.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
FIEM INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of FIEM INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, the statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
 - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29(A) to the financial statements
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for **ANIL S. GUPTA & ASSOCIATES**
Firm Registration Number 004061N
Chartered Accountants

Sd/-
(ANIL KUMAR GUPTA)
Proprietor
Membership No.:- 83159

Place: Rai, Sonapat (HR.)
Dated: May 30, 2016

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended on 31.03.16, we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the company has a planned programme for physically verifying all fixed assets once in three years which in our opinion, is reasonable having regard to the size and nature of assets. During the year, the fixed assets have been physically verified by the management in accordance with the programme and no material discrepancies were identified on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except for freehold land situated in Ahmedabad, Gujarat, acquired during the year for ₹ 18,23,276, wherein final registration is pending as disclosed in Note11 on fixed assets to the financial statements.
2. The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable and there were no material discrepancies noticed on physical verification of the inventory as compared to the book of accounts.
3. In our opinion and according to information and explanations given to us, during the year the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. However the company had advanced unsecured loan to a wholly owned foreign subsidiary amount to JPY 40,00,000 in earlier years before applicability of Companies Act 2013, Accordingly, paragraph 3(iii) of the order is not applicable to the Company. The outstanding balance as on 31.03.16 for the same is ₹ 23,62,400.
4. In our Opinion and as per information and explanation given to us , the company has complied the provision of section 185, section 186 of the companies act 2013.
5. The company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, no detailed examination of the same has been carried out by us.
7. a) According to the records of the company and also the information and explanations given to us, the company is generally regular in depositing with appropriate authorities all undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.

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

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

(Amount in ₹)

S. No.	Name of Statute	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	Modvat Credit of Excise Duty	December 1996 to October 1997	25,07,076	50,000	24,57,076	CESTAT, New Delhi
2	The Central Excise Act, 1944	Custom Duty on sale of Moulds	Financial Year 2007-08	57,87,370	14,46,843	43,40,527	CESTAT, Chennai
3	The Central Excise Act, 1944	Show cause notice (SCN) for excise duty on sales tax subsidy received from Rajasthan Sales Tax, Department.	01/09/13 to 31/01/15	20,04,257	-	20,04,257	Additional Commissioner, Alwar
4	The Central Excise Act, 1944	Disallowance of CENVAT Credit of Service Tax prior to registration under Excise and Service tax law in respect of Service Tax on Building construction related services and penalty thereon	March 11 to August 2012	87,67,488	-	87,67,488	Company is in the process of filling appeal with Commissioner (Appeal)
5	Haryana Value Added Tax 2003	Sales tax Assessment Dues	F.Y. 2010-11	23,75,072	3,75,072	20,00,000	Sales tax Tribunal
6	Tamil Nadu VAT act 2006	Sales tax demand on reversal of input tax credit pertaining to CST Sales	FY 2013-14 & FY 2014-15	1,88,33,290	-	188,33,290	High court, Chennai

(Amount in ₹)

S. No.	Name of Statute	Nature of Due	Period to which it Pertains	Amount Involved	Amount Deposited	Net Amount	Forum where dispute is Pending
7	Rajasthan Vat Act	Entry Tax	FY 2010-11 to FY 2014-15	5,95,315	-	5,95,315	Supreme Court of India
8	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Assessment year 2011-12 and 2012-13	6,80,11,337	See Note	6,80,11,337	ITAT, New Delhi
9	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Assessment Year 2009-10, 2010-11, 2013-14	1,47,15,784	-	1,47,15,784	CIT (Appeal), New Delhi
			Total	12,35,96,989	18,71,915	12,17,25,074	

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

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. Further the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. According to the information and explanations given to us, no material fraud on or by the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations 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 **ANIL S. GUPTA & ASSOCIATES**
Firm Registration Number 004061N
Chartered Accountants

Sd/-
(**ANIL KUMAR GUPTA**)
Proprietor
Membership No.:- 83159

Place: Rai, Sonapat (HR.)
Dated: May 30, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF FIEM INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **ANIL S. GUPTA & ASSOCIATES**
Firm Registration Number 004061N
Chartered Accountants

Sd/-
(ANIL KUMAR GUPTA)
Proprietor
Membership No.:- 83159

Place: Rai, Sonapat (HR.)
Dated: May 30, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in ₹)

	Note No.		AS AT 31.03.2016		AS AT 31.03.2015
I. EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
a) Share Capital	2	119,622,260		119,622,260	
b) Reserves & Surplus	3	2,610,636,936		2,153,718,555	
			2,730,259,196		2,273,340,815
NON CURRENT LIABILITIES					
a) Long Term Borrowings	4	908,521,700		514,672,471	
b) Deferred Tax Liabilities (Net)	37	296,538,578		276,112,452	
c) Other Long Term Liabilities	5	1,831,167		–	
d) Long Term Provisions	6	84,634,435		20,073,055	
			1,291,525,880		810,857,978
CURRENT LIABILITIES					
a) Short Term Borrowings	7	182,982,187		343,404,753	
b) Trade Payables	8	1,507,785,556		883,704,039	
c) Other Current Liabilities	9	789,793,401		579,617,032	
d) Short Term Provisions	10	82,382,741		122,249,758	
			2,562,943,886		1,928,975,583
TOTAL			6,584,728,962		5,013,174,376
II ASSETS					
NON CURRENT ASSETS					
a) Fixed Assets					
i) Tangible Assets	11	4,153,101,811		3,336,895,546	
ii) Intangible Assets	11	4,486,414		4,759,503	
iii) Capital Work-in-Progress	11	115,901,422		46,251,172	
iv) Intangible Assets under Development		–		–	
b) Non-Current Investments	12	6,564,140		3,777,640	
c) Long term Loans and Advances	13	116,271,410		78,620,671	
d) Other Non Current Assets	14	86,873,182		1,491,218	
			4,483,198,380		3,471,795,751
CURRENT ASSETS					
a) Current Investments		–		–	
b) Inventories	15	661,287,445		513,880,612	
c) Trade Receivables	16	1,186,048,227		866,681,787	
d) Cash and Bank Balances	17	36,804,880		33,185,311	
e) Short Term Loans and Advances	18	207,785,238		123,154,908	
f) Other Current Assets	19	9,604,792		4,476,008	
			2,101,530,582		1,541,378,625
TOTAL			6,584,728,962		5,013,174,376
Significant Accounting Policies and Notes to Financial Statements.	1 to 55				

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016

(Amount in ₹)

	Note No.		Current Year 2015-16		Previous Year 2014-15
I. INCOME					
Gross Sales	20	10,823,094,518		9,002,878,094	
Less :- Excise Duty		1,048,515,087		807,899,793	
a) Net Sales			9,774,579,431		8,194,978,301
b) Operating Income	21		95,210,307		52,765,648
Revenue from Operations			9,869,789,738		8,247,743,949
c) Other Income	22		9,672,122		8,988,900
TOTAL REVENUE (A)			9,879,461,860		8,256,732,849
II. EXPENSES					
a) Cost of Raw Materials and Components Consumed	23		5,533,541,230		4,770,496,541
b) Purchase of Stock-in-Trade	24		254,918,007		240,719,967
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock in trade	25		(66,905,307)		(32,632,782)
d) Employees Benefits Expenses	26		1,268,723,973		982,548,764
e) Finance Costs	27		157,683,974		120,408,358
f) Depreciation and Amortization Expense	11		330,349,310		306,334,767
g) Other Expenses	28		1,609,577,952		1,262,250,628
TOTAL EXPENSES (B)			9,087,889,138		7,650,126,244
PROFIT BEFORE TAX (A-B)			791,572,722		606,606,605
TAX EXPENSES					
a) Current Tax Expense		199,300,000		173,000,000	
b) Deferred Tax Liability/ (Assets)		20,426,126		10,967,660	
			219,726,126		183,967,660
PROFIT AFTER TAX FOR THE YEAR			571,846,596		422,638,945
Basic and Diluted Earning per Equity Share (Nominal Value ₹10 per share)	42		47.80		35.33
Significant Accounting Policies and Notes to financial Statements.	1 to 55				

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
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(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16		2014-15	
A CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax As Per Statement of Profit and Loss		791,572,722		606,606,605
Adjustments for				
Depreciation & Amortization	330,349,310		306,334,767	
Loss (Profit) on Sale/discarded of Fixed Assets	(668,159)		1,238,945	
Adjustment of Income Tax for Earlier Year	504,820		120,057	
Unrealised Foreign Exchange (Gain)/Loss	(628,319)		(154,945)	
Provision for Bad & Doubtful Debts	1,968,367		355,235	
Variation in Excise Duty of FG	6,609,221		2,360,949	
Bad Debt written-off	1,915,318		1,650,374	
Interest Income	(7,377,077)		(1,967,820)	
Finance Costs	157,683,974	490,357,455	120,408,358	430,345,920
Operating Profit before Working Capital Changes		1,281,930,177		1,036,952,525
Adjustment for (Increase)/decrease in Operating Assets				
Inventories	(147,406,833)		(90,392,974)	
Trade and Other Receivables	(323,016,826)		(104,916,195)	
Other Current Assets & Loan and Advances	(194,345,381)	(664,769,040)	(20,059,607)	(215,368,776)
Adjustment for Increase/(Decrease) in Operating Liabilities				
Trade Payable & Other Current Liabilities and Provisions	790,628,482	790,628,482	140,469,712	140,469,712
Cash Generated from Operating Activities		1,407,789,619		962,053,461
Income Tax Paid (Including Tax Deducted at Source)	(192,561,549)	(192,561,549)	(141,292,941)	(141,292,941)
Net Cash From Operating Activities		1,215,228,070		820,760,520
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Including Capital Advances)	(1,093,895,758)		(586,559,131)	
Sale of Fixed Assets	4,872,921		1,472,000	
Investment in Subsidiary, Joint Venture etc.	(2,786,500)		(2,474,400)	
Interest Received on Deposits	7,377,077		1,967,820	
Net Cash (Used) in Investing Activities		(1,084,432,260)		(585,593,711)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Dividend Paid	(143,546,712)		(71,773,356)	
Corporate Dividend Distribution Tax Paid	(29,222,695)		(12,197,882)	
Finance Costs Paid	(181,295,395)		(128,554,305)	
Exchange (Loss)/Gain on Repayment of Foreign Currency Loan	886,616		(1,350,452)	
Proceeds from Long-Term Borrowings	705,327,880		256,249,394	
Repayment of Long-Term Borrowings	(318,894,143)		(313,381,232)	
Increase/(Decrease) in Short-Term Borrowing	(160,422,566)		50,887,940	
Net Cash (used)/from Financing Activities		(127,167,015)		(220,119,893)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16	2014-15
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3,628,795	15,046,916
Opening Balance of Cash & Cash Equivalents	33,185,311	18,139,598
Effect of Exchange Rate Change	(9,226)	(1,203)
Closing Balance of Cash & Cash Equivalents	36,804,880	33,185,311
Components of Cash and Bank Balance		
Cash in Hand	3,670,544	2,153,337
Balances with Banks on Current Account	4,301,546	1,042,104
Deposit with Banks having maturity less than three months	2,935,805	11,925,000
Deposit with original maturity more than 3 month but less than 12 month	25,038,390	17,672,567
Unpaid Dividend Accounts	858,595	392,303
Cash and Bank Balances (Refer Note No.-17)	36,804,880	33,185,311
Less:-Deposit with original maturity more than 3 month but less than 12 month	25,038,390	17,672,567
Cash and Cash Equivalent in Cash Flow Statement	11,766,490	15,512,744

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
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Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Significant Accounting Policies Followed by The Company

Company Background

Fiem Industries Limited (referred to as "The Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's registered office is at New Delhi and it has several manufacturing plants and depots across the country. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. It has one wholly owned foreign subsidiary-Fiem Industries Japan Co., Limited located in Japan. The Company also has entered into a 50:50 Joint Venture with Horustech Lighting SRL Italy and incorporated a Joint Venture, namely 'Centro Ricerche Fiem Horustech SRL' which has been set-up at Italy as a design centre. The Company has research and development facilities located at Rai, Sonapat, Haryana which has been approved by Department of Science & Industrial Research, Ministry of Science & Technology. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

Significant Accounting Policies

The Accounting Policies have been consistently applied by the Company and are consistent with those applied in previous year. However the changes as required by a change or revision to an existing Accounting Standard are dealt in the appropriate paras in the notes forming part of the financial statements.

A. Basis of Preparation

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013, as applicable, other pronouncements of the Institute of Chartered Accountants of India, and guidelines issued by the Securities and Exchange Board of India. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention except for certain revalued fixed assets which has been stated at revalued amount.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and the reported amount of the income and expenses during the year. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized. Example of such estimates includes provision for doubtful receivables, employee benefits, provision for warranty expenses, provision for income taxes, the useful life of depreciable fixed assets etc. The estimates are based upon management knowledge of current events and economic circumstances.

C. Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or;
- 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:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or;
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating Cycle

Based on the nature of products/activities of the Company and the normal time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities

D. Tangible and Intangible Fixed Assets

- Tangible fixed assets except for certain fixed assets, which have been stated at revalued amounts are valued at the historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and/or impairment loss, if any. Cost of an item of tangible fixed asset comprises its purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing cost during the period of construction or installation of fixed assets which take substantial period of time to get ready for its intended use up to the date of commencement of commercial production is added to the cost of respective tangible assets. Profit or loss on disposal on tangible assets is recognised in the Statement of Profit & Loss Account.
- Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- Intangible assets are shown at the consideration paid for acquisition less accumulated amortization.
- Own manufactured tangible assets are capitalized at cost including an appropriate proportion of manufacturing overheads based on normal operating capacities.
- Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date.
- Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances
- In respect of accounting periods commencing on or after 7th December, 2006, exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of the long-term foreign currency borrowings attributable to the acquisition of a depreciable fixed assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the fixed asset.

E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of Investment is made only if such a decline is other than temporary in the opinion of management.

F. Inventory

- (i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, First in First Out method (FIFO) is used.
- (ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity. Finished stocks lying in the factory premises, branches, Depots are valued inclusive of excise duty.
- (iii) Manufactured and bought out moulds, block & dies for sale are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a First in First Out basis (FIFO).
- (iv) Inventories of non-reusable waste say scrap for which facilities for reprocessing do not exist have been valued at net realizable value.
- (iv) Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- (v) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
- (vi) Goods in transit are stated as a component of inventories if the significant risk and rewards of ownership have passed to the Company and valued at actual cost incurred up to the date of Balance Sheet.

G. Depreciation and Amortisation

- (i) Depreciation on tangible fixed assets acquired on or after April 1, 2014 is charged to the Statement of Profit & Loss as per 'Straight Line Method' in accordance with the useful life specified in Part "C" of Schedule II of the Companies Act 2013.
- (ii) Depreciation on tangible fixed assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is charged to the Statement of Profit & Loss over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013.
- (iii) Leasehold land is amortised over the primary period of lease.
- (iv) Depreciation on assets purchased during the year has been charged from the date of purchase.
- (v) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates up to the date of sale, discarded or demolished.
- (vi) Intangible assets are amortised over their estimated useful life as follows.
 - (a) Computer software is amortised over a period of 3 years
 - (b) Trademark & Technical knowhow over a period of 5 years.

- (vii) Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.
- (viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss Account as specified in Schedule II of the Companies Act 2013.

H. Revenue Recognition

- (i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the Company, which can be reliably measured.
- (ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns and discounts. Sales is shown net of excise duty. The excise duty on sales is disclosed separately. The excise duty related to difference between the closing stock and opening stock of finished goods is recognized seperately as part of 'variation in excise duty on finished goods' under the head "Other Expenses".
- (iii) Service income is recognised (net of service tax, as applicable) as per the terms of contracts/arrangements when related services are performed.
- (iv) Inter-unit/warehouse transfer has not been considered as part of "Turnover".
- (v) Insurance claims lodged with insurance companies are accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
- (vi) Dividend income is recognized when the right to receive the dividend is established at the Balance Sheet date.
- (vii) Interest income is accounted on the time proportion basis.

I. Government Grants, Subsidies and Export Incentives

- (i) Government grants and subsidies are recognised in the statement of profit and loss in accordance with related schemes and when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.
- (ii) Duty drawback is recognised in the statement of profit and loss at the time of exports subject to the right to entitlement has been established.

J. Foreign Currency Transactions

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of Foreign Currency Monetary Items at the Balance Sheet date

- (i) Foreign currency monetary items (other than fully hedged foreign currency derivative instruments) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
- (ii) Foreign currency non monetary items are carried at cost.

Treatment of Exchange Differences

- (i) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Statement of Profit and Loss.

- (ii) The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such items do not relate to acquisition of depreciable fixed assets, the difference is accumulated as "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term foreign currency monetary items but not beyond 31st March, 2020.

K. Research and Development

Research expenses are charged to Statement of Profit & Loss as and when incurred. Development expenses are capitalized when the Company is certain to recover the development cost from future economic benefits in accordance with AS-26. Fixed Assets utilized for research and development are capitalized and amortised in accordance with the policies stated for tangible and intangible fixed assets.

L. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post Employment Benefits:

- (i) Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.
- (ii) Leave encashment is applicable to all permanent and full time employees of the Company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method.
- (iii) Gratuity is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The Liability as at the year-end represents the difference between the actuarial valuation of the future gratuity liability of the continuing employees and the fair value of plan assets with Exide Life Insurance Company as at the end of the year.
- (iv) Actuarial gains/losses are immediately taken to the statement of profit and loss.

M. Pre-operative Expenditure Pending Allocation

Expenditure during the construction period of new units/substantial expansion has been debited to fixed assets (expenditure during the construction pending allocation has been debited to capital work in progress account) which are specifically attributable to construction of project or to the acquisition of a fixed assets or bringing it to its working condition and other expenditure during the construction period which are not specifically attributable to construction of projects or to the acquisition of a fixed assets or bringing to its working condition are recognized as an expenses when it is incurred.

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance

sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the Notes on financial statement. A contingent assets is neither recognised nor disclosed in the financial statements.

O. Provision for Taxation

- (i) Provision for Current Tax is made for the current accounting period on the basis of the taxable profits computed accordance with the Income Tax Act, 1961.
- (ii) Minimum Alternate Tax (MAT) is paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability. It is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the assets can be measured reliably. The said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.
- (iii) Deferred Tax charge or credit are recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognized subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates as per tax Laws that have been enacted or substantially enacted as on the Balance Sheet date.
- (iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.
- (v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

- (i) Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. The Company is applying Para 46-A of AS-11, and also following the clarification issued by the Ministry of Corporate Affairs, Government of India through circular no. 25/2012 dated 09.08.12. Pursuant to this, exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, insofar as they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of asset and are depreciated over the balance life of the asset. In other cases it is accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the such long term asset/liability but not beyond 31st March 2020.
- (ii) Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

- (iii) Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.
- (iv) Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Q. Excise Duty

The Excise duty has been accounted on finished goods on the basis of both payments made in respect of goods cleared as also goods lying in warehouse/factory. The Company makes provision for liability of unpaid excise duty on finished stock lying in factory or warehouse. The estimate of such liability has been made at the rates in force on the balance sheet date. On stock meant for exports, no excise duty provision has been made since excise duty is not leviable on goods meant for exports.

R. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing Value in use, the estimated future cash flows is discounted to their present value based on an appropriate discount factor.

S. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash in hand, bank balances and demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

T. Cash Flow Statement

Cash flow statement are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

U. Derivatives Instruments and Hedge Accounting

The Company enters into derivatives contracts in the nature of foreign currency swaps, currency options, forward contracts etc. to hedge

its exposure to movements in foreign exchange rates. The use of these contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculative purposes.

Effective April 1, 2008 the Company adopted AS 30, "Financial Instruments: Recognition and Measurement", to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncement of the Company Law and other regulatory requirements.

V. Segment Reporting

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and service provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segment is based on the areas in which major operating division of the Company operates.

Unallocated Cost

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

W. Operating Lease

Leases other than finance lease, are operating leases, and the such assets are not recognized on the Company's balance sheet. Payments under operating leases are recognized in statement of operations on a straight-line-basis over the term of the lease.

X. Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the annual General Meeting.

Y. Earnings Per Share

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split, if any.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	AS AT 31.03.2016	AS AT 31.03.2015
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity shares of ₹ 10 each	300,000,000	300,000,000
Issued, Subscribed and Paid-up		
1,19,62,226 (Prv. Year 1,19,62,226) Equity Shares of ₹ 10/- each fully paid up	119,622,260	119,622,260
TOTAL	119,622,260	119,622,260

a) Terms/rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders.

b) The Details of shareholder holding more than 5% shares in the company (Equity share of ₹ 10 each fully paid up)

Name of the Shareholder	AS AT 31.03.2016		AS AT 31.03.2015	
	No of shares	% held	No of shares	% held
1) J.K. Jain	2,960,000	24.74%	2,960,000	24.74%
2) Seema Jain	2,960,000	24.74%	2,960,000	24.74%
3) Rahul Jain	1,552,340	12.98%	1,552,340	12.98%
4) Aanchal Jain	800,000	6.69%	800,000	6.69%

c) There is no change in share capital of the company, therefore no reconciliation for share capital is reported.

3 RESERVES & SURPLUS

PARTICULARS		AS AT 31.03.2016		AS AT 31.03.2015
CAPITAL RESERVE				
a) Land Revaluation Reserve	117,477,278		117,477,278	
b) Building Revaluation Reserve	20,773,148		20,773,148	
Total (a+b)		138,250,426		138,250,426
SECURITIES PREMIUM RESERVE		509,972,343		509,972,343
GENERAL RESERVE				
As Per Last Balance Sheet	183,500,000		141,000,000	
Add:- Transferred from Surplus in the statement of Profit and Loss	57,500,000		42,500,000	
Closing balance		241,000,000		183,500,000
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT				
As Per Last Balance Sheet	(144,880)		94,944	
Add:- Addition/(Deduction) during the year	251,376		(239,824)	
Closing balance		106,496		(144,880)
SURPLUS –OPENING BALANCE	1,322,140,665		1,062,141,237	
Add:- Net profit after tax transferred from Statement of Profit and Loss	571,846,596		422,638,945	
Amount Available for Appropriation	1,893,987,261		1,484,780,182	
Less :- Appropriations				
i) Interim Dividend paid	59,811,130		–	
ii) Corporate Dividend Tax Paid on Interim Dividend	12,176,098		–	
iii) Proposed Final Dividend	35,886,678		83,735,582	
iv) Corporate Dividend Tax on Final Dividend	7,305,684		17,046,597	
v) Transitional adjustments related to Fixed Assets as per schedule II of the Act.	–		19,357,338	
vi) Transfer to General Reserve	57,500,000		42,500,000	
	172,679,590		162,639,517	
SURPLUS –CLOSING BALANCE		1,721,307,671		1,322,140,665
TOTAL		2,610,636,936		2,153,718,555

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4 LONG TERM BORROWINGS

(Amount in ₹)

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.16	AS AT 31.03.15	AS AT 31.03.16	AS AT 31.03.15
(A) SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	262,050,000	207,582,715	145,532,715	154,715,564
b) Foreign Currency Loan	614,187,500	265,118,750	143,681,250	133,965,071
	876,237,500	472,701,465	289,213,965	288,680,635
2) VEHICLE LOANS				
a) from Banks	15,199,464	17,870,807	12,556,467	11,411,893
b) from Others	17,084,736	24,100,199	7,015,460	7,570,915
	32,284,200	41,971,006	19,571,927	18,982,808
(B) UNSECURED LOANS				
from HSIIDC	—	—	—	5,454,032
TOTAL	908,521,700	514,672,471	308,785,891	313,117,475

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

- a) From Citibank :- Loan outstanding as at 31.03.16 ₹ 97,32,715 (Previous year ₹ 2,54,82,715) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fixed interest rate of 12% and is secured against exclusive charge on all movable assets procured out of the term loan.
- b) From State bank of Patiala :- Loan outstanding as on 31.03.16 ₹ 4,00,00,000/- (Previous year ₹ 9,06,65,564). The loan is for 7 years with 24 quarterly repayment beginning from the end of 15 months from the drawdown. Interest is monthly payable. The current interest rate is 10.30%. The Loan is Secured against First Pari Passu charge alongwith Axis Bank and HSBC over movable and Immovable fixed assets of Rai Unit (Present and future) including equitable mortgage of Factory Land and Building at Rai, Sonapat and First charge on movable fixed assets of Hosur Unit-III (Tamilnadu) and First Charge on movable fixed assets of Mysore Unit-IV Karnataka and First charge on entire fixed assets of Unit-VI Nalagarh Unit.
- c) From Axis Bank :- Loan outstanding as on 31.03.16 ₹ 10,16,00,000 (Previous year ₹ 16,49,00,000) :- The loan is for 7 years and has quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The current interest rate is 10.25%. The Loan is secured against First Pari Passu charge with State Bank of Patiala and HSBC bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit and secured against First Pari Passu Charge on movable fixed assets of kundli unit and Unit -2 at Hosur with Citibank FCNR-II term loan.
- d) HSBC Bank:- Loan -1 Outstanding as on 31.03.16 ₹ 5,62,50,000 (Previous year ₹ 8,12,50,000) The Loan is for 5 year and has quarterly equal repayment beginning after moratorium period of 1 year. Interest is monthly payable. The loan carries fixed interest rate of 10%. The Loan is Secured against First Pari Passu charge with State Bank of Patiala and Axis Bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit.
- e) HSBC Bank:- Loan -2 Outstanding as on 31.03.16 ₹ 20,00,00,000 (Previous year Nil) The Loan is for 6 year and has 20 quarterly equal repayment beginning after moratorium period of 15 months. Interest is monthly payable. The loan carries fixed interest rate of 9.50%. The Loan is Secured against First Pari-Passu charge with HSBC -Mauritius 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 Standard Chartered bank and HSBC Mauritius.

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

- a) From Citibank :- FCNR Term Loan -1 outstanding as on 31.03.16 ₹ 5,00,00,000 (Previous year ₹ 7,50,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- b) From Citibank :- FCNR Term Loan -2 outstanding as on 31.03.16 ₹ 18,75,00,000 (Previous year ₹ 20,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 12 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.25% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and is secured against First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with working capital Lenders viz. Citibank, Standard Chartered Bank, HDFC bank and Indusind Bank Guarantee limit and term lender Axis Bank. The Loan is also secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- c) From Standard Chartered Bank - ECB -1 :- Loan outstanding as on 31.03.16 is Nil (Previous year ₹ 5,96,40,071). The loan was for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest rate was 3 month LIBOR PLUS 225 BSP p.a. payable quarterly. The loan was secured against Equitable mortgage on land and building at Tapukara, Rajasthan Unit on Exclusive basis and Specific charge on Plant and machinery at Tapukara, Rajasthan Unit. The loan has been fully repaid during the year.
- d) From Standard Chartered Bank ECB -2 :- Loan outstanding as on 31.03.16 ₹ 2,76,18,750 (Previous year ₹ 6,44,43,750). The loan is for 5 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 8.50% p.a. The Loan is secured against Equitable mortgage on land and building and Pant and machinery at Tapukara, Rajasthan Unit with HSBC India and HSBC Mauritius.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4 LONG TERM BORROWINGS (Contd...)

(Amount in ₹)

- e) From HSBC Mauritius ECB :- Loan outstanding as on 31.03.16 ₹ 49,27,50,000 (Previous year Nil). 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 (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 (1st pari- Passu with HSBC, India) and hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) along with Standard Chartered bank at Tapukara Rajasthan.

VEHICLE LOANS FROM BANKS AND OTHERS

Vehicle loan from banks and others outstanding as on 31.03.16 are ₹ 5,18,56,127 (Previous year ₹ 6,09,53,814) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 9.50% to 11.50%.

UNSECURED LOAN

Unsecured Loan from HSIIDC was for enhanced compensation of land situated at Rai Unit-7 outstanding as on 31.03.16 – ₹ Nil (Previous year ₹ 54,54,032). The Loan was at fixed interest rate of 12% had tenor of two and Half years, The loan was repayable on half yearly equally installment basis. Interest was payable Half yearly. The loan has been fully repaid during the year.

	1-2 years	2-3 years	3-4 years	4 Years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	307,426,256	206,609,976	178,447,968	216,037,500

(Amount in Rs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
5 OTHER LONG TERM LIABILITIES		
Retention Money	1,831,167	—
	1,831,167	—
6 LONG TERM PROVISIONS		
Provision for Retirement Benefits		
a) Leave Encashment	23,115,805	20,073,055
b) Gratuity	1,095,581	—
	24,211,386	20,073,055
Provision for Warranties (Note -10)	60,423,049	—
TOTAL	84,634,435	20,073,055
7 SHORT TERM BORROWINGS		
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks		
Indian Rupee Loan	182,982,187	343,404,753
TOTAL	182,982,187	343,404,753

Indian Rupee Loan includes

- a) From Citibank NA :- Loan outstanding as at 31st March 2016 ₹ 1,04,42,870 (Previous year ₹ 34,34,05,205) Interest is payable with monthly rest on the last date of each month in each year or at such other rest as determined by the bank. The rate of interest is based on relevant circumstances, including market conditions which currently is 10%. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan, Indusind Bank Bank Guarantee Limit and secured against First Pari Passu charge on all the fixed assets of the company (excluding assets specifically purchased out of the term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Standard Chartered Bank, HDFC Bank, Indusind Bank and Citibank FCNR-2 Loan.
- b) From Standard Chartered Bank :- Loan outstanding as at 31st March 2016 is ₹ 7,28,01,367/- (Previous year Receivable ₹ 452/-) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 10.54%. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan, Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, HDFC Bank, Indusind Bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, HDFC Bank, Indusind bank and Citibank FCNR-2 Loan.
- c) From HDFC BANK :- Loan outstanding as at 31st March 2016 is ₹ 9,97,37,950/- (Previous year ₹ NIL) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 9.55%. The loan is secured against First Pari Passu charge on all present and future receivables, stocks/inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on all fixed assets of the company (excluding assets specifically purchased out of term loan from term loan lenders) with Citibank, Standard Chartered Bank, Indusind Bank including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, Standard Chartered Bank, Indusind Bank and Citibank FCNR-2 Loan.
- d) Indusind Bank Bank Guarantee Limit:- The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, HDFC bank Cash Credit Loan Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, Standard Chartered Bank, HDFC bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, Standard Chartered Bank, HDFC bank and Citibank FCNR-2 Loan. Bank Guarantee charges is 0.60% p.a. plus applicable service tax.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

PARTICULARS		AS AT 31.03.2016		AS AT 31.03.2015
8 TRADE PAYABLES				
a) Micro, Small and Medium Enterprises	8,970,474		9,146,231	
b) Others	1,498,815,082		874,557,808	
		1,507,785,556		883,704,039
TOTAL		1,507,785,556		883,704,039

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.

PARTICULARS		AS AT 31.03.2016		AS AT 31.03.2015
9 OTHER CURRENT LIABILITIES				
a) Current Maturity of Long-Term Debt (See Note 4)		308,785,891		313,117,475
b) Interest accrued but not due on borrowings		6,051,267		1,806,282
c) Interest accrued and due on borrowings		4,255,116		4,825,717
d) Unpaid Dividend – (Investor Education and Protection Fund will be credited by this amount (as and when due))		858,595		392,303
e) Advances from Customers		120,648,538		81,768,027
f) Security Deposits Received		19,447,266		17,538,069
g) Creditors for Capital Expenditure		168,435,781		53,439,217
h) Liabilities for Expenses		101,720,332		71,023,788
i) Statutory Dues Payable		59,590,615		35,706,154
TOTAL		789,793,401		579,617,032
10 SHORT TERM PROVISIONS				
1) Provision for Retirement Benefits				
a) Leave Encashment	6,395,471		3,453,234	
b) Gratuity	4,937,883		2,484,303	
		11,333,354		5,937,537
2) Other Provisions				
a) Provision for Taxation				
I. Income tax (net of advance tax)	9,671,513		2,796,078	
II. Wealth Tax	–		400,000	
III. Corporate Dividend Tax	7,305,684		17,046,597	
		16,977,197		20,242,675
b) Proposed Final Dividend		35,886,678		83,735,582
c) Provision for Warranties		4,167,894		4,925,568
d) Excise Duty		14,017,618		7,408,397
TOTAL		82,382,741		122,249,758

Proposed Final Dividend

During the year, the company has declared interim dividend on 12.03.16 @ ₹ 5 per share (Previous year Nil). As on 31.03.16, the company further recognize proposed final dividend of ₹ 3.00 per share (Previous year ₹ 7.00 per share) for distribution to equity shareholders.

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 31.03.16 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	31.03.2016	31.03.2015
Opening Balance	4,925,568	3,570,528
Addition	64,590,943	4,925,568
Utilization	2,350,502	2,096,411
Reversal	2,575,066	1,474,117
Closing Balance	64,590,943	4,925,568
Current Portion	4,167,894	4,925,568
Non Current Portion	60,423,049	–

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

11. FIXED ASSETS

(Amount In ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	For the Year	Deductions	As at 31.03.2016	As at 31.03.2015
1. Tangible Assets								
Land Free hold	312,866,048	3,039,000	-	315,905,048	-	-	315,905,048	312,866,048
Land Lease hold	183,573,947	769,317	-	184,343,264	2,500,350	-	170,708,952	172,439,984
Buildings	991,654,997	372,983,902	-	1,364,638,899	37,077,354	-	1,160,395,682	824,489,134
Plant & Equipment	2,263,227,596	584,923,319	1,997,411	2,846,153,503	167,574,473	1,245,980	1,938,732,534	1,522,135,120
Furniture & Fixtures	108,631,871	44,908,755	-	153,540,626	12,868,874	-	99,011,254	66,971,373
Vehicles	167,566,398	17,279,030	8,564,263	176,281,165	18,517,873	6,511,920	109,399,254	112,690,440
Office Equipment	35,882,784	8,211,950	-	44,094,734	5,702,808	-	15,807,669	13,298,527
Mould, Block & Dies	479,149,120	59,601,537	1,166,324	537,584,333	56,219,879	331,257	210,747,528	208,200,937
Tools & Equipments	58,560,301	20,912,691	-	79,472,992	6,606,944	-	31,991,407	17,685,660
Electrical Installations	134,103,907	28,267,309	565,921	161,805,295	16,016,892	-	90,466,652	78,782,156
Computers	42,102,063	7,172,948	-	49,275,010	4,573,283	-	39,339,180	9,935,831
Total	4,777,319,032	1,148,069,757	12,293,919	5,913,094,870	327,658,730	8,089,157	4,153,101,811	3,336,895,546
Previous Year	4,233,733,789	552,419,206	8,833,963	4,777,319,032	326,404,801	1,967,947	3,336,895,546	
2. Intangible Assets								
Computer Software	15,586,717	2,417,489	-	18,004,206	2,061,789	-	14,775,377	2,873,129
Technical Know-how	3,111,557	-	-	3,111,557	622,311	-	1,866,933	1,866,934
Trademarks	32,400	-	-	32,400	6,480	-	12,960	19,440
Total	18,730,674	2,417,489	-	21,148,163	2,690,580	-	16,661,750	4,759,503
Previous Year	16,733,143	1,997,531	-	18,730,674	9,254,822	-	4,759,503	-
3. Capital Work-in-Progress								
Grand Total (1+2)	4,796,049,705	1,150,487,246	12,293,919	5,934,243,032	330,349,310	8,089,157	4,157,588,225	3,341,655,049
Previous Year	4,250,466,931	554,416,737	8,833,963	4,796,049,705	335,659,623	1,967,947	3,341,655,049	-

NOTES:

- Depreciation & Amortization for the year
Less: Depreciation withdrawn from Retained Earning
Depreciation & amortization charged to Statement of Profit & Loss
- Gross Block of Land free hold includes ₹ 11,74,77,278 and gross block of Buildings includes ₹ 2,97,01,382 on account of revaluation carried out in the past years based on reports issued by Government approved valuers.
- Additions to land free hold includes an amount of ₹ 18,23,276 for purchase of factory land, the registration of which is still pending in the name of Company
- Additions of fixed assets includes ₹ 21,97,292 (Previous Year- ₹ 1,18,67,484) on account of Foreign Exchange Adjustment on ECB Loan as per option exercised under para 46-A of AS-11.
- Capital Work in progress includes:

Particulars	Current Year	Previous Year
i. Civil-work in progress	64,454,697	28,290,856
ii. Pre-operative expenses (Refer Note-50 of Notes)	-	7,852,836
iii. Fixed assets under installation	51,446,725	8,666,570
iv. Fixed assets in transit	-	1,440,910
Total	115,901,422	46,251,172

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		AS AT 31.03.2016	AS AT 31.03.2015
12 NON-CURRENT INVESTMENTS			
TRADE INVESTMENTS (At cost) in Equity (unquoted)			
1 in Subsidiaries			
Equity Shares in wholly owned Foreign Subsidiary company			
FIEM INDUSTRIES JAPAN CO., LTD.			
100 (Previous year-10) fully Paid Equity shares of 50,000 JPY each		2,948,540	262,040
2 in Joint Venture (JV)			
Centro Ricerche FIEM Horustech S.r.l. a Limited Responsibility			
Company incorporated in Italy on 50:50 basis with Horustech Lighting			
S.r.l. Italy. Amount invested 40,000 Euros.			
(Previous Year 40,000 Euros)		3,315,600	3,315,600
3 in Others			
a) M/s Shivalik Solid Waste Management Ltd.			
20,000 (P. Y. 20,000) equity shares of ₹ 10 each fully paid up	200,000		200,000
b) Elcina Electronic Manufacturing Cluster (P) Ltd.			
10,000 (P. Y. Nil) equity shares of ₹ 10 each fully paid up	100,000		–
		300,000	200,000
TOTAL		6,564,140	3,777,640
13 LONG TERM LOANS AND ADVANCES			
(unsecured but considered good)			
a) Capital Advances		52,948,619	34,710,696
b) Loan to Subsidiary Company		2,362,400	2,084,400
c) Security Deposits		54,282,218	36,176,755
d) Prepaid Expenses		2,908,904	2,888,073
e) Loan to Employees		3,769,269	2,760,747
TOTAL		116,271,410	78,620,671
14 OTHER NON CURRENT ASSETS			
a) Margin Money deposit with original maturity for more than 12 months		45,730	1,491,218
b) Retention money with Customers (Unsecured but considered good)		86,827,452	–
TOTAL		86,873,182	1,491,218
15 INVENTORIES			
(As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value)			
a) Raw Materials and Components	354,033,793		284,066,532
b) Raw Materials and Components in Transit	16,295,790		9,939,656
c) Work in Progress	82,120,326		89,677,129
d) Finished Goods	153,778,471		98,554,941
e) Stock in Trade (Mould, Tools and Dies)	29,334,465		6,080,688
f) Stock in Trade (Others)	3,410,861		7,426,058
g) Stores and Spares (including Packing Material)	21,893,136		17,406,196
h) Stores and Spares (including Packing Material) in Transit	420,603		729,413
		661,287,445	513,880,612
TOTAL		661,287,445	513,880,612

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		AS AT 31.03.2016		AS AT 31.03.2015
16 TRADE RECEIVABLES				
(unsecured but considered good)				
Debt Outstanding for a period exceeding Six Months				
a) Considered Good	12,363,198		8,819,833	
b) Considered Doubtful	4,127,036		2,158,669	
Other Debts :- Considered Good	1,173,685,029		857,861,953	
		1,190,175,263		868,840,456
Less:- Provision for Doubtful Debts		4,127,036		2,158,669
TOTAL		1,186,048,227		866,681,787
Trade Receivables includes dues from subsidiary company– Fiem Industries Japan Co., Ltd. ₹ 77,73,517/- (Previous year ₹ 6,51,896/-)				
17 CASH AND BANK BALANCES				
1) Cash and Cash Equivalents				
a) Balances with Banks in Current Account	4,301,546		1,042,104	
b) Deposits with original maturity of less than three months	2,935,805		11,925,000	
		7,237,351		12,967,104
2) Cash on Hand		3,670,544		2,153,337
3) Other Bank Balances				
a) Unpaid Dividend Account	858,595		392,303	
b) Margin money deposit with original maturity for more than 3 months but less than 12 months	25,038,390		17,672,567	
		25,896,985		18,064,870
TOTAL		36,804,880		33,185,311
18 SHORT TERM LOANS AND ADVANCES				
(unsecured but considered good)				
a) Prepaid Expenses		12,214,138		9,010,290
b) Loan to Employees		2,590,093		3,480,083
c) Advances for Goods other than Capital Goods		69,804,067		33,388,812
d) Balance with Customs, Excise Department		112,507,635		65,738,248
e) Balance with Sales Tax Department		5,617,186		3,105,753
f) Security Deposits		857,210		3,887,246
g) Other Advances Recoverable		4,194,908		4,544,475
TOTAL		207,785,238		123,154,908
(Other advances recoverable includes Receivable from Fiem Industries Japan Co, Ltd. ₹ 1,97,216 (Previous year–Nil))				
19 OTHER CURRENT ASSETS				
a) Interest Accrued on Deposits		3,466,452		1,284,017
b) Subsidy Receivables		5,813,540		1,462,627
c) Export Incentive Receivables		324,800		1,729,364
TOTAL		9,604,792		4,476,008

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16	Previous Year 2014-15
20 GROSS SALES			
Manufactured Goods			
1) Automotive Lamps, Signalling Equipment and Parts	6,191,232,703	5,924,900,482	
2) Rear View Mirrors and Parts	1,345,401,869	1,209,886,508	
3) Plastic Moulded Parts	1,364,556,374	1,090,275,225	
4) Moulds and Dies	38,578,441	33,158,863	
5) LED Luminaires	1,217,315,244	124,091,317	
6) LED Integrated Passenger Information system	24,911,923	6,236,365	
7) Others	291,795,979	240,282,474	
	10,473,792,534	8,628,831,234	
Traded Goods			
1) Mould and Dies	282,306,072	315,749,287	
2) LED Integrated Passenger Information system	7,149,002	198,487	
3) Others	59,846,910	58,099,086	
	349,301,984	374,046,860	
		10,823,094,518	9,002,878,094
TOTAL		10,823,094,518	9,002,878,094
21 OPERATING INCOME			
1) Scrap Sales		41,124,007	28,710,591
2) Testing Charges Received		14,043,166	10,460,908
3) Mould, Dies, Tool Design and Development Charges		15,657,153	1,353,043
4) Government Subsidy Received		17,511,227	5,369,696
5) Duty Drawback Received		3,054,965	3,027,103
6) Rebate and Discount Received		2,902,800	2,038,560
7) Difference in Foreign Exchange		368,945	600,148
8) Segregation/Rework Charges Received		482,105	360,727
9) Packing and Forwarding		65,939	844,872
TOTAL		95,210,307	52,765,648
22 OTHER INCOME			
1) Interest Income		7,377,077	1,967,820
2) Dividend Received		20,000	15,000
3) Sundry Creditors written back		2,218,534	6,771,949
4) Sundry Balances written back		56,511	234,131
TOTAL		9,672,122	8,988,900
23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
Opening Stock		284,066,532	232,279,055
Add : Purchases		5,603,508,491	4,822,284,018
Less :- Inventories at the end of the year		354,033,793	284,066,532
TOTAL		5,533,541,230	4,770,496,541
Particulars of Raw Material and Components Consumed			
Plastic Powder	1,908,637,297	1,788,653,101	
Bulb	516,692,190	513,039,389	
Wiring Harness	488,000,361	489,031,753	
LED	332,426,185	38,677,354	
Others	2,287,785,198	1,941,094,945	
		5,533,541,230	4,770,496,541

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16		Previous Year 2014-15
24 PURCHASE OF STOCK IN TRADE				
a) Purchase of Traded Goods		50,259,065		43,792,856
b) Purchase of Traded Moulds, Dies and Tools		204,658,942		196,927,111
TOTAL		254,918,007		240,719,967
Detail of Purchase of Traded Goods				
Bulb		17,497,747		13,473,589
Mould Dies and Tools		204,658,942		196,927,111
Others		32,761,318		30,319,267
		254,918,007		240,719,967
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE				
Inventories at the end of the year				
a) Finished Goods	153,778,471		98,554,941	
b) Work-in-Progress	82,120,326		89,677,129	
c) Traded Goods - (Mould, Tools and Dies)	29,334,465		6,080,688	
d) Traded Goods - (Others)	3,410,861		7,426,058	
		268,644,123		201,738,815
Inventories at the beginning of the year				
a) Finished Goods	98,554,941		109,163,122	
b) Work-in-Progress	89,677,129		50,481,837	
c) Traded Goods - (Mould, Tools and Dies)	6,080,688		2,349,065	
d) Traded Goods - (Others)	7,426,058		7,112,010	
		201,738,815		169,106,034
		(66,905,307)		(32,632,782)
Finished Goods				
Automotive Goods	114,526,218		97,514,657	
LED Luminaries and Integrated Passenger Information system	39,252,253		1,040,284	
		153,778,471		98,554,941
Work in Progress				
Automotive Goods	67,631,714		88,130,465	
LED Luminaries and Integrated Passenger Information system	14,488,612		1,546,664	
		82,120,326		89,677,129
26 EMPLOYEES BENEFITS EXPENSES				
Salaries, Wages and Bonus to Employees		1,169,172,813		892,638,622
Contribution to Provident and other Funds		23,554,329		17,371,589
Staff Welfare Expenses		54,542,972		51,222,053
Gratuity Expenses		14,511,054		10,697,637
Earned Leave to staff		6,942,805		10,618,864
TOTAL		1,268,723,973		982,548,764
27 FINANCE COSTS				
Interest Expenses		148,124,326		116,493,340
Other Borrowing Costs		9,559,648		3,915,018
TOTAL		157,683,974		120,408,358

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16		Previous Year 2014-15
28 OTHER EXPENSES				
Manufacturing Expenses				
1) Job Charges	6,130,494		4,878,271	
2) Machinery Running and Maintenance				
a) Machinery Repair and Service charges	6,805,247		6,142,430	
b) Machinery Spares	70,089,708		60,904,306	
3) Consumption of Stores and Spare parts	177,654,046		113,452,383	
4) Packing Expenses	247,579,800		199,910,465	
5) Power & Fuel	378,762,323		333,307,291	
6) Variation in Excise Duty of FG	6,609,221		2,360,949	
7) Repair - Dies	18,166,320		14,704,681	
8) Factory / Godown Rent	5,027,124		5,208,522	
9) Installation Expenses for LED Streetlights	19,340,200		–	
10) Freight, Cartage & Octroi	77,910,322		65,315,293	
11) Testing and Design Fees	14,204,827		11,245,968	
12) Segregation Charges Paid	573,899		1,730,555	
		1,028,853,531		819,161,114
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Expenses	16,500,003		15,039,116	
2) Payment to Auditors	5,400,000		5,084,600	
3) Donation	2,661,646		1,462,197	
4) Rates and taxes	14,305,843		7,349,354	
5) Insurance	4,837,481		3,716,329	
6) Bad Debt Written Off	1,915,318		1,650,374	
7) Provision for Bad and Doubtful Debt	1,968,367		355,235	
8) Rent	20,474,771		10,549,872	
9) Repair & Maintenance - Building	4,572,662		3,776,442	
10) Repair & Maintenance - Other	20,286,367		16,326,581	
11) Royalty	5,034,158		5,049,026	
12) (Profit)/Loss on sale of Fixed Assets	(668,159)		1,238,945	
13) Selling & Distribution Expenses	234,814,208		150,326,613	
14) Cash Discount on Sales	16,259,490		14,709,638	
15) Travelling and Conveyance Expenses	50,521,900		40,967,909	
16) Contribution toward CSR (Note-51)	10,120,000		8,133,000	
17) Prior Period Expenses	2,514,736		716,004	
18) Other Office Expenses	169,205,629		156,638,279	
		580,724,420		443,089,514
TOTAL		1,609,577,952		1,262,250,628

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	31.03.2016	31.03.2015
29 Contingent Liabilities		
(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)		
(i) Income Tax		
(a) Case decided in the Company's favour by Appellate Authorities and for which the department has filed further appeals	68,011,337	61,745,248
(b) Case pending before Appellate Authorities in respect of which the Company has filed appeals	14,715,784	–
(ii) Custom Duty		
(a) Import Duty Demand towards imported capital goods which were sold to the customer in relation to nil import duty being paid at the time of import of said capital goods as a 100% EOU unit for which the company has filed an appeal with Commissioner of Central Excise, Chennai (Net of deposit)	4,340,527	4,340,527
(b) Liability of Import Duty towards Export obligation undertaken by the Company under EPCG Licenses	–	5,613,810
(iii) Excise Duty & Service Tax		
(a) Excise Duty Demand on Modvat Credit taken on raw material for which the Company has filed an appeal with CESTAT, New Delhi (Net of deposit)	2,457,076	2,457,076
(b) Excise Duty Demand on Cenvat Credit taken on input and Capital goods for which the Company has filed an appeal with CESTAT, Chennai (Net of deposit)	–	1,952,730
(c) Service Tax Demand on Cenvat Credit taken on input services for which the Company has filed an appeal with CESTAT, Chennai (net of deposit)	–	201,052
(d) Show Cause notice on Excise Duty on Sales Tax Subsidy received from Sales tax Department Rajasthan for the period 01.09.2013 to 31.01.2015, for which the Company has represented before the Additional Commissioner (Alwar)	2,004,257	–
(e) Excise Duty Demand on disallowance of CENVAT Credit of Excise Duty and Service Tax prior to registration under excise & service tax law, for which the Company is in the process for filling appeal with Commissioner (Appeal)	8,767,488	–
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	595,315	797,786
(b) Sales Tax Demand for F.Y. 2013–14 & F.Y. 2014–15 on input tax credit reversal on CST Sales under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai	18,833,290	–
(c) Sales Tax Demand for A.Y. 2010–11 for which company has filed appeal with First Appellate Authority (net of deposit)	2,000,000	2,000,000
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	307,144,265	275,863,699

Note:-1 Based on the advice taken by the company, the company believes that it has good case in respect of all the items under (i) to (iv) above and hence no provision is considered necessary against the same.

(Amount in ₹)

	31.03.2016	31.03.2015
30 Capital & Other Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	170,432,866	189,484,358
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided, (net of advances)	53,149,003	63,284,955
(iii) Bank Guarantee Charges payable to Indusind Bank	14,396,894	–
(iv) Lease Commitments (non-cancellable in nature) (See Note-38)	5,029,516	19,562,400
	2015–16	2014–15
31 Earning in Foreign Exchange		
(i) FOB Value of Exports	172,445,424	164,638,519
(ii) Design/Testing/Modification Charges Received	20,610,551	–
(iii) Sales of Moulds & Dies	1,720,873	–
(iv) Others	37,512	56,145
Total	194,814,360	164,694,664

Note:- FOB value of exports excludes export sales in Indian Rupee. (Indirect Exports)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		2015-16	2014-15
32	Expenditure in Foreign Currency		
	(i) Finance Cost	9,244,031	6,069,675
	(ii) Travelling Expenses	9,737,688	6,481,466
	(iii) Design/Testing Charges Paid	6,097,310	—
	(iv) Liasioning Charges	1,657,800	6,268,950
	(v) Professional & Consultancy Charges	249,301	864,285
	(vi) Royalty on Sales	34,158	49,026
	(vii) Others	3,427,641	2,024,488
	Total	30,447,929	21,757,890
33	Value of Imports Calculated on CIF Basis		
	(i) Raw Materials	565,611,843	172,466,268
	(ii) Capital Goods	175,068,996	154,920,628
	(iii) Trading Goods	188,226,846	189,821,369
	(iv) Components & Spare Parts	4,027,942	4,833,318
	(v) Consumable Store	1,189,403	1,894,472
	Total	934,125,030	523,936,055
34	Value of Imported and Indigenous Raw Materials, Stores and Spare Parts Consumed		
		2015-16	2014-15
	Raw Material	₹ %	₹ %
	Imported	533,543,374 9.64%	171,242,383 3.59%
	Indigenous	4,999,997,856 90.36%	4,599,254,158 96.41%
	Total	5,533,541,230 100.00%	4,770,496,541 100.00%
	Stores and Spare Parts		
	Imported	5,396,785 2.18%	7,932,366 4.55%
	Indigenous	242,346,969 97.82%	166,424,323 95.45%
	Total	247,743,754 100.00%	174,356,689 100.00%
35	Dividend to Non-Resident		
		Paid during 2015-16	Paid during 2014-15
	Type of Dividend	Final	Final
	Number of Non Resident Shareholder	1	1
	Number of Equity Share held by them	104,051	104,051
	Amount of Dividend Paid (In ₹)	728,357	624,306
	Rate of Exchange Rate (USD)	66.54	62.49
	Amount of Dividend Paid (In USD)	10,946	9,990
	Year to which Dividend Relates	2014-15	2013-14
	Type of Dividend	Interim	Interim
	Number of Non Resident Shareholder	1	—
	Number of Equity Share held by them	104,051	—
	Amount of Dividend Paid (In ₹)	520,255	—
	Rate of Exchange Rate (USD)	67.94	—
	Amount of Dividend Paid (In USD)	7,658	—
	Year to which Dividend Relates	2015-16	—
36	(a) Auditor's Remuneration		
	For Statutory Audit	3,300,000	3,200,000
	For Tax Audit	400,000	300,000
	For Limited Review	700,000	700,000
	For Other Services	1,000,000	700,000
	Total (a)	5,400,000	4,900,000
	(b) Cost Auditor's Remuneration		
	For Cost Audit Fees	—	180,000
	For Other Services	120,000	—
	For Reimbursement of Travelling and Out-of-Pocket Expenses	5,837	4,600
	Total (b)	125,837	184,600
	Total (a+b)	5,525,837	5,084,600

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

37 Deferred Tax Liabilities (Net)

The components of deferred tax liability (net) recognized in the financial statements and deferred tax recognized in the statement of profit & loss are as under—

(Amount In ₹)

	31.03.2016	Adjustment during the year	31.03.2015
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	338,252,592	47,904,357	290,348,235
Total (a)	338,252,592	47,904,357	290,348,235
Deferred Tax Assets			
Provision for Bad & Doubtful	1,428,285	681,213	747,072
Provision for Leave Encashment	10,213,263	2,071,284	8,141,979
Provision for Gratuity	2,088,062	1,228,294	859,768
Provision for Bonus	5,597,327	2,841,570	2,755,757
Provision for Warranty	22,353,634	20,648,993	1,704,641
Welfare Fund	33,442	6,877	26,565
Total (b)	41,714,013	27,478,231	14,235,782
Net Deferred Tax Liability (a–b)	296,538,578	20,426,126	276,112,452
Previous Year	276,112,452	10,967,660	275,112,310

Note: The one time tax effect of ₹ 99,67,519/- was adjusted against the retained earnings in the previous year.

38 Lease Transaction

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

(Amount In ₹)

	2015-16	2014-15
Total of future minimum lease payments under non–cancellable operating lease for following periods:		
Not later than one year	5,029,516	8,909,600
Later than one year and not later than five years	–	10,652,800
Total	5,029,516	19,562,400
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non–cancellable leases	25,501,895	15,758,394
Lease Rental recognized in Pre–operative Expenditure	427,500	50,000
Total	25,929,395	15,808,394

39 Borrowing Cost Capitalized

Borrowing Cost Capitalized to Qualifying Assets	27,285,805	5,610,364
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40 Exchange Differences on account of Fluctuation in Foreign Currency Rates

Exchange Differences recognized in the Statement of Profit & Loss		
(i) Exchange Gain/(Loss) Relating to Export during the year as a part of "Sales"	2,084,394	1,013,854
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	(1,160,561)	1,164,336
(iii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock–in–Trade"	3,573,670	2,524,823
(iv) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	368,945	600,148
Exchange Differences recognized in the Fixed Assets		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	1,759,966	707,885
(ii) Foreign Exchange Adjustment Gain/(Loss) on Long Term Foreign Currency Loan taken for acquisition of fixed assets (Consequent to notification, issued by Ministry of Corporate Affairs, amending the AS–11)	(2,197,292)	11,867,484

41 Foreign Currency Monetary Item Translation Difference Account

Opening Balance	144,880	(94,944)
Exchange Loss/(Gain) during the year	(278,000)	268,800
Less:–Amortization of Exchange Fluctuation for the year	26,624	(28,976)
Closing Balance	(106,496)	144,880

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16	2014-15
42 Earning Per Share		
Profit available for Equity Shareholders	571,846,596	422,638,945
Weighted Average Number of Shares	11,962,226	11,962,226
Earning Per Share Basic and Diluted (In ₹)	47.80	35.33
Face Value per Equity Share (In ₹)	10	10
43 Government Grant		
Duty Drawback on Export	3,054,965	3,027,103
Investment Subsidy Under Investment Promotion Scheme	17,511,227	5,369,696
Total	20,566,192	8,396,799

44 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17 "Segment Reporting" (specified under section 133 of Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014).

Segments Reporting Policies**(a) Identification of Segments:****Primary-Business Segments**

The Company has identified two reportable business segments viz. Automotive and LED Luminaries Segment on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems with effect from the current financial year. During the previous year, the company had only one business segment. Hence comparative figures for the previous period are not reported. The products included in each of the reported business segments are as follows:-

- (i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, and sheet metal components for motorised vehicles and others parts for automotive.
 - (ii) LED Luminaries Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.
- (b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated".
- (c) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/liabilities, borrowings, 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

	2015-16		
	Automotive	LED Luminaries	Total
A. Revenue			
Segment Revenue			
External Sales	8,594,538,294	1,180,041,137	9,774,579,431
Operating Income	83,528,808	11,681,499	95,210,307
Inter-Segment Sales	—	—	—
Total	8,678,067,102	1,191,722,636	9,869,789,738
Results			
Segment Results (Earning Before Interest & Tax)	892,935,037	179,962,128	1,072,897,165
Unallocated Corporate Expenses			133,312,591
Other Income	—	—	9,672,122
Operating Profit	—	—	949,256,696
Cost of Finance	—	—	157,683,974
Profit Before tax	—	—	791,572,722
Tax Expense	—	—	219,726,126
Profit After Tax	—	—	571,846,596
B. Other Information			
Segment Assets	5,111,499,900	1,473,229,062	6,584,728,962
Unallocated Corporate Assets	—	—	—
Total Assets	5,111,499,900	1,473,229,062	6,584,728,962

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16		
	Automotive	LED Luminaries	Total
C. Other Information			
Segment Liabilities	1,829,737,610	263,874,946	2,093,612,556
Unallocated Corporate Liabilities	–	–	1,760,857,210
Total Liabilities	1,829,737,610	263,874,946	3,854,469,766
Capital Expenditure (Including Capital–Work–in–Progress)	739,926,563	480,210,933	1,220,137,496
Depreciation & Amortization	313,696,034	16,653,276	330,349,310
Non–Cash Expenses other than Depreciation	16,370,784	64,206,144	80,576,928

(ii) **Secondary–Geographical Segments:–**

The analysis of geographical segments is based on geographical location of the customers

The following is the distribution of Company's revenue by geographical market, regardless of where the goods were produced

	2015-16	2014-15
Segment Revenue		
India	9,463,114,180	7,863,798,590
Outside India	311,465,251	331,179,711
Total	9,774,579,431	8,194,978,301
Segment Trade Receivables	31.03.2016	31.03.2015
India	1,139,700,154	832,414,414
Outside India	46,348,073	34,267,373
Total	1,186,048,227	866,681,787

1. Sales Revenue by geographical market Outside India includes indirect export.
2. The segment trade receivables outside india includes receivables on account of indirect exports.
3. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

45 Related Party Disclosures

Name of Related Parties, Transactions and Balances at Reporting date are as follows

Name of Related Party**(i) Key Management Personnel**

Jagjevan Kumar Jain	Chairman and Managing Director
Seema Jain	Whole Time Director
Aanchal Jain	Whole Time Director
Rahul Jain	Whole Time Director
JSS Rao	Whole Time Director
Kashi Ram Yadav	Whole Time Director
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary

(ii) Related Parties Controlled by Key Management personnel

Fiem Auto Private Limited	Entity Controlled by Key Management Personnel
Jagjevan Kumar Jain (HUF)	Entity Controlled by Key Management Personnel
Fiem Auto & Electrical Industries	Entity Controlled by Key Management Personnel
Fiem Foundation	Entity Controlled by Key Management Personnel

(iii) Subsidiary Company

Fiem Industries Japan Co., Ltd	100% Subsidiary Company incorporated in Japan
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(iv) Joint Venture

Centro Ricerche Fiem Horustech SRL	JV incorporated in Italy, 50% ownership interest held by the company
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

Particulars	Transaction During The Year		Outstanding Amount Carried at Balance Sheet	
	2015-16	2014-15	31.03.2016	31.03.2015
(i) Key Management Personnel				
Remuneration				
Jagjeevan Kumar Jain	12,480,000	12,480,000	551,803	904,417
Seema Jain	4,200,000	3,600,000	446,198	541,807
Rahul Jain	3,900,000	3,600,000	762,642	383,248
Aanchal Jain	3,600,000	3,000,000	416,275	435,488
JSS Rao	8,400,000	7,200,000	479,601	–
Kashi Ram Yadav	8,544,864	7,344,864	515,030	442,330
OP Gupta	4,380,000	3,960,000	296,938	272,310
Arvind Kumar Chauhan	4,290,000	3,690,000	281,376	245,250
Dividend				
Jagjeevan Kumar Jain	35,520,000	17,760,000	–	–
Seema Jain	35,520,000	17,760,000	–	–
Aanchal Jain	9,600,000	4,800,000	–	–
Rahul Jain	18,628,080	9,314,040	–	–
JSS Rao	144	72	–	–
Kashi Ram Yadav	4,056	2,028	–	–
Rent Paid				
Aanchal Jain	9,778,300	5,326,400	–	–
Rahul Jain	4,387,500	–	–	–
Security Deposit Receivables Agst Rent				
Aanchal Jain	1,472,700	3,994,800	5,467,500	3,994,800
Rahul Jain	2,632,500	–	2,632,500	–
(ii) Related Parties Controlled by Key Management personnel				
Corporate Social Responsibility Activities				
Contribution to Fiem Foundation	8,870,000	7,533,000	–	–
Brand Royalty				
Fiem Auto & Electrical Industries	5,000,000	5,000,000	1,306,250	1,279,500
Dividend				
Jagjeevan Kumar Jain (HUF)	138,456	69,228	–	–
Fiem Auto Private Limited	1,012,800	506,400	–	–
(iii) Subsidiary Company				
<u>Fiem Industries Japan Co. Limited</u>				
Sales of Goods	5,432,880	607,433	3,521,197	651,896
Sales of Services	4,100,400	–	4,252,320	–
Liasioning Charges Paid	1,657,800	6,268,950	2,096,630	2,110,455
Long Term Loan Given	–	–	2,362,400	2,084,400
Expenses Paid on Behalf of Subsidiary Co.	200,635	–	197,216	–
Investment in Equity Shares	2,686,500	–	2,948,540	262,040
(iv) Joint Venture Company				
<u>Centro Ricerche Fiem Horustech SRL</u>				
Design Fee/Testing Fee Paid	3,926,812	3,928,798	1,058,726	514,429
Investment in Equity shares	–	2,474,400	3,315,600	3,315,600
Reimbursement of Expenses	–	179,916	–	–

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

46 Post Employment Benefits Plan

Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

(Amount in ₹)

	2015-16	2014-15
Employer's Contribution to Provident Fund	18,518,024	13,366,173
Employer's Contribution to ESI Fund	4,781,937	3,814,236
Employer's Contribution to Wages Welfare Fund	254,368	191,180
Total	23,554,329	17,371,589
Add:-Employer's Contribution to Provident Fund recognized in Pre-operative Expenses	40,340	—
Total	23,594,669	17,371,589

Defined Benefit Plans

(a) Gratuity

The Company operates a defined benefit plan of Gratuity for its employees under the Gratuity plan, every employee who has completed five years of services gets a gratuity on departure @ 15 days of last drawn basic salary including dearness allowance if any, of each completed year of service subject to maximum amount of ₹ 10,00,000/-. Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited in the form of qualifying insurance policy.

(b) Leave Encashment

The Present value obligation of Leave Encashment is determined based on actuarial valuation using projected unit credit method.

Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.16 are as follows:

(i) Net Employees Benefits Expenses Recognized in the Employee Cost

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
1. Current Service Cost	13,693,303	13,046,725	9,519,087	8,970,543
2. Interest Cost on Benefit Obligation	3,453,749	2,344,075	1,843,790	1,072,470
3. Expected Return on Plan Assets	(3,693,481)	(2,756,593)	—	—
4. Actuarial Gain/(Loss)	1,057,482	(1,936,571)	(4,420,072)	575,851
5. Net Benefit Expenses	14,511,054	10,697,637	6,942,805	10,618,864

(ii) Net Liability as shown in Balance Sheet Date Under "Short Term/Long Term Provisions

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Present Value of Defined Benefit Obligation	56,941,747	44,402,145	29,511,276	23,526,289
2. Fair Value of Plan Assets	50,908,283	41,917,842	—	—
3. Net Liability/(Assets) recognized in the Balance Sheet	6,033,464	2,484,303	29,511,276	23,526,289

(iii) Change in Present Value of the Defined Benefits Obligation

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Opening present value of defined benefit plan				
Current	3,865,688	2,781,203	3,453,234	2,539,279
Non-Current	40,536,457	27,686,035	20,073,055	11,365,042
2. Interest Cost	3,453,749	2,344,075	1,843,790	1,072,470
3. Current Service Cost	13,693,303	13,046,725	9,519,087	8,970,543
4. Actuarial (Gains)/Losses on Obligation	(2,146,889)	876,704	(4,420,072)	575,851
5. Benefits Paid	(2,460,561)	(2,332,597)	(957,818)	(996,896)
6. Closing Defined Benefit Plan	56,941,747	44,402,145	29,511,276	23,526,289
Current	4,937,883	3,865,688	6,395,471	3,453,234
Non-Current	52,003,864	40,536,457	23,115,805	20,073,055

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(iv) Change in Fair value of Plan Assets

(Amount in ₹)

Particulars	Gratuity		Leave Enchashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Opening fair value of Plan Assets	41,917,842	30,478,523	–	–
2. Expected Return	3,693,481	2,756,593	–	–
3. Contribution made by Employer	10,961,893	8,202,048	–	–
4. Actuarial Gains/(Losses) on Obligation	(3,204,372)	2,813,275	–	–
5. Benefits Paid	(2,460,561)	(2,332,597)	–	–
6. Closing fair value of Plan Assets	50,908,283	41,917,842	–	–

(v) Actuarial Assumptions

Particulars	Gratuity		Leave Enchashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Interest & Discount Rate	8.00%	8.00%	8.00%	8.00%
2. Estimated Rate of Return on Plan Assets	8.00%	8.25%	0.00%	0.00%
3. Attrition Rate	2.00%	2.00%	2.00%	2.00%
4. Retirement Age	58	58	58	58
5. Salary Cost Increase Rate	8.00%	8.00%	8.00%	8.00%

(vi) Categories of Plan Assets

	Gratuity	
	2015-16	2014-15
1. Investment with Insurer	100%	100%

(vii) Experience Adjustment

Particulars	Gratuity				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
1. Defined Benefit Obligation	56,941,747	44,402,145	30,467,238	23,909,631	20,886,952
2. Plan Assets	50,908,283	41,917,842	30,478,523	22,577,087	20,036,442
3. Surplus/(Deficit)	(6,033,464)	(2,484,303)	11,286	(1,332,545)	(850,509)
4. Exp. Adj. On Plan Liabilities	(2,146,889)	876,704	(124,682)	(76,162)	(1,265,459)
5. Exp. Adj. On Plan Assets	3,204,372	2,813,275	114,467	(53,174)	(1,041,772)

- The estimates of future salary increases; considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

47 Hedged Foreign Currency Exposure

Particulars	31.03.2016			31.03.2015		
	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)
(a) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 10.60% p.a)	939,850	53.20	50,000,000	1,409,774	53.20	75,000,000
(b) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 10.25% p.a)	3,033,981	61.80	187,500,000	3,236,246	61.80	200,000,000
(c) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 8.50% p.a) (subject to grossing up of Withholding Tax)	562,500	49.10	27,618,750	1,312,500	49.10	64,443,750
(d) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 8.99% p.a)	7,500,000	65.70	492,750,000	–	–	–
Total (a+b+c+d)	12,036,330		757,868,750	5,958,520		339,443,750

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

48 Unhedged Foreign Currency Exposure

The year end foreign currency exposures that have not been hedged by derivatives instruments or otherwise is as follows:

(Amount in ₹)

Particulars	31.03.2016			31.03.2015		
	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)
For Import of Raw Materials, Services & Capital Goods						
USD	244,457	67.71	16,551,972	180,695	62.62	11,314,775
JPY	3,550,000	0.5211	1,849,904	4,685,000	0.5218	2,444,464
EURO	15,792	74.44	1,175,492	7,620	72.61	553,278
For Foreign Currency Loan Taken						
JPY	–	–	–	114,450,338	0.5480	62,723,979
For Export of Goods & Services						
JPY	13,162,068	0.5696	7,496,512	1,251,000	0.5587	698,969
USD	193,488	66.75	12,915,268	186,195	61.92	11,528,701
EURO	6,067	69.01	418,658	600	75.25	45,150
GBP	–	–	–	18,370	92.62	1,701,390
For Foreign Currency Loan Given						
JPY	4,000,000	0.5511	2,204,200	4,000,000	0.5511	2,204,200
Bank Balance						
JPY	1,647,313	0.5962	982,129	21,294	0.5776	12,300
USD	1,080	66.32	71,626	–	–	–

49 Research and Development Expenses

The Company has incurred following expenses on its Research and Development Unit situated at Rai, Sonapat, Haryana (India).

	2015-16	2014-15
Capital Expenditure		
Capital Expenditure	11,120,964	3,202,065
Total (A)	11,120,964	3,202,065
Revenue Expenditure		
Raw Material Consumed	674,088	63,396
Employee Benefits	52,859,132	46,925,397
Other Expenses	6,162,137	5,164,510
Finance Cost	796	167,618
Depreciation & Amortization	2,783,841	8,465,304
Total (B)	62,479,995	60,786,225
Grand Total (A+B)	73,600,960	63,988,290

50 Expenditure During Construction Period

Expenditure During Construction Period pending capitalization in Gujarat Unit (Included in capital work in progress)

	2015-16	2014-15
Opening Balance As on 01.04.2015	7,852,836	–
Pre-operative Expenses		
Employee Benefits	11,375,674	2,828,759
Other Expenses	10,940,104	1,305,429
Finance Cost	20,142,941	3,718,648
Total	42,458,719	7,852,836
Less:- Capitalized to Fixed Assets Account	50,311,555	–
Closing Balance As on 31.03.2016	–	7,852,836

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

51 Corporate Social Responsibility Activities

As required by section 135 of the Companies Act, 2013, CSR committee has been formed by the company. The company has formed Fiem Foundation Trust as on dated 2nd March, 2015 with an object to undertake CSR projects, programs and activities in India as listed under Schedule VII of the Act. The company has no outstanding commitment as on 31st March, 2016 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

(Amount in ₹)		
Particulars	2015-16	2014-15
Gross amount required to be spent during the year	10,118,051	8,126,913
Amount spent during the year :-		
Contribution to the Fiem Foundation	8,870,000	7,533,000
Amount spent by the company	1,250,000	600,000
	10,120,000	8,133,000

52 Joint Venture Company

The Company has entered into a joint venture agreement with 'Horustech Lighting SRL Italy' on 2nd December 2013 for forming a joint venture company to set-up a design centre at Italy. Accordingly, a company 'Centro Ricerche Fiem Horustech SRL' a jointly controlled Entity has been formed on 12th December 2013. The company has invested a sum of ₹ 33,15,600/- (Euro 40,000) towards capital contribution in said Joint Venture Company as on the date of balance sheet.

The company's interest in joint venture is reported as Non Current Investment (Refer Note 12) and is stated at cost.

- (a) Pursuant to Accounting Standard-27, "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended) disclosure in respect of the said Joint Venture are given below:

Name of joint Venture	Centro Ricerche Fiem Horustech SRL
Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2016	50%

- (b) In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows:-

Particulars	31.03.2016	31.03.2015
Non Current Assets	1,923,623	2,877,928
Current Assets	3,341,109	2,474,661
Non Current Liabilities	602,566	(3,781)
Current Liabilities	1,971,069	2,160,400
Revenue	9,209,416	7,918,803
Expenses	9,764,492	5,331,630
Contingent Liabilities	-	-
Capital Commitments	-	-

53 Disclosure under SEBI Regulation

	Outstanding Balance at year end		Maximum Amount Outstanding in the year	
	31.03.2016	31.03.2015	2015-16	2014-15
Fiem Industries Japan Co., Limited	2,362,400	2,084,400	2,362,400	2,353,200

- 54 During the financial year 2015-16, the Company declared and paid an interim dividend of ₹ 5/- per equity share (previous year Nil) of the face value of ₹ 10/- each in the month of March, 2016. In addition, the board of directors recommend payment of ₹ 3/- per equity share of the face value of ₹ 10/- each as final dividend for the financial year 2015-16, for the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 8/- (previous year ₹ 7/-) per equity share of the face value of ₹ 10/- each.

- 55 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 Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

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)

(Amount In ₹)

PART "A" : SUBSIDIARIES		
1.	Sl. No.	1
2.	Name of the subsidiary	Fiem Industries Japan Co., Ltd.
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
	Reporting Currency	Japanese Yen
	Exchange rate Exchange rate as on the last date of the relevant Financial year	0.5906
5.	Share capital	2,948,540
6.	Reserves & surplus	1,764,441
7.	Total assets	17,190,335
8.	Total Liabilities	17,190,335
9.	Investments	—
10.	Turnover	15,095,827
11.	Profit/(Loss) before taxation	2,737,084
12.	Provision for taxation	640,991
13.	Profit/ (Loss) after taxation	2,096,093
14.	Proposed Dividend	NA
15.	% of shareholding	100%
OTHER MATTERS		
1.	Names of subsidiaries which are yet to commence operations	NIL
2.	Names of subsidiaries which have been liquidated or sold during the year	NIL
Part "B": Joint Ventures		
S. No. Particulars		
1	Name of Joint venture	Centro Ricerche Fiem Horustech SRL
2	Latest audited Balance Sheet Date	31.03.16
3	Shares of Associate/Joint Ventures held by the company on the year end No.	50%
	Amount of Investment in Associates/Joint Venture	3,315,600
	Extend of Holding %	50%
4	Description of how there is significant influence	50: 50 Joint Venture
5	Reason why the associate/joint venture is not consolidated	N.A.
6	Networth attributable to Shareholding as per latest audited Balance Sheet	2,691,097
7	Profit / Loss for the year	
	i. Considered in Consolidation	-555,077
	ii. Not Considered in Consolidation	-555,077
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 Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016



Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of FIEM INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of FIEM INDUSTRIES LIMITED ("the Company"), its subsidiary and jointly controlled entity (the company, its subsidiary and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Subsidiary and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its subsidiary and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statement of an overseas 50:50 Joint Venture, Centro Ricerche Fiem Horustech Srl (CRFH), whose financial information included

in the accompanying consolidated financial statements, reflects Total Assets of ₹ 52,64,732 as at 31.03.16 as well as total Revenue of ₹ 92,09,416 for the year ended on that date. Such financial information has not been audited and has been approved by the Board of directors of Centro Ricerche Fiem Horustech Srl (CRFH). The management of the company has converted this financial statement as per accounting principle generally accepted in India, and certified this financial statements for the purpose of preparation of consolidated financial statement under Indian GAAP. Our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Company so far as appears from our examination of those books and the reports of other auditor.
 - c. the Consolidated Balance Sheet, the Consolidated statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of the Holding Company as on 31 March, 2016, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Holding Company is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", and
 - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29(A) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses, and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

for **ANIL S. GUPTA & ASSOCIATES**
Firm Registration Number 004061N
Chartered Accountants

Sd/-
(ANIL KUMAR GUPTA)
Proprietor
Membership No.:- 83159

Place: Rai, Sonapat (HR.)
Dated: May 30, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FIEM INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company").

There is no subsidiary company or jointly controlled company, which are companies incorporated in India as of 31.03.16, therefore reporting on internal financial controls over financial reporting is given only in respect of the Holding Company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **ANIL S. GUPTA & ASSOCIATES**
Firm Registration Number 004061N
Chartered Accountants

Sd/-
(**ANIL KUMAR GUPTA**)
Proprietor
Membership No.:- 83159

Place: Rai, Sonapat (HR.)
Dated: May 30, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in ₹)

	Note No.		AS AT 31.03.2016		AS AT 31.03.2015
I. EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
a) Share Capital	2	119,622,260		119,622,260	
b) Reserves & Surplus	3	2,611,781,062		2,153,197,307	
			2,731,403,322		2,272,819,567
NON CURRENT LIABILITIES					
a) Long Term Borrowings	4	908,521,700		514,672,471	
b) Deferred Tax Liabilities (Net)	32	296,538,578		276,112,452	
c) Other Long Term Liabilities	5	2,284,819		–	
d) Long Term Provisions	6	84,783,349		20,069,274	
			1,292,128,446		810,854,198
CURRENT LIABILITIES					
a) Short Term Borrowings	7	182,982,187		343,404,753	
b) Trade Payables	8	1,507,727,799		882,209,624	
c) Other Current Liabilities	9	790,312,399		581,607,532	
d) Short Term Provisions	10	83,064,926		122,316,436	
			2,564,087,310		1,929,538,345
TOTAL			6,587,619,078		5,013,212,110
II. ASSETS					
NON CURRENT ASSETS					
a) Fixed Assets					
i) Tangible Assets	11	4,153,211,228		3,337,049,876	
ii) Intangible Assets	11	6,189,120		7,585,151	
iii) Capital Work-in-Progress	11	115,901,422		46,251,172	
iv) Intangible Assets under Development		–		–	
b) Non-Current Investments	12	300,000		200,000	
c) Long term Loans and Advances	13	113,909,010		76,536,271	
d) Other Non Current Assets	14	87,062,047		1,491,218	
			4,476,572,828		3,469,113,689
CURRENT ASSETS					
a) Current Investments		–		–	
b) Inventories	15	661,304,121		513,888,377	
c) Trade Receivables	16	1,186,036,694		867,553,771	
d) Cash and Bank Balances	17	45,224,952		34,379,775	
e) Short Term Loans and Advances	18	208,875,691		123,800,489	
f) Other Current Assets	19	9,604,792		4,476,008	
			2,111,046,251		1,544,098,421
TOTAL			6,587,619,078		5,013,212,110
Significant Accounting Policies and Notes to Financial Statements.	1 to 49				

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016

(Amount in ₹)

	Note No.		Current Year 2015-16		Previous Year 2014-15
I. INCOME					
Gross Sales	20	10,839,012,971		9,009,118,664	
Less :- Excise Duty		1,048,515,087		807,899,793	
a) Net Sales			9,790,497,884		8,201,218,872
b) Operating Income	21		91,095,820		53,454,199
Revenue from Operations			9,881,593,704		8,254,673,071
c) Other Income	22		9,706,401		9,031,965
TOTAL REVENUE (A)			9,891,300,105		8,263,705,036
II. EXPENSES					
a) Cost of Raw Materials and Components Consumed	23		5,533,541,230		4,770,288,916
b) Purchase of Stock-in-Trade	24		255,847,692		238,665,355
c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	25		(66,914,217)		(32,565,930)
d) Employees Benefits Expenses	26		1,273,486,546		988,558,060
e) Finance Costs	27		157,808,791		120,486,647
f) Depreciation and Amortization Expense	11		331,201,126		307,230,433
g) Other Expenses	28		1,612,631,729		1,262,281,116
TOTAL EXPENSES (B)			9,097,602,898		7,654,944,597
PROFIT BEFORE TAX (A-B)			793,697,207		608,760,439
TAX EXPENSES					
a) Current Tax Expense		199,940,991		173,041,998	
b) Deferred Tax Liability/(Assets)		20,426,126		10,967,660	
			220,367,117		184,009,658
PROFIT AFTER TAX FOR THE YEAR			573,330,090		424,750,781
Basic and Diluted Earning per Equity Share (Nominal value ₹ 10 per share)	36		47.93		35.51
Significant Accounting Policies and Notes to Financial Statements.	1 to 49				

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16		2014-15	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax as per Statement of Profit and Loss		793,697,207		608,760,439
Adjustments for				
Depreciation & Amortization	331,201,126		307,230,433	
Loss (Profit) on Sale/Discarded of Fixed Assets	(668,159)		1,238,945	
Adjustment of Income Tax for Earlier Year	504,820		120,057	
Unrealised Foreign Exchange (Gain)/Loss	(579,013)		(192,146)	
Provision for Bad & Doubtful Debts	1,968,367		355,235	
Variation in Excise Duty of FG	6,609,221		2,360,949	
Bad Debt Written-Off	2,040,640		1,650,374	
Interest Income	(7,377,319)		(2,010,885)	
Finance Costs	157,808,791	491,508,474	120,486,647	431,239,609
Operating Profit before Working Capital Changes		1,285,205,681		1,040,000,046
Adjustment for (Increase)/Decrease in Operating Assets				
Inventories	(147,415,744)		(90,326,121)	
Trade and Other Receivables	(322,535,637)		(101,887,569)	
Other Current Assets & Loan and Advances	(195,055,624)	(665,007,005)	(20,583,797)	(212,797,487)
Adjustment for Increase/(Decrease) in Operating Liabilities				
Trade Payable & Other Current Liabilities and Provisions	791,407,511	791,407,511	135,455,280	135,455,280
Cash Generated from Operating Activities		1,411,606,187		962,657,839
Income Tax Paid (Including Tax Deducted at Source)	(192,463,725)	(192,463,725)	(141,624,225)	(141,624,225)
Net Cash From Operating Activities		1,219,142,462		821,033,614
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Including Capital Advances)	(1,094,311,902)		(589,821,814)	
Investment	(100,000)		–	
Sale of Fixed Assets	5,605,102		1,472,000	
Interest Received on Deposits	7,377,319		2,010,885	
Net Cash (Used) in Investing Activities		(1,081,429,481)		(586,338,929)
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Dividend Paid	(143,546,712)		(71,773,356)	
Corporate Dividend Distribution Tax Paid	(29,222,695)		(12,197,882)	
Finance Costs Paid	(181,420,212)		(128,632,594)	
Exchange Loss on Repayment of Foreign Currency Loan	886,616		(1,350,452)	
Proceeds from Long-Term Borrowings	705,327,880		256,249,394	
Repayment of Long-Term Borrowings	(318,894,143)		(313,381,232)	
Increase/(Decrease) in Short-Term Borrowing	(160,422,566)		50,887,940	
Net Cash (used)/from Financing Activities		(127,291,832)		(220,198,182)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16	2014-15
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	10,421,149	14,496,503
Opening Balance of Cash & Cash Equivalents	34,379,775	20,224,688
Effect of Exchange Rate Change	(9,226)	(1,203)
Effect of Foreign Currency Translation Reserve	433,255	(340,213)
Closing Balance of Cash & Cash Equivalents	45,224,952	34,379,775
Components of Cash and Bank Balance		
Cash in Hand	3,741,411	2,153,337
Balances with Banks on Current Account	12,650,752	2,236,568
Deposit with Banks having maturity less than three months	2,935,805	11,925,000
Deposit with original maturity more than 3 month but less than 12 month	25,038,390	17,672,567
Unpaid Dividend Accounts	858,595	392,303
Cash and Bank Balances (Refer Note No.-17)	45,224,952	34,379,775
Less:-Deposit with original maturity more than 3 month but less than 12 month	25,038,390	17,672,567
Cash and Cash Equivalent in Cash Flow Statement	20,186,562	16,707,208

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

For and on behalf of the Board of Directors

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

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. Significant Accounting Policies Followed by The Company

Company Background

Fiem Industries Limited (referred to as "The Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's registered office is at New Delhi and it has several manufacturing plants and depots across the country. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. It has one wholly owned foreign subsidiary-Fiem Industries Japan Co., Limited located in Japan. The Company also has entered into a 50:50 Joint Venture with Horustech Lighting SRL Italy and incorporated a Joint Venture, namely 'Centro Ricerche Fiem Horustech SRL' which has been set-up at Italy as a design centre. The Company has research and development facilities located at Rai, Sonapat, Haryana which has been approved by Department of Science & Industrial Research, Ministry of Science & Technology. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

Significant Accounting Policies

The Accounting Policies have been consistently applied by the Company and are consistent with those applied in previous year. However the changes as required by a change or revision to an existing Accounting Standard are dealt in the appropriate paras in the notes forming part of the financial statements.

A. Basis of Preparation

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of Companies Act, 2013, as applicable, other pronouncements of the Institute of Chartered Accountants of India, and guidelines issued by the Securities and Exchange Board of India. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention except for certain revalued fixed assets which has been stated at revalued amount.

Aa. Principle of Consolidation

- (i) The financial statements of the Parent Company, its Subsidiary have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits/losses on intra-group transactions, as in accordance with Accounting Standard (AS) -21 "Consolidated Financial Statements".
- (ii) In accordance with Accounting Standard 27 "Financial Reporting on Interest in Joint Venture" issued under Companies (Accounting Standards) Rules 2006, the financial statement of the joint venture are consolidated using proportionate consolidation method by adding book value like items of assets, liabilities, incomes and expenditure of jointly controlled entity after eliminating intra-group balances/ transactions and unrealised profits to the extent of the Company's proportionate share.
- (iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (iv) In case of foreign subsidiaries and foreign joint venture, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Translation reserve.

- (v) The Company has one wholly owned foreign subsidiary i.e. Fiem Industries Japan Co. Ltd. incorporated in Japan and one jointly controlled entity i.e. Centro Ricerche Fiem Horustech SRL incorporated in Italy which have been considered for consolidation.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and the reported amount of the income and expenses during the year. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized. Example of such estimates includes provision for doubtful receivables, employee benefits, provision for warranty expenses, provision for income taxes, the useful life of depreciable fixed assets etc. The estimates are based upon management knowledge of current events and economic circumstances.

C. Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or;
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for a least 12 months after the reporting date

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or;
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating Cycle

Based on the nature of products/activities of the Company and the normal time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

D. Tangible and Intangible Fixed Assets

- (i) Tangible fixed assets except for certain fixed assets, which have been stated at revalued amounts are valued at the historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and/ or impairment loss, if any. Cost of an item of tangible fixed asset comprises its purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing cost during the period of construction or installation of fixed assets which take substantial period of time to get ready for its intended use up

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

to the date of commencement of commercial production is added to the cost of respective tangible assets. Profit or loss on disposal on tangible assets is recognised in the Statement of Profit & Loss Account.

- (ii) Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Intangible assets are shown at the consideration paid for acquisition less accumulated amortization.
- (iv) Own manufactured tangible assets are capitalized at cost including an appropriate proportion of manufacturing overheads based on normal operating capacities.
- (v) Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date.
- (vi) Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.
- (vii) In respect of accounting periods commencing on or after 7th December, 2006, exchange differences (favourable as well as unfavourable) arising in respect of translation/settlement of the long-term foreign currency borrowings attributable to the acquisition of a depreciable fixed assets are added to or deducted from the cost of the asset and are depreciated over the balance life of the fixed asset.

E. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of Investment is made only if such a decline is other than temporary in the opinion of management.

F. Inventory

- (i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, First in First Out method (FIFO) is used.
- (ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity. Finished stocks lying in the factory premises, branches, Depots are valued inclusive of excise duty.
- (iii) Manufactured and bought out moulds, block & dies for sale are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a First in First Out basis (FIFO).
- (iv) Inventories of non-reusable waste say scrap for which facilities for reprocessing do not exist have been valued at net realizable value.
- (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.

G. Depreciation and Amortisation

- (i) Depreciation on tangible fixed assets acquired on or after April 1, 2014 is charged to the Statement of Profit & Loss as per 'Straight Line Method' in accordance with the useful life specified in Part "C" of Schedule II of the Companies Act 2013.
- (ii) Depreciation on tangible fixed assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is charged to the Statement of Profit & Loss over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013.
- (iii) Leasehold land is amortised over the primary period of lease.
- (iv) Depreciation on assets purchased during the year has been charged from the date of purchase.
- (v) Depreciation on assets sold, discarded or demolished during the year is being provided at their rates up to the date of sale, discarded or demolished.
- (vi) Intangible assets are amortised over their estimated useful life as follows.
 - (a) Computer software is amortised over a period of 3 years
 - (b) Trademark & Technical knowhow over a period of 5 years.
- (vii) Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.
- (viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss Account as specified in Schedule II of the Companies Act 2013.

H. Revenue Recognition

- (i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the Company, which can be reliably measured.
- (ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns and discounts. Sales is shown net of excise duty. The excise duty on sales is disclosed separately. The excise duty related to difference between the closing stock and opening stock of finished goods is recognized separately as part of 'variation in excise duty on finished goods' under the head "Other Expenses".
- (iii) Service income is recognised (net of service tax, as applicable) as per the terms of contracts/arrangements when related services are performed.
- (iv) Inter-unit/warehouse transfer has not been considered as part of "Turnover".
- (v) Insurance claims lodged with insurance companies are accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.
- (vi) Dividend income is recognized when the right to receive the dividend is established at the Balance Sheet date.
- (vii) Interest income is accounted on the time proportion basis.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

I. Government Grants, Subsidies and Export Incentives

- (i) Government grants and subsidies are recognised in the statement of profit and loss in accordance with related schemes and when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.
- (ii) Duty drawback is recognised in the statement of profit and loss at the time of exports subject to the right to entitlement has been established.

J. Foreign Currency Transactions

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of Foreign Currency Monetary Items at the Balance Sheet date

- (i) Foreign currency monetary items (other than fully hedged foreign currency derivative instruments) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
- (ii) Foreign currency non monetary items are carried at cost.

Treatment of Exchange Differences

- (i) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.
- (ii) The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such items do not relate to acquisition of depreciable fixed assets, the difference is accumulated as "Foreign currency monetary item translation difference account" and amortised over the balance period of such long term foreign currency monetary items but not beyond 31st March, 2020.

K. Research and Development

Research expenses are charged to Statement of Profit & Loss as and when incurred. Development expenses are capitalized when the Company is certain to recover the development cost from future economic benefits in accordance with AS-26. Fixed Assets utilized for research and development are capitalized and amortised in accordance with the policies stated for tangible and intangible fixed assets.

L. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. These benefits include salaries and wages, bonus and ex-gratia. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post Employment Benefits:

- (i) Retirement Benefits in the form of Provident Fund and ESI schemes are a defined contribution plans and the contributions are charged to Statement of Profit & Loss of the year when the contributions to the respective funds are due.
- (ii) Leave encashment is applicable to all permanent and full time employees of the Company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method.

- (iii) Gratuity is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The Liability as at the year-end represents the difference between the actuarial valuation of the future gratuity liability of the continuing employees and the fair value of plan assets with Exide Life Insurance Company as at the end of the year.
- (iv) Actuarial gains/losses are immediately taken to the statement of profit and loss.

M. Pre-operative Expenditure Pending Allocation

Expenditure during the construction period of new units/substantial expansion has been debited to fixed assets (expenditure during the construction pending allocation has been debited to capital work in progress account) which are specifically attributable to construction of project or to the acquisition of a fixed assets or bringing it to its working condition and other expenditure during the construction period which are not specifically attributable to construction of projects or to the acquisition of a fixed assets or bringing to its working condition are recognized as an expenses when it is incurred.

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements but disclosed in the Notes on financial statement. A contingent assets is neither recognised nor disclosed in the financial statements.

O. Provision for Taxation

- (i) Provision for Current Tax is made for the current accounting period on the basis of the taxable profits computed accordance with the Income Tax Act, 1961.
- (ii) Minimum Alternate Tax (MAT) is paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability. It is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the assets can be measured reliably. The said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.
- (iii) Deferred Tax charge or credit are recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognized subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates as per tax Laws that have been enacted or substantially enacted as on the Balance Sheet date.
- (iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

that is reasonably certain (as the case may be) to be realised.

- (v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

- (i) Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. The Company is applying Para 46-A of AS-11, and also following the clarification issued by the Ministry of Corporate Affairs, Government of India through circular no. 25/2012 dated 09.08.12. Pursuant to this, exchange differences arising on reporting of Long Term Foreign Currency Monetary Items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, insofar as they relate to the acquisition of depreciable capital assets are added to or deducted from the cost of asset and are depreciated over the balance life of the asset. In other cases it is accumulated in a " Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of the such long term asset/liability but not beyond 31st March 2020.
- (ii) Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.
- (iii) Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.
- (iv) Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Q. Excise Duty

The Excise duty has been accounted on finished goods on the basis of both payments made in respect of goods cleared as also goods lying in warehouse/factory. The Company makes provision for liability of unpaid excise duty on finished stock lying in factory or warehouse. The estimate of such liability has been made at the rates in force on the balance sheet date. On stock meant for exports, no excise duty provision has been made since excise duty is not leviable on goods meant for exports.

R. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing Value in use, the estimated future cash flows is discounted to their present value based on an appropriate discount factor.

S. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash in hand, bank balances and demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

T. Cash Flow Statement

Cash flow statement are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

U. Derivatives Instruments and Hedge Accounting

The Company enters into derivatives contracts in the nature of foreign currency swaps, currency options, forward contracts etc. to hedge its exposure to movements in foreign exchange rates. The use of these contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculative purposes.

Effective April 1, 2008 the Company adopted AS 30, "Financial Instruments: Recognition and Measurement", to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncement of the Company Law and other regulatory requirements.

V. Segment Reporting

Identification of Segments

The Company's operating businesses are organised and managed separately according to the nature of products and service provided, with each segment representing a strategic business unit that offers different products and serve different markets. The analysis of geographical segment is based on the areas in which major operating division of the Company operates.

Unallocated Cost

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

W. Operating Lease

Leases other than finance lease, are operating leases, and the such assets are not recognized on the Company's balance sheet. Payments under operating leases are recognized in statement of operations on a straight-line-basis over the term of the lease.

X. Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the annual General Meeting.

Y. Earnings Per Share

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split, if any.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	AS AT 31.03.2016	AS AT 31.03.2015
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity Shares of ₹ 10 each	300,000,000	300,000,000
Issued, Subscribed and Paid-up		
1,19,62,226 (Prv. Year 1,19,62,226) Equity Shares of ₹ 10/- each fully paid up	119,622,260	119,622,260
TOTAL	119,622,260	119,622,260

a) Terms/rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders.

b) The Details of shareholder holding more than 5% shares in the company (Equity share of ₹ 10 each fully paid up)

Name of the Shareholder	AS AT 31.03.2016		AS AT 31.03.2015	
	No of shares	% held	No of shares	% held
1) J.K. Jain	2,960,000	24.74%	2,960,000	24.74%
2) Seema Jain	2,960,000	24.74%	2,960,000	24.74%
3) Rahul Jain	1,552,340	12.98%	1,552,340	12.98%
4) Aanchal Jain	800,000	6.69%	800,000	6.69%

c) There is no change in share capital of the company, therefore no reconciliation for share capital is reported.

3 RESERVES & SURPLUS

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
CAPITAL RESERVE		
a) Land Revaluation Reserve	117,477,278	117,477,278
b) Building Revaluation Reserve	20,773,148	20,773,148
Total (a+b)	138,250,426	138,250,426
SECURITIES PREMIUM RESERVE	509,972,343	509,972,343
GENERAL RESERVE		
As Per Last Balance Sheet	183,500,000	141,000,000
Add :- Transferred from Surplus in the Statement of Profit and Loss	57,500,000	42,500,000
Closing Balance	241,000,000	183,500,000
TRANSLATION RESERVE	369,551	(63,704)
SURPLUS –OPENING BALANCE	1,321,538,242	1,059,426,978
Add:- Net profit after tax transferred from Statement of Profit and Loss	573,330,090	424,750,781
Amount Available for Appropriation	1,894,868,332	1,484,177,759
Less :- Appropriations		
i) Interim Dividend paid	59,811,130	–
ii) Corporate Dividend Tax Paid on Interim Dividend	12,176,098	–
iii) Proposed Final Dividend	35,886,678	83,735,582
iv) Corporate Dividend Tax on Final Dividend	7,305,684	17,046,597
v) Transitional adjustments related to Fixed Assets as per schedule II of the Act.	–	19,357,338
vi) Transfer to General Reserve	57,500,000	42,500,000
	172,679,590	162,639,517
SURPLUS –CLOSING BALANCE	1,722,188,742	1,321,538,242
TOTAL	2,611,781,062	2,153,197,307

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4 LONG TERM BORROWINGS

(Amount in ₹)

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.16	AS AT 31.03.15	AS AT 31.03.16	AS AT 31.03.15
(A) SECURED LOANS				
1) TERM LOANS FROM BANKS				
a) Indian Rupee Loan	262,050,000	207,582,715	145,532,715	154,715,564
b) Foreign Currency Loan	614,187,500	265,118,750	143,681,250	133,965,071
	876,237,500	472,701,465	289,213,965	288,680,635
2) VEHICLE LOANS				
a) from Banks	15,199,464	17,870,807	12,556,467	11,411,893
b) from Others	17,084,736	24,100,199	7,015,460	7,570,915
	32,284,200	41,971,006	19,571,927	18,982,808
B) UNSECURED LOANS				
from HSIIDC	—	—	—	5,454,032
TOTAL	908,521,700	514,672,471	308,785,891	313,117,475

INDIAN RUPEE TERM LOANS FROM BANKS INCLUDE

- From Citibank :- Loan outstanding as at 31.03.16 ₹ 97,32,715 (Previous year ₹ 2,54,82,715) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fixed interest rate of 12% and is secured against exclusive charge on all movable assets procured out of the term loan.
- From State bank of Patiala :- Loan outstanding as on 31.03.16 ₹ 4,00,00,000/- (Previous year ₹ 9,06,65,564). The loan is for 7 years with 24 quarterly repayment beginning from the end of 15 months from the drawdown. Interest is monthly payable. The current interest rate is 10.30%. The Loan is Secured against First Pari Passu charge alongwith Axis Bank and HSBC over movable and Immovable fixed assets of Rai Unit (Present and future) including equitable mortgage of Factory Land and Building at Rai, Sonepat and First charge on movable fixed assets of Hosur Unit- III (Tamilnadu) and First Charge on movable fixed assets of Mysore unit -IV Karnataka and First charge on entire fixed assets of Unit-VI Nalagarh Unit.
- From Axis Bank :- Loan outstanding as on 31.03.16 ₹ 10,16,00,000 (Previous year ₹ 16,49,00,000) :- The loan is for 7 years and has quarterly repayment beginning after moratorium period of 12 months from the drawdown. Interest is monthly payable. The current interest rate is 10.25%. The Loan is secured against First Pari Passu charge with State Bank of Patiala and HSBC Bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit and secured against First Pari Passu Charge on movable fixed assets of Kundli Unit and Unit-2 at Hosur with Citibank FCNR-II term loan.
- HSBC Bank:- Loan -1 Outstanding as on 31.03.16 ₹ 5,62,50,000 (Previous year ₹ 8,12,50,000) The Loan is for 5 year and has quarterly equal repayment beginning after moratorium period of 1 year. Interest is monthly payable. The loan carries fixed interest rate of 10%. The Loan is Secured against First Pari Passu charge with State Bank of Patiala and Axis Bank on the movable and immovable fixed assets of Rai Unit including equitable mortgage of Factory Land and Building of Rai Unit.
- HSBC Bank:- Loan -2 Outstanding as on 31.03.16 ₹ 20,00,00,000 (Previous year Nil) The Loan is for 6 year and has 20 quarterly equal repayment beginning after moratorium period of 15 months. Interest is monthly payable. The loan carries fixed interest rate of 9.50%. The Loan is Secured against First Pari-Passu charge with HSBC-Mauritius 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 Standard Chartered Bank and HSBC Mauritius.

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

- From Citibank :- FCNR Term Loan -1 outstanding as on 31.03.16 ₹ 5,00,00,000 (Previous year ₹ 7,50,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- From Citibank :- FCNR Term Loan -2 outstanding as on 31.03.16 ₹ 18,75,00,000 (Previous year ₹ 20,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 12 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.25% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and is secured against First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with working capital Lenders viz. Citibank, Standard Chartered Bank, HDFC Bank and Indusind Bank Guarantee limit and term lender Axis Bank. The Loan is also secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- From Standard Chartered Bank - ECB -1 :- Loan outstanding as on 31.03.16 is Nil (Previous year ₹ 5,96,40,071). The loan was for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest rate was 3 month LIBOR PLUS 225 BSP p.a. payable quarterly. The loan was secured against Equitable mortgage on land and building at Tapukara, Rajasthan Unit on Exclusive basis and Specific charge on Plant and machinery at Tapukara, Rajasthan Unit. The loan has been fully repaid during the year.
- From Standard Chartered Bank ECB -2 :- Loan outstanding as on 31.03.16 ₹ 2,76,18,750 (Previous year ₹ 6,44,43,750). The loan is for 5 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 8.50% p.a. The Loan is secured against Equitable mortgage on land and building and Pant and machinery at Tapukara, Rajasthan Unit with HSBC India and HSBC Mauritius.
- From HSBC Mauritius ECB :- Loan outstanding as on 31.03.16 ₹ 49,27,50,000 (Previous year Nil). 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 (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 (1st pari- Passu with HSBC, India) and hypothecation of Plant and Machinery (1st pari- Passu with HSBC, India) along with Standard Chartered bank at Tapukara Rajasthan.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

4 LONG TERM BORROWINGS (Contd...)

(Amount in ₹)

VEHICLE LOANS FROM BANKS AND OTHERS

Vehicle loan from banks and others outstanding as on 31.03.16 are ₹ 5,18,56,127 (Previous year ₹ 6,09,53,814) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 9.50% to 11.50%.

UNSECURED LOAN

Unsecured Loan from HSIIDC was for enhanced compensation of land situated at Rai Unit-7 outstanding as on 31.03.16 – ₹ Nil (Previous year ₹ 54,54,032). The Loan was at fixed interest rate of 12% had tenor of two and Half years, The loan was repayable on half yearly equally installment basis. Interest was payable Half yearly. The loan has been fully repaid during the year.

	1–2 years	2–3 years	3–4 years	4 Years and Above
Maturity Profile of Term Loans and Vehicle Loans are as	307,426,256	206,609,976	178,447,968	216,037,500

(Amount in ₹)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
5 OTHER LONG TERM LIABILITIES		
Retention Moneys	1,831,167	–
Joint Venture Share of Long term Liabilities	453,652	–
	2,284,819	–
6 LONG TERM PROVISIONS		
Provision for Retirement Benefits		
a) Leave Encashment	23,115,805	20,073,055
b) Gratuity	1,095,581	–
	24,211,386	20,073,055
Provision for Warranties (Note –10)	60,423,049	–
Share of other Long Term Provisions of Joint Venture Company	148,914	(3,781)
TOTAL	84,783,349	20,069,274
7 SHORT TERM BORROWINGS		
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on Demand from Banks		
Indian Rupee Loan	182,982,187	343,404,753
TOTAL	182,982,187	343,404,753

Indian Rupee Loan includes

- From Citibank NA :- Loan outstanding as at 31st March 2016 ₹ 1,04,42,870 (Previous Year ₹ 34,34,05,205) Interest is payable with monthly rest on the last date of each month in each year or at such other rest as determined by the bank. The rate of interest is based on relevant circumstances, including market conditions which currently is 10%. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan, Indusind Bank Bank Guarantee Limit and secured against First Pari Passu charge on all the fixed assets of the company (excluding assets specifically purchased out of the term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Standard Chartered Bank, HDFC Bank, Indusind Bank and Citibank FCNR–2 Loan.
- From Standard Chartered Bank :- Loan outstanding as at 31st March 2016 is ₹ 7,28,01,367 (Previous year Receivable ₹ 452) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 10.54%. The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan, Indusind Bank Bank Guarantee Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, HDFC Bank, Indusind Bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, HDFC Bank, Indusind bank and Citibank FCNR–2 Loan.
- From HDFC BANK :- Loan outstanding as at 31st March 2016 is ₹ 9,97,37,950 (Previous year ₹ NIL) Interest is monthly payable. Interest is payable at base rate plus margin basis which may be agreed with bank from time to time which currently is 9.55%. The loan is secured against First Pari Passu charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, Indusind bank Bank Guarantee Limit and secured against First Pari Passu Charge on all fixed assets of the company (excluding assets specifically purchased out of term loan from term loan lenders) with Citibank, Standard Chartered Bank, Indusind Bank including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, Standard Chartered Bank, Indusind Bank and Citibank FCNR–2 Loan.
- Indusind Bank Bank Guarantee Limit:- The loan is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan, HDFC bank Cash Credit Loan Limit and secured against First Pari Passu Charge on present and future moveable fixed assets of the company with Citibank, Standard Chartered Bank, HDFC bank (excluding assets specifically purchased out of term loan from term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli, Haryana and 219/2B, Thally Road Hosur, Tamilnadu with Citibank, Standard Chartered Bank, HDFC Bank and Citibank FCNR–2 Loan. Bank Guarantee charges is 0.60% p.a. plus applicable service tax.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

PARTICULARS		AS AT 31.03.2016		AS AT 31.03.2015
8 TRADE PAYABLES				
a) Micro, Small and Medium Enterprises	8,970,474		9,146,231	
b) Others	1,498,757,325		873,063,393	
		1,507,727,799		882,209,624
TOTAL		1,507,727,799		882,209,624

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,

PARTICULARS		AS AT 31.03.2016		AS AT 31.03.2015
9 OTHER CURRENT LIABILITIES				
a) Current Maturity of Long-Term Debt (See Note 4)		308,785,891		313,117,475
b) Interest Accrued but not due on Borrowings		6,051,267		1,806,282
c) Interest Accrued and due on Borrowings		4,255,116		4,825,717
d) Unpaid Dividend – (Investor Education and Protection Fund will be credited by this amount (as and when due))		858,595		392,303
e) Advances from Customers		120,648,538		81,768,027
f) Security Deposits Received		19,447,266		17,538,069
g) Creditors for Capital Expenditure		168,435,781		53,439,217
h) Liabilities for Expenses		100,097,600		72,040,107
i) Statutory Dues Payable		61,732,344		36,680,336
TOTAL		790,312,399		581,607,532
10 SHORT TERM PROVISIONS				
1) Provision for Retirement Benefits				
a) Leave Encashment	6,395,471		3,453,234	
b) Gratuity	4,939,047		2,532,742	
		11,334,518		5,985,976
2) Other Provisions				
a) Provision for Taxation				
I. Income Tax (net of Advance Tax)	10,352,534		2,814,316	
II. Wealth Tax	–		400,000	
III. Corporate Dividend Tax	7,305,684		17,046,597	
		17,658,218		20,260,913
b) Proposed Final Dividend		35,886,678		83,735,582
c) Provision for Warranties		4,167,894		4,925,568
d) Excise Duty		14,017,618		7,408,397
TOTAL		83,064,926		122,316,436

Proposed Final Dividend

During the year, the company company has declared interim dividend on 12.03.16 @ ₹ 5 per share (Previous year Nil). As on 31.03.16, the company further recognize proposed final dividend of ₹ 3.00 per share (Previous year ₹ 7.00 per share) for distribution to equity shareholders.

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 31.03.16 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	31.03.2016	31.03.2015
Opening Balance	4,925,568	3,570,528
Addition	64,590,943	4,925,568
Utilization	2,350,502	2,096,411
Reversal	2,575,066	1,474,117
Closing Balance	64,590,943	4,925,568
Current Portion	4,167,894	4,925,568
Non Current Portion	60,423,049	–

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

11. FIXED ASSETS

(Amount In ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	For the Year	Deductions	As at 31.03.2016	As at 31.03.2015
1. Tangible Assets								
Land Free hold	312,866,048	3,039,000	–	315,905,048	–	–	315,905,048	312,866,048
Land Lease hold	183,573,947	769,317	–	184,343,264	2,500,350	–	170,708,952	172,439,984
Buildings	991,654,997	372,983,902	–	1,364,638,999	37,077,354	–	1,160,395,682	824,489,134
Plant & Equipment	2,263,227,596	584,923,319	1,997,411	2,846,153,503	167,574,473	1,245,980	1,938,732,534	1,522,135,120
Furniture & Fixtures	108,671,987	44,908,755	–	153,580,742	12,873,240	–	99,032,905	66,997,390
Vehicles	167,654,815	17,279,030	8,564,263	176,369,582	18,526,273	6,511,920	109,451,227	112,750,812
Office Equipment	35,899,351	8,211,960	–	44,111,301	5,707,615	–	15,808,497	13,304,162
Mould, Block & Dies	479,149,120	59,601,537	1,166,324	537,584,333	56,219,879	331,257	210,747,528	208,200,937
Tools & Equipments	58,560,301	20,912,691	–	79,472,992	6,606,944	–	31,991,407	17,685,660
Electrical Installations	134,103,907	28,267,309	565,921	161,805,295	16,016,892	–	90,466,652	78,782,156
Computers	42,165,048	7,172,948	–	49,337,995	4,600,624	–	9,918,515	7,346,188
Total	4,777,527,117	1,148,069,757	12,293,919	5,913,302,955	327,703,643	8,089,157	4,153,158,948	3,336,997,596
Previous Year	4,233,941,874	552,419,206	8,833,963	4,777,527,117	326,454,769	1,967,947	3,336,997,596	–
Share of Joint Venture	62,394	–	–	62,394	–	–	52,280	52,280
Previous Year	–	62,394	–	62,394	10,114	–	52,280	–
Total (1)	4,777,589,511	1,148,069,757	12,293,919	5,913,365,349	327,703,643	8,089,157	4,153,211,228	3,337,049,876
Previous Year (1)	4,233,941,874	552,481,600	8,833,963	4,777,589,511	326,464,883	1,967,947	3,337,049,876	–
2. Intangible Assets								
Computer Software	15,586,717	2,833,631	732,181	17,688,167	2,868,692	–	2,105,887	2,873,129
Technical Know-how	3,111,557	–	–	3,111,557	622,311	–	1,244,623	1,866,934
Trademarks	32,400	–	–	32,400	6,480	–	12,960	19,440
Total	18,730,674	2,833,631	732,181	20,832,124	3,497,483	–	3,363,470	4,759,503
Previous Year	16,733,143	1,997,531	–	18,730,674	9,254,822	–	4,759,503	12,016,794
Share of Joint Venture	3,685,509	–	–	3,685,509	–	–	2,825,648	2,825,648
Previous Year	485,220	3,200,289	–	3,685,509	835,584	–	2,825,648	460,943
Total (2)	22,416,183	2,833,631	732,181	24,517,633	3,497,483	–	6,189,120	7,585,151
Previous Year (2)	17,218,363	5,197,820	–	22,416,183	10,090,406	–	7,585,151	12,477,737
3. Capital Work-in-Progress								
Grand Total (1+2)	4,800,005,694	1,150,903,388	13,026,100	5,937,882,982	331,201,126	8,089,157	4,159,400,348	46,251,172
Previous Year	4,251,160,237	557,679,420	8,833,963	4,800,005,694	336,555,289	1,967,947	3,344,635,027	–

NOTES:

- Depreciation & Amortization for the year
Less: Depreciation withdrawn from Retained Earning
Depreciation & amortization charged to Statement of Profit & Loss
- Gross Block of Land free hold includes ₹ 11,74,77,278 and gross block of Buildings includes ₹ 2,97,01,382 on account of revaluation carried out in the past years based on reports issued by Government approved valuers.
- Additions to land free hold includes an amount of ₹ 18,23,276 for purchase of factory land, the registration of which is still pending in the name of Company
- Additions of fixed assets includes ₹ 21,97,292 (Previous Year-₹ 1,18,67,484) on account of Foreign Exchange Adjustment on ECB Loan as per option exercised under para 46-A of AS-11.
- Capital Work in progress includes:

Particulars	Current Year	Previous Year
i. Civil-work in progress	64,454,697	28,290,856
ii. Pre-operative expenses (Refer Note-44 of Notes)	–	7,852,836
iii. Fixed assets under installation	51,446,725	8,666,570
iv. Fixed assets in transit	–	1,440,910
Total	115,901,422	46,251,172

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		AS AT 31.03.2016	AS AT 31.03.2015
12 NON-CURRENT INVESTMENTS			
TRADE INVESTMENTS (At cost) in Equity (unquoted)			
1 in Others			
a) M/s Shivalik Solid Waste Management Ltd.			
20,000 (P. Y. 20,000) Equity Shares of ₹ 10 each fully paid up	200,000	200,000	
b) Elcina Electronic Manufacturing Cluster (P) Ltd.			
10,000 (P. Y. Nil) Equity Shares of ₹ 10 each fully paid up	100,000	–	
		300,000	200,000
TOTAL		300,000	200,000
13 LONG TERM LOANS AND ADVANCES			
(unsecured but considered good)			
a) Capital Advances		52,948,619	34,710,696
b) Security Deposits		54,282,218	36,176,755
c) Prepaid Expenses		2,908,904	2,888,073
d) Loan to Employees		3,769,269	2,760,747
TOTAL		113,909,010	76,536,271
14 OTHER NON CURRENT ASSETS			
a) Margin Money deposit with original maturity for more than 12 months		45,730	1,491,218
b) Retention money with Customers (Unsecured but considered good)		86,941,222	–
c) Joint Venture share in balance with Government departments		75,096	–
TOTAL		87,062,047	1,491,218
15 INVENTORIES			
(As per Inventory taken valued & certified by the management and valued at lower of cost or net realisable value)			
a) Raw Materials and Components	354,033,793	284,066,532	
b) Raw Materials and Components in Transit	16,295,790	9,939,656	
c) Work in Progress	82,120,326	89,677,129	
d) Finished Goods	153,778,471	98,554,941	
e) Stock in Trade (Mould, Tools and Dies)	29,334,465	6,080,688	
f) Stock in Trade (Others)	3,427,537	7,433,824	
g) Stores and Spares (including Packing Material)	21,893,136	17,406,196	
h) Stores and Spares (including Packing Material) in Transit	420,603	729,413	
		661,304,121	513,888,377
TOTAL		661,304,121	513,888,377

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		AS AT 31.03.2016		AS AT 31.03.2015
16	TRADE RECEIVABLES			
	(unsecured but considered good)			
	Debt Outstanding for a period exceeding Six Months			
a)	Considered Good	12,363,198	8,946,721	
b)	Considered Doubtful	4,127,036	2,158,669	
	Other Debts :- Considered Good	1,173,673,496	858,607,050	
		1,190,163,730		869,712,440
	Less:- Provision for Doubtful Debts	4,127,036		2,158,669
	TOTAL	1,186,036,694		867,553,771
17	CASH AND BANK BALANCES			
1)	Cash and Cash Equivalents			
a)	Balances with Banks in Current Account	12,650,752	2,236,568	
b)	Deposits with original maturity of less than three months	2,935,805	11,925,000	
		15,586,557		14,161,568
2)	Cash on Hand	3,741,411		2,153,337
3)	Other Bank Balances			
a)	Unpaid Dividend Account	858,595	392,303	
b)	Margin money deposit with original maturity for more than 3 months but less than 12 months	25,038,390	17,672,567	
		25,896,985		18,064,870
	TOTAL	45,224,952		34,379,775
18	SHORT TERM LOANS AND ADVANCES			
	(unsecured but considered good)			
a)	Prepaid Expenses	12,253,708		9,352,040
b)	Loan to Employees	2,590,093		3,480,083
c)	Advances for Goods other than Capital Goods	69,804,067		33,388,812
d)	Balance with Customs, Excise Department	113,627,722		65,738,248
f)	Balance with Income Tax Department	—		76,028
e)	Balance with Sales Tax Department	5,617,186		3,292,520
f)	Security Deposits	985,223		3,928,283
g)	Other Advances Recoverable	3,997,692		4,544,475
	TOTAL	208,875,691		123,800,489
19	OTHER CURRENT ASSETS			
a)	Interest Accrued on Deposits	3,466,452		1,284,017
b)	Subsidy Receivables	5,813,540		1,462,627
c)	Export Incentive Receivables	324,800		1,729,364
	TOTAL	9,604,792		4,476,008

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16	Previous Year 2014-15
20 GROSS SALES			
Manufactured Goods			
1) Automotive Lamps, Signalling Equipment and Parts	6,191,232,703	5,924,900,482	
2) Rear View Mirrors and Parts	1,345,401,869	1,209,886,508	
3) Plastic Moulded Parts	1,364,556,374	1,090,275,225	
4) Moulds and Dies	38,578,441	33,158,863	
5) LED Luminaries	1,217,315,244	124,091,317	
6) LED Integrated Passenger Information System	24,911,923	6,236,365	
7) Others	307,714,432	246,523,044	
	10,489,710,987	8,635,071,804	
Traded Goods			
1) Mould and Dies	282,306,072	315,749,287	
2) LED Integrated Passenger Information System	7,149,002	198,487	
3) Others	59,846,910	58,099,086	
	349,301,984	374,046,860	
		10,839,012,971	9,009,118,664
TOTAL		10,839,012,971	9,009,118,664
21 OPERATING INCOME			
1) Scrap Sales		41,124,007	28,710,591
2) Testing charges Received		14,043,166	10,460,908
3) Mould, Dies and Tool Design and Development Charges		11,556,753	1,353,043
4) Government Subsidy Received		17,511,227	5,369,696
5) Duty Drawback Received		3,054,965	3,027,103
6) Rebate and Discount Received		2,902,800	2,038,560
7) Difference in Foreign Exchange		354,858	1,288,699
8) Segregation/Rework Charges Received		482,105	360,727
9) Packing and Forwarding		65,939	844,872
TOTAL		91,095,820	53,454,199
22 OTHER INCOME			
1) Interest Income		7,377,319	1,968,135
2) Dividend Received		20,000	15,000
3) Sundry Creditors Written Back		2,218,534	6,771,949
4) Sundry Balances Written Back		56,511	234,131
5) Other Non Operating Income		34,037	42,750
TOTAL		9,706,401	9,031,965
23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
Opening Stock		284,066,532	232,279,055
Add : Purchases		5,603,508,491	4,822,076,393
Less :- Inventories at the end of the year		354,033,793	284,066,532
TOTAL		5,533,541,230	4,770,288,916
Particulars of Raw material and components consumed			
Plastic Powder	1,908,637,297	1,788,653,101	
Bulb	516,692,190	513,039,389	
Wiring Harness	488,000,361	489,031,753	
LED	332,426,185	38,677,354	
Others	2,287,785,198	1,940,887,319	
		5,533,541,230	4,770,288,916

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16		Previous Year 2014-15
24 PURCHASE OF STOCK IN TRADE				
a) Purchase of Traded Goods		51,188,750		45,459,417
b) Purchase of Traded Moulds, Dies and Tools		204,658,942		193,205,938
TOTAL		255,847,692		238,665,355
Detail of Purchase of Traded Goods				
Bulb		17,497,747		13,473,589
Mould Dies and Tools		204,658,942		193,205,938
Others		33,691,003		31,985,828
		255,847,692		238,665,355
25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE				
Inventories at the end of the year				
a) Finished Goods	153,778,471		98,554,941	
b) Work-in-Progress	82,120,326		89,677,129	
c) Traded Goods – (Mould, Tools and Dies)	29,334,465		6,080,688	
d) Traded Goods – (Others)	3,427,537		7,433,824	
		268,660,798		201,746,581
Inventories at the beginning of the year				
a) Finished Goods	98,554,941		109,163,122	
b) Work-in-Progress	89,677,129		50,481,837	
c) Traded Goods – (Mould, Tools and Dies)	6,080,688		2,349,065	
d) Traded Goods – (Others)	7,433,824		7,186,628	
		201,746,581		169,180,651
		(66,914,217)		(32,565,930)
Finished Goods				
Automotive Goods	114,526,218		97,514,657	
LED Luminaries and Integrated Passenger Information System	39,252,253		1,040,284	
		153,778,471		98,554,941
Work in Progress				
Automotive Goods	67,631,714		88,130,465	
LED Luminaries and Integrated Passenger Information System	14,488,612		1,546,664	
		82,120,326		89,677,129
26 EMPLOYEES BENEFITS EXPENSES				
Salaries,Wages and Bonus to Employees		1,173,038,217		897,499,137
Contribution to Provident and other Funds		24,205,111		18,207,501
Staff Welfare Expenses		54,583,757		51,298,313
Gratuity Expenses		14,716,656		10,934,244
Earned Leave to staff		6,942,805		10,618,864
TOTAL		1,273,486,546		988,558,060
27 FINANCE COSTS				
Interest Expenses		148,124,326		116,493,340
Other Borrowing Costs		9,684,466		3,993,307
TOTAL		157,808,791		120,486,647

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

		Current Year 2015-16		Previous Year 2014-15
28 OTHER EXPENSES				
Manufacturing Expenses				
1) Job Charges	6,130,494		4,878,271	
2) Machinery Running and Maintenance				
a) Machinery Repair and Service Charges	6,805,247		6,142,430	
b) Machinery Spares	70,089,709		60,904,306	
3) Consumption of Stores and Spare Parts	177,654,046		113,452,383	
4) Packing Expenses	247,579,800		199,910,465	
5) Power & Fuel	378,762,323		333,307,291	
6) Variation in Excise Duty of FG	6,609,221		2,360,949	
7) Repair – Dies	18,166,320		14,704,681	
8) Factory / Godown Rent	5,027,124		5,208,522	
9) Installation Expenses for LED Streetlights	19,340,200		–	
10) Freight, Cartage & Octroi	77,910,322		65,315,293	
11) Testing and Design Fees	12,241,421		11,245,968	
12) Segregation Charges Paid	573,899		1,730,555	
		1,026,890,125		819,161,114
Administrative and Selling Expenses				
1) Advertisement, Sub & Membership Expenses	16,500,003		15,185,896	
2) Payment to Auditors	5,400,000		5,084,600	
3) Donation	2,661,646		1,462,197	
4) Rates and Taxes	14,537,850		8,590,423	
5) Insurance	4,846,142		3,721,876	
6) Bad Debt Written Off	2,040,640		1,650,374	
7) Provision for Bad and Doubtful Debt	1,968,367		355,235	
8) Rent	21,688,458		11,715,339	
9) Repair & Maintenance– Building	4,572,662		3,776,442	
10) Repair & Maintenance– Other	20,286,367		16,326,581	
11) Royalty	5,034,158		5,049,026	
12) Loss on Sale of Fixed Assets	(668,159)		1,238,945	
13) Selling & Distribution Expenses	234,874,469		150,326,613	
14) Cash Discount on Sales	16,259,490		14,709,638	
15) Travelling and Conveyance Expenses	51,119,747		42,129,206	
16) Contribution toward CSR (Note–45)	10,120,000		8,133,000	
17) Prior Period Expenses	2,514,736		716,004	
18) Other Office Expenses	171,985,029		152,948,608	
		585,741,604		443,120,002
TOTAL		1,612,631,729		1,262,281,116

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	31.03.2016	31.03.2015
29 Contingent Liabilities		
(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)		
(i) Income Tax		
(a) Case decided in the Company's favour by Appellate Authorities and for which the department has filed further appeals	68,011,337	61,745,248
(b) Case pending before Appellate Authorities in respect of which the Company has filed appeals	14,715,784	–
(ii) Custom Duty		
(a) Import Duty Demand towards imported capital goods which were sold to the customer in relation to nil import duty being paid at the time of import of said capital goods as a 100% EOU unit for which the company has filed an appeal with Commissioner of Central Excise, Chennai (Net of deposit)	4,340,527	4,340,527
(b) Liability of Import Duty towards Export obligation undertaken by the Company under EPCG Licenses	–	5,613,810
(iii) Excise Duty & Service Tax		
(a) Excise Duty Demand on Modvat Credit taken on raw material for which the Company has filed an appeal with CESTAT, New Delhi (Net of deposit)	2,457,076	2,457,076
(b) Excise Duty Demand on Cenvat Credit taken on input and Capital goods for which the Company has filed an appeal with CESTAT, Chennai (Net of deposit)	–	1,952,730
(c) Service Tax Demand on Cenvat Credit taken on input services for which the Company has filed an appeal with CESTAT, Chennai (net of deposit)	–	201,052
(d) Show Cause notice on Excise Duty on Sales Tax Subsidy received from Sales tax Department Rajasthan for the period 01.09.2013 to 31.01.2015, for which the Company has represented before the Additional Commissioner (Alwar)	2,004,257	–
(e) Excise Duty Demand on disallowance of CENVAT Credit of Excise Duty and Service Tax prior to registration under excise & service tax law, for which the Company is in the process for filling appeal with Commissioner (Appeal)	8,767,488	–
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in Supreme Court.	595,315	797,786
(b) Sales Tax Demand for F.Y. 2013–14 & F.Y. 2014–15 on input tax credit reversal on CST Sales under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai	18,833,290	–
(c) Sales Tax Demand for A.Y. 2010–11 for which company has filed appeal with First Appellate Authority (net of deposit)	2,000,000	2,000,000
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	307,144,265	275,863,699

Note:-1– Based on the advice taken by the company, the company believes that it has good case in respect of all the items under (i) to (iv) above and hence no provision is considered necessary against the same.

(Amount in ₹)

	31.03.2016	31.03.2015
30 Capital & Other Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	170,432,866	189,484,358
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided, (net of advances)	53,149,003	63,284,955
(iii) Bank Guarantee Charges payable to Indusind Bank	14,396,894	–
(iv) Lease Commitments (non-cancellable in nature) (See Note-33)	5,029,516	19,562,400
	2015–16	2014–15
31 (a) Auditor's Remuneration		
For Statutory Audit	3,300,000	3,200,000
For Tax Audit	400,000	300,000
For Limited Review	700,000	700,000
For Other Services	1,000,000	700,000
Total (a)	5,400,000	4,900,000
(b) Cost Auditor's Remuneration		
For Cost Audit Fees	–	180,000
For Other Services	120,000	–
For Reimbursement of Travelling and Out-of-Pocket Expenses	5,837	4,600
Total (b)	125,837	184,600
Total (a+b)	5,525,837	5,084,600

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

32 Deferred Tax Liabilities (Net)

The components of deferred tax liability (net) recognized in the financial statements and deferred tax recognized in the statement of profit & loss are as under—

(Amount in ₹)

	31.03.2016	Adjustment during the year	31.03.2015
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	338,252,592	47,904,357	290,348,235
Total (a)	338,252,592	47,904,357	290,348,235
Deferred Tax Assets			
Provision for Bad & Doubtful	1,428,285	681,213	747,072
Provision for Leave Encashment	10,213,263	2,071,284	8,141,979
Provision for Gratuity	2,088,062	1,228,294	859,768
Provision for Bonus	5,597,327	2,841,570	2,755,757
Provision for Warranty	22,353,634	20,648,993	1,704,641
Welfare Fund	33,442	6,877	26,565
Total (b)	41,714,013	27,478,231	14,235,782
Net Deferred Tax Liability (a-b)	296,538,578	20,426,126	276,112,452
Previous Year	276,112,452	10,967,660	275,112,310

Note: The one time tax effect of ₹ 99,67,519/- was adjusted against the retained earnings in the previous year.

33 Lease Transaction

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

(Amount in ₹)

	2015-16	2014-15
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	5,029,516	8,909,600
Later than one year and not later than five years	—	10,652,800
Total	5,029,516	19,562,400
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	26,715,582	16,923,861
Lease Rental recognized in Pre-operative Expenditure	427,500	50,000
Total	27,143,082	16,973,861

34 Borrowing Cost Capitalized

Borrowing Cost Capitalized to Qualifying Assets	27,285,805	5,610,364
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35 Exchange Differences on account of Fluctuation in Foreign Currency Rates

Exchange Differences recognized in the Statement of Profit & Loss

(i) Exchange Gain/(Loss) Relating to Export during the year as a part of "Sales"	1,955,323	1,013,854
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	(1,160,561)	1,164,336
(iii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock-in-Trade"	3,573,670	3,369,741
(iv) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	354,858	1,288,699

Exchange Differences recognized in the Fixed Assets

(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	1,759,966	707,885
(ii) Foreign Exchange Adjustment Gain/(Loss) on Long Term Foreign Currency Loan taken for acquisition of fixed assets (Consequent to notification, issued by Ministry of Corporate Affairs, amending the AS-11)	(2,197,292)	11,867,484

36 Earning Per Share

Profit available for equity shareholders	573,330,090	424,750,781
Weighted average number of shares	11,962,226	11,962,226
Earning Per share basic and diluted (In Rs.)	47.93	35.51
Face value per equity share (In Rs.)	10	10

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

	2015-16	2014-15
37 Government Grant		
Duty Drawback on Export	3,054,965	3,027,103
Investment Subsidy Under Investment Promotion Scheme	17,511,227	5,369,696
Total	20,566,192	8,396,799

38 Segment Reporting

The segment reporting of the Company has been prepared in accordance with Accounting Standard-17 "Segment Reporting" (specified under section 133 of Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014).

Segments Reporting Policies**(a) Identification of Segments:****Primary-Business Segments**

The Company has identified two reportable business segments viz. Automotive and LED Luminaries Segment on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems with effect from the current financial year. During the previous year, the company had only one business segment. Hence comparative figures for the previous period are not reported. The products included in each of the reported business segments are as follows:-

- (i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, and sheet metal components for motorised vehicles and others parts for automotive.
- (ii) LED Luminaries Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.
- (b) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated"
- (c) Segment assets and segment liabilities represent assets and liabilities in respective segments. income tax related assets/liabilities, borrowings, 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

	2015-16		
	Automotive	LED Luminaries	Total
A. Revenue			
External Sales	8,610,456,747	1,180,041,137	9,790,497,884
Operating Income	79,414,321	11,681,499	91,095,820
Inter-Segment Sales	—	—	—
Total	8,689,871,068	1,191,722,636	9,881,593,704
Results			
Segment Results (Earning Before Interest & Tax)	895,150,060	179,962,128	1,075,112,188
Unallocated corporate expenses			133,312,591
Other Income	—	—	9,706,401
Operating Profit			951,505,998
Cost of Finance			157,808,791
Profit before tax			793,697,207
Tax expense			220,367,117
Profit after tax			573,330,090
B. Other Information			
Segment Assets	5,114,390,017	1,473,229,062	6,587,619,079
Unallocated Corporate Assets	—	—	—
Total Assets	5,114,390,017	1,473,229,062	6,587,619,079
C. Other Information			
Segment Liabilities	1,830,802,579	263,874,946	2,094,677,525
Unallocated Corporate Liabilities	—	—	1,761,538,231
Total Liabilities	1,830,802,579	263,874,946	3,856,215,756
Capital Expenditure (Including Capital-work-in progress)	740,342,705	480,210,933	1,220,553,638
Depreciation & Amortization	314,547,850	16,653,276	331,201,126
Non-cash expenses other than depreciation	16,370,784	64,206,144	80,576,928

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

(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

	2015-16	2014-15
Segment Revenue		
India	9,462,715,610	7,863,617,946
Outside India	327,782,274	337,600,926
Total	9,790,497,884	8,201,218,872
Segment Receivables		
India	1,139,265,478	832,414,415
Outside India	46,771,216	35,139,356
Total	1,186,036,694	867,553,771

1. Sales Revenue by geographical market Outside India includes indirect export.
2. The segment trade receivables outside india includes receivables on account of indirect exports.
3. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

39 Related Party Disclosures

Name of Related Parties, Transactions and Balances at Reporting date are as follows

Name of Related Party**(i) Key Management Personnel**

Jagjeevan Kumar Jain	Chairman and Managing Director
Seema Jain	Whole Time Director
Aanchal Jain	Whole Time Director
Rahul Jain	Whole Time Director
JSS Rao	Whole Time Director
Kashi Ram Yadav	Whole Time Director
Takanabu Kamoshita	Director (up to 31.03.2015)
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary

(ii) Related Parties Controlled by Key Management personnel

Fiem Auto Private Limited	Entity Controlled by Key Management Personnel
Jagjeevan Kumar Jain (HUF)	Entity Controlled by Key Management Personnel
Fiem Auto & Electrical Industries	Entity Controlled by Key Management Personnel
Fiem Foundation	Entity Controlled by Key Management Personnel

(iii) Relative of Key Management personnel

M. Kamoshita	Wife of Key Management Personnel
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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

Particulars	Transaction During The Year		Outstanding Amount Carried at Balance Sheet	
	2015-16	2014-15	31.03.2016	31.03.2015
(i) Key Management Personnel				
Remuneration				
Jagjeevan Kumar Jain	12,480,000	12,480,000	551,803	904,417
Seema Jain	4,200,000	3,600,000	446,198	541,807
Rahul Jain	3,900,000	3,600,000	762,642	383,248
Aanchal Jain	3,600,000	3,000,000	416,275	435,488
JSS Rao	8,400,000	7,200,000	479,601	–
Kashi Ram Yadav	8,544,864	7,344,864	515,030	442,330
Takanabu Kamoshita	–	2,662,560	–	201,525
OP Gupta	4,380,000	3,960,000	296,938	272,310
Arvind Kumar Chauhan	4,290,000	3,690,000	281,376	245,250
Dividend				
Jagjeevan Kumar Jain	35,520,000	17,760,000	–	–
Seema Jain	35,520,000	17,760,000	–	–
Aanchal Jain	9,600,000	4,800,000	–	–
Rahul Jain	18,628,080	9,314,040	–	–
JSS Rao	144	72	–	–
Kashi Ram Yadav	4,056	2,028	–	–
Rent Paid				
Aanchal Jain	9,778,300	5,326,400	–	–
Rahul Jain	4,387,500	–	–	–
Security Deposit Receivables Agst Rent				
Aanchal Jain	1,472,700	3,994,800	5,467,500	3,994,800
Rahul Jain	2,632,500	–	2,632,500	–
(ii) Related Parties Controlled by Key Management personnel				
<u>Corporate Social Responsibility Activities</u>				
Contribution to Fiem Foundation	8,870,000	7,533,000	–	–
Brand Royalty				
Fiem Auto & Electrical Industries	5,000,000	5,000,000	1,306,250	1,279,500
Dividend				
Jagjeevan Kumar Jain (HUF)	138,456	69,228	–	–
Fiem Auto Private Limited	1,012,800	506,400	–	–
(iii) Relative of Key Management personnel				
M. Kamoshita	–	887,520	–	–

40 Post Employment Benefits Plan**Defined Contribution Plans**

Contribution to Defined Contribution Plan, recognized as 'Employee Benefits Expenses' for the year are as under:

	2015-16	2014-15
Employer's Contribution to Provident Fund	19,168,806	14,202,085
Employer's Contribution to ESI Fund	4,781,937	3,814,236
Employer's Contribution to Wages Welfare Fund	254,368	191,180
Total	24,205,111	18,207,501
Add:–Employer's Contribution to Provident Fund recognized in Pre–operative Expenses	40,340	–
Total	24,245,451	18,207,501

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Defined Benefit Plans

(a) Gratuity

The Company operates a defined benefit plan of Gratuity for its employees under the Gratuity plan, every employee who has completed five years of services gets a gratuity on departure @ 15 days of last drawn basic salary including dearness allowance if any, of each completed year of service subject to maximum amount of ₹ 10,00,000/-. Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited in the form of qualifying insurance policy.

(b) Leave Encashment

The Present value obligation of Leave Encashment is determined based on actuarial valuation using projected unit credit method.

Disclosure requirement as per Accounting Standard on Employee Benefit-AS (15)-As per actuarial valuation as on 31.03.16 are as follows:

(i) Net Employees Benefits Expenses Recognized in the Employee Cost

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
1. Current Service Cost	13,693,303	13,046,725	9,519,087	8,970,543
2. Interest Cost on Benefit Obligation	3,453,749	2,344,075	1,843,790	1,072,470
3. Expected Return on Plan Assets	(3,693,481)	(2,756,593)	—	—
4. Actuarial Gain/(Loss)	1,057,482	(1,936,571)	(4,420,072)	575,851
5. Net Benefit Expenses	14,511,054	10,697,637	6,942,805	10,618,864
Add:- Share of Joint Venture	205,602	236,608	—	—
6. Net Benefit Expenses	14,716,656	10,934,244	6,942,805	10,618,864

(ii) Net Liability as shown in Balance Sheet Date Under "Short Term/Long Term Provisions

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Present value of Defined Benefit Obligation	56,941,747	44,402,145	29,511,276	23,526,289
2. Fair Value of Plan Assets	50,908,283	41,917,842	—	—
3. Net Liability/(Assets) recognized in the Balance Sheet	6,033,464	2,484,303	29,511,276	23,526,289
Share of Joint Venture	1,164	48,439	—	—

(iii) Change in Present Value of the Defined Benefits Obligation

Particulars	Gratuity		Leave Encashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Opening Present Value of Defined Benefit Plan				
Current	3,865,688	2,781,203	3,453,234	2,539,279
Non-Current	40,536,457	27,686,035	20,073,055	11,365,042
2. Interest cost	3,453,749	2,344,075	1,843,790	1,072,470
3. Current Service Cost	13,693,303	13,046,725	9,519,087	8,970,543
4. Actuarial (Gains)/Losses on Obligation	(2,146,889)	876,704	(4,420,072)	575,851
5. Benefits Paid	(2,460,561)	(2,332,597)	(957,818)	(996,896)
6. Closing Defined Benefit Plan	56,941,747	44,402,145	29,511,276	23,526,289
Current	4,937,883	3,865,688	6,395,471	3,453,234
Non-Current	52,003,864	40,536,457	23,115,805	20,073,055
Add:- Share of Joint Venture	1,164	—	—	—

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

(iv) Change in Fair value of Plan Assets

Particulars	Gratuity		Leave Enchashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Opening fair value of Plan Assets	41,917,842	30,478,523	–	–
2. Expected Return	3,693,481	2,756,593	–	–
3. Contribution made by Employer	10,961,893	8,202,048	–	–
4. Actuarial Gains/(Losses) on obligation	(3,204,372)	2,813,275	–	–
5. Benefits Paid	(2,460,561)	(2,332,597)	–	–
6. Closing fair value of Plan Assets	50,908,283	41,917,842	–	–

(v) Actuarial Assumptions

Particulars	Gratuity		Leave Enchashment	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1. Interest & Discount Rate	8.00%	8.00%	8.00%	8.00%
2. Estimated Rate of Return on Plan Assets	8.00%	8.25%	0.00%	0.00%
3. Attrition Rate	2.00%	2.00%	2.00%	2.00%
4. Retirement Age	58	58	58	58
5. Salary Cost Increase Rate	8.00%	8.00%	8.00%	8.00%

(vi) Categories of Plan Assets

	Gratuity	
	2015-16	2014-15
1. Investment with Insurer	100%	100%

(vii) Experience Adjustment

Particulars	Gratuity				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
1. Defined Benefit Obligation	56,941,747	44,402,145	30,467,238	23,909,631	20,886,952
2. Plan Assets	50,908,283	41,917,842	30,478,523	22,577,087	20,036,442
3. Surplus/(Deficit)	(6,033,464)	(2,484,303)	11,286	(1,332,545)	(850,509)
4. Exp. Adj. On Plan Liabilities	(2,146,889)	876,704	(124,682)	(76,162)	(1,265,459)
5. Exp. Adj. On Plan Assets	3,204,372	2,813,275	114,467	(53,174)	(1,041,772)

- The estimates of future salary increases; considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

41 Hedged Foreign Currency Exposure

Particulars	31.03.2016			31.03.2015		
	Foreign Currency (Amount In FC)	Exchange Rate (In ₹)	Rupees (Amount In INR)	Foreign Currency (Amount In FC)	Exchange Rate (In ₹)	Rupees (Amount In INR)
(a) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 10.60% p.a)	939,850	53.20	50,000,000	1,409,774	53.20	75,000,000
(b) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 10.25% p.a)	3,033,981	61.80	187,500,000	3,236,246	61.80	200,000,000
(c) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 8.50% p.a) (subject to grossing up of Withholding Tax)	562,500	49.10	27,618,750	1,312,500	49.10	64,443,750
(d) Long Term Loan for Capital Goods (Hedged against exposure to outflow for USD loan repayment and its interest payments. Cross currency swap to pay fixed interest @ 8.99% p.a)	7,500,000	65.70	492,750,000	–	–	–
Total (a+b+c+d)	12,036,330		757,868,750	5,958,520		339,443,750

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

42 Unhedged Foreign Currency Exposure

The year end foreign currency exposures that have not been hedged by derivatives instruments or otherwise is as follows:

(Amount in ₹)

Particulars	31.03.2016			31.03.2015		
	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)	Foreign Currency (Amount in FC)	Exchange Rate (in ₹)	Rupees (Amount in INR)
For Import of Raw Materials, Services & Capital Goods						
USD	244,457	67.71	16,551,972	180,695	62.62	11,314,775
JPY	–	–	–	635,000	0.5260	334,010
EURO	8,743	74.36	650,167	–	–	–
For Foreign Currency Loan Taken						
JPY	–	–	–	114,450,338	0.5480	62,723,979
For Export of Goods & Services						
USD	193,488	66.75	12,915,268	186,195	61.92	11,528,701
EURO	6,067	69.01	418,658	600	75.25	45,150
GBP	–	–	–	18,370	92.62	1,701,390
Bank Balance						
JPY	1,647,313	0.5962	982,129	21,294	0.5776	12,300
USD	1,080	66.32	71,626	–	–	–

43 Research and Development Expenses

The Company has incurred following expenses on its Research and Development Unit situated at Rai, Sonapat, Haryana (India).

	2015-16	2014-15
Capital Expenditure		
Capital Expenditure	11,120,964	3,202,065
Total (A)	11,120,964	3,202,065
Revenue Expenditure		
Raw Material Consumed	674,088	63,396
Employee Benefits	52,859,132	46,925,397
Other Expenses	6,162,137	5,164,510
Finance Cost	796	167,618
Depreciation & Amortization	2,783,841	8,465,304
Total (B)	62,479,995	60,786,225
Grand Total (A+B)	73,600,960	63,988,290

44 Expenditure During Construction Period

Expenditure During Construction Period pending capitalization in Gujarat Unit (Included in capital work in progress)

	2015-16	2014-15
Opening Balance As on 01.04.2015	7,852,836	–
Pre-operative Expenses		
Employee Benefits	11,375,674	2,828,759
Other Expenses	10,940,104	1,305,429
Finance Cost	20,142,941	3,718,648
Total	42,458,719	7,852,836
Less:– Transferred to Fixed Assets Account	50,311,555	–
Closing Balance As on 31.03.2016	–	7,852,836

45 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 also 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, 2016 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:–

Particulars	2015-16	2014-15
Gross amount required to be spent during the year	10,118,051	8,126,913
Amount spent during the year :–		
Contribution to the Fiem Foundation	8,870,000	7,533,000
Amount spent by the company	1,250,000	600,000
	10,120,000	8,133,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

46 Joint Venture Company

The Company has entered into a joint venture agreement with 'Horustech Lighting SRL Italy' on 2nd December 2013 for forming a joint venture company to set-up a design centre at Italy. Accordingly, a company 'Centro Ricerche Fiem Horustech SRL' a jointly controlled Entity has been formed on 12th December 2013. The company has invested a sum of ₹ 33,15,600/- (Euro 40,000) towards capital contribution in said Joint Venture Company as on the date of balance sheet.

- (a) Pursuant to Accounting Standard-27, "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended) disclosure in respect of the said Joint Venture are given below:

Name of joint Venture	Centro Ricerche Fiem Horustech SRL
Description of Interest	Jointly Controlled Entity
Country of Incorporation	Italy
Proportion of Ownership Interest as at March 31, 2016	50%

- (b) In respect of jointly control entity, the company's share of assets, liabilities, incomes and expenses are as follows—

(Amount in ₹)

Particulars	31.03.2016	31.03.2015
Non Current Assets	1,923,623	2,877,928
Current Assets	3,341,109	2,474,661
Non Current Liabilities	602,566	(3,781)
Current Liabilities	1,971,069	2,160,400
Revenue	9,209,416	7,918,803
Expenses	9,764,492	5,331,630
Contingent Liabilities	—	—
Capital Commitments	—	—

47 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2016		2015-16	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.73%	2,723,999,244	99.73%	571,789,074
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	0.17%	4,712,981	0.37%	2,096,093
(iii) Foreign Joint Venture				
(As per Proportionate Consolidated method)				
Centro Ricerche Fiem Horustech SRL	0.10%	2,691,097	-0.10%	(555,077)
Total		2,731,403,322		573,330,090
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	As on 31.03.2015		2014-15	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
(i) Parent				
Fiem Industries Ltd	99.87%	2,269,763,175	99.51%	422,676,145
(ii) Foreign Subsidiary				
Fiem Industries Japan Co., Ltd	-0.01%	(139,577)	-0.12%	(512,536)
(iii) Foreign Joint Venture				
(As per Proportionate Consolidated method)				
Centro Ricerche Fiem Horustech SRL	0.14%	3,195,969	0.61%	2,587,172
Total		2,272,819,567		424,750,781

- 48 During the financial year 2015-16, the Company declared and paid an interim dividend of ₹ 5/- per equity share (previous year nil) of the face value of ₹ 10/- each in the month of March, 2016. In addition, the board of directors recommend payment of ₹ 3/- per equity share of the face value of ₹ 10/- each as final dividend for the financial year 2015-16, for the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 8/- (previous year ₹ 7/-) per equity share of the face value of ₹ 10/- each.

- 49 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 Anil S. Gupta & Associates
Firm Registration Number: 004061N
Chartered Accountants

Sd/-
(J. K. Jain)
Managing Director

Sd/-
(Rahul Jain)
Director

Sd/-
(O.P. Gupta)
Chief Financial Officer

Sd/-
(Arvind K. Chauhan)
Company Secretary

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

Place : Rai, Sonapat (HR.)
Date : May 30, 2016

Awards & Accolades





fiem

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FIEM INDUSTRIES LTD.

(CIN: L36999DL1989PLC034928)

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