



Fiem

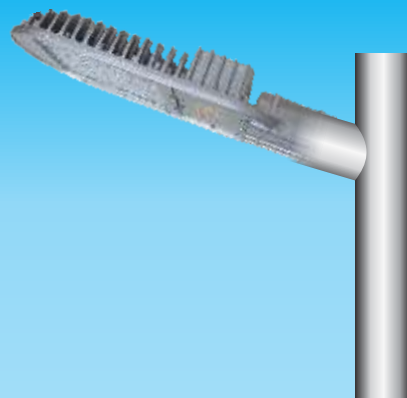
Light Up The World

LIGHTING UP THE FUTURE GROWTH



2014-15
ANNUAL REPORT

Fiem Industries Ltd.



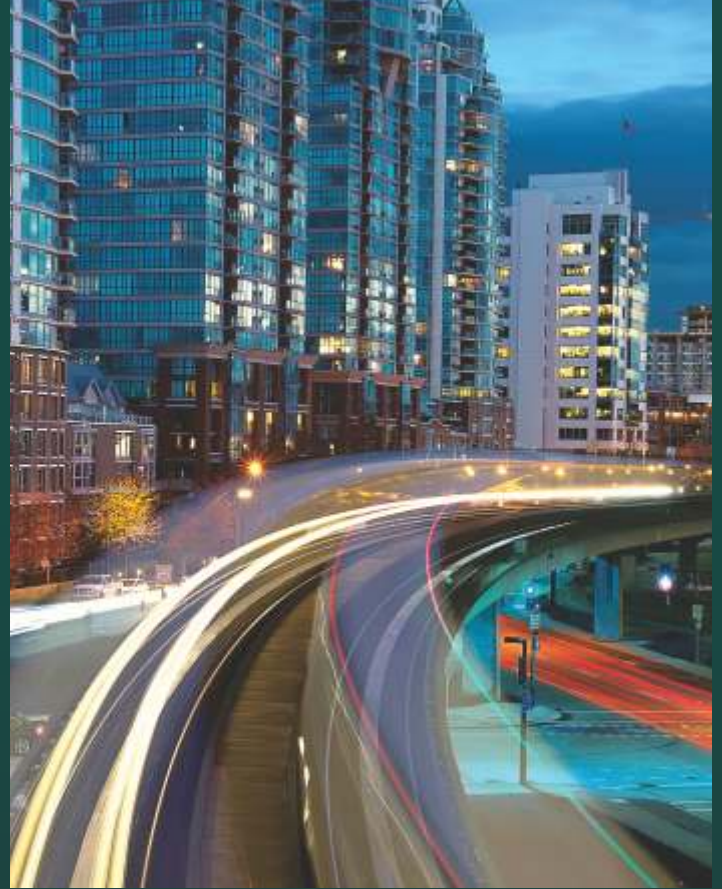
Cautionary Statement

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 can not 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.

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LIGHTING UP THE FUTURE GROWTH



We, at Fiem Industries have been growing consistently despite the challenging macro economic situation in the recent years reflecting our fundamental strength of resilience and dynamism. It is our inherent quality of constantly evaluating ourselves that further strengthens our position and ensures a steady growth momentum.

Backed by our strong presence in Automotive segment and the excellent relationship that we maintain with our clients, we have successfully leveraged the consistent growth of the two wheeler segment in the recent times. Our wide array of products ranging from lamps and mirrors, plastic moulded parts to sheet metal products are well accepted among our clients due to strict adherence to high quality and cost competitiveness. With our natural aspiration to grow more, we are relentlessly pursuing to broaden our base in the automotive segment strongly supported by our technology capabilities in design, development and testing.

Our venture into LED luminaires and Integrated Passenger Information System (IPIS) reflects our assiduous pursuit for steady growth. LED is more energy efficient and hence more cost competitive over its lifetime compared to CFL and incandescent bulbs. Given its superior attributes over other luminaires and its nascent stage in India, the LED industry is well poised for strong growth because of overwhelming Government initiatives with increase in consumer awareness. With a strong in house R&D capability, we will have a cost advantage, which could propel us ahead of peers in the LED segment.

The IPIS business segment would receive an impetus from Government's focus in modernizing the railway infrastructure including the IT system. Higher application of improved version of station navigation information system which falls within the ambit of IT system will drive our growth. Our continuous effort of strengthening our growth capabilities and planned reinforcement of the growth engine will ensure our steady momentum.

THE WORLD OF FIEM INDUSTRIES

Established in 1989, Fiem Industries Limited (FIEM) is one of the leading manufacturers of Automotive Lighting & Signalling Equipments and Rear View Mirrors in India. After strengthening its position in the automotive segment with product diversification like plastic moulded and sheet metal parts, it has also diversified its product portfolio by entering into LED luminaires for Indoor and Outdoor applications and Integrated Passenger Information System for Railways & Buses. FIEM is also among first companies in India introducing LED lights in two wheelers.



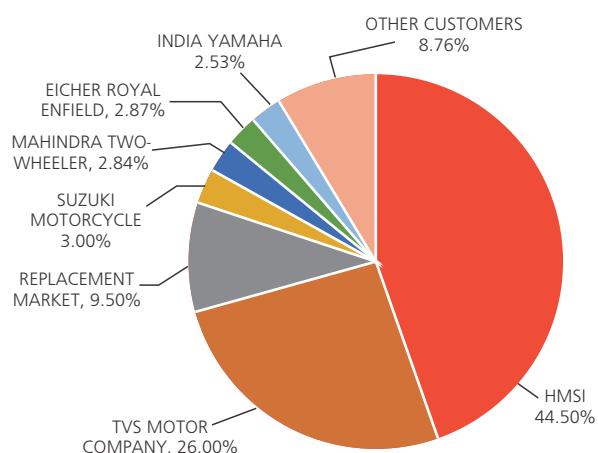
Total Income : ₹ 826.37 Cr in FY15

Market cap : ₹ 755.71 Cr as on 31st March 2015

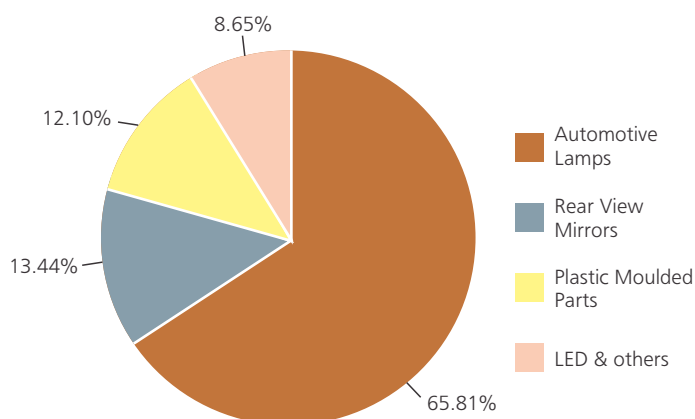
Net worth : ₹ 213.45 Cr in FY15

Headcount : 1489

Total Clientele Contribution



Product wise Revenue Mix (%)



R&D CENTER

- FIEM has modern and state-of-the-art R&D Centre located in India and Design Centres in Japan and Italy equipped with latest software and qualified and experienced manpower.
- Conducts various kinds of testing such as Product Testing, Photometry Testing, Environmental Testing, Thermal Tests, Electronic Test, Vibration Test, Chemical Test, Mechanical Tests etc.
- Government of India, Ministry of Science and Technology, Department of Science and Industrial Research has accorded Recognition to Company's in-house R&D Unit situated at Rai Industrial Estate, Sonapat.
- Developed more than 100 new generation LED Luminaires for industrial & domestic applications for Indoor and Outdoor including LED drivers.
- In-house design and development of Railway IPIS (Integrated Passenger Information Systems with LED Display).
- In-house design and development for four wheeler LED Rear combination, LED direction indicator lamp etc.



Environmental, Electrical, Mechanical & Durability Test



3-d Coordinate & Profile Measuring Equipments



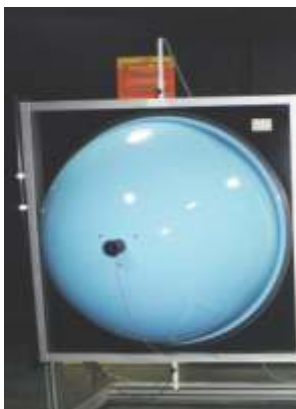
Vibration Tester with Anechoic (Elamitic) Chamber



Testing Laboratory



3-d Coordinate & Profile Measuring Equipments



Integrating Sphere & Photometric testing laboratory

MILESTONES

1989

Incorporated as Rahul Auto Pvt. Ltd.

Fiem products accredited with 'E' Certification by the German & French certifying Laboratories.

1992

Rahul Auto Pvt. Ltd. changed to Fiem Industries Pvt. Ltd. and a New Plant established at Gurgaon.

1993

Fiem Industries Pvt. Ltd., converted into Public Limited Company and became Fiem Industries Ltd.



1994

A new state of art Plant was established at 32 Mile Stone, G.T. Road, Kundli, Sonapat (Haryana) and all manufacturing facilities consolidated and shifted to this unit. (Now known as Unit-I).

1996

Fiem Sung San (India) Ltd., a JV Company was established in Noida (U.P.) with Daewoo India and Sung San Co., Korea for Automotive Lighting for Daewoo Cars.

1997

Unit-I accredited with ISO-9002.

1998

Multi Focal Reflector (MFR) first time introduced in India.

1999

Received ISO-9002, QS-9000 accreditations from UL, USA.

2004

Setup Unit 2, in Hosur, Tamil Nadu for TVS Motor Co. Ltd.

2013

A 50:50 JV Company setup with Horustech Lighting of Italy for setting up a design centre in Italy namey Centro Ricerche Fiem Horustech Srl

2014

Integrated Passenger Information System with LED Display (IPIS) approval received from RDSO (Railways)

MOU with Honda Lock Mfg. Co. and Toyota Tsusho Corporation, Japan for Key Sets, Door Mirrors and Outside Handles

2015

Started receiving orders from EESL for LED Bulbs and Street Lights.

Setup Unit 9 at Ahmedabad, Gujarat for HMSI plant at Ahmedabad

Capacity expansion at Rai and Tapukara Units for LED Luminaires

**2012**

Started manufacturing auto lamps and components for Honda Japan

Setup facilities for LED Indoor & Outdoor Lighting

2011

Setup Unit 8 for mfg Plastic moulded parts in Tapukara, Rajasthan for HMSI

In-house R&D Centre at Rai, approved by Govt. of India

Mfg of LED Display Panels for Buses and Railways

2010

Unit-VII, A state of the Art manufacturing facility established at Rai, Sonapat (Haryana) with well equipped Testing Laboratory.

2005

Setup Unit 3, in Hosur, Tamil Nadu & Unit 4 in Mysore, Karnataka

Entered into Technical Support Agreement with Ichikoh Industries Ltd., Japan.

2006

Setup Unit 5 (EOU) in Hosur, Tamil Nadu

Setup Unit 6 in Nalgarh, Himachal Pradesh

Initial Public Offering by the Company

2007

Setup LED SMT plant at Kundli Plant

Setup Mirror Plant including Prismatic Mirror at Unit 5 with technical support from Ichikoh Industries, Japan

Merged Fiem Sung San India Ltd. with Fiem Industries Ltd.

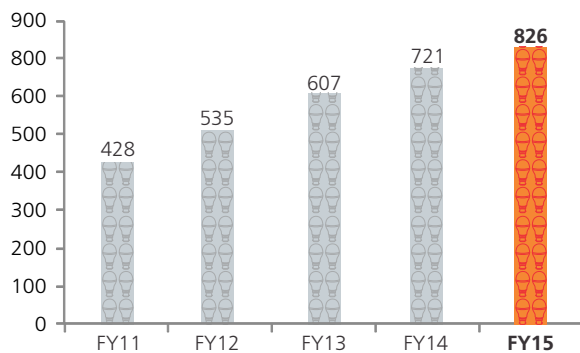
BUSINESS HIGHLIGHTS

(₹ Cr)

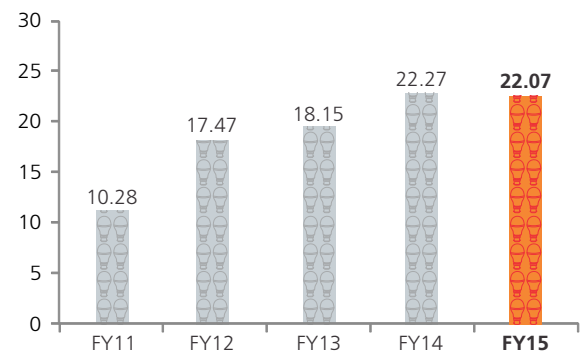
Consolidated	2014-15	2013-14	2012-13	2011-12	2010-11
Total Income	826.37	721.13	606.78	535.44	427.85
Total Expenses	722.72	632.08	536.11	467.46	389.99
EBITDA	103.65	89.06	70.67	67.98	37.86
Depreciation	30.72	21.79	18.35	16.88	12.98
EBIT	72.92	67.27	52.32	51.09	24.88
Interest	12.05	14.45	12.97	20.78	9.52
Profit Before Tax	60.88	52.82	39.36	30.31	15.36
Tax	18.40	15.54	11.63	9.18	4.30
Profit After Tax	42.48	37.28	27.72	21.14	11.06
Paid up Capital	11.96	11.96	11.96	11.96	11.96
Reserves	201.49	171.06	142.19	117.81	99.31
Shareholders Fund	213.45	183.02	154.15	129.77	111.27
Long- Term Borrowings	82.78	89.81	103.85	118.52	92.62
Short - Term Borrowings	34.34	29.25	30.35	44.17	38.11
Total Debt	117.12	119.06	134.20	162.69	130.73
Cash & Bank Balance	3.44	2.02	1.60	5.48	4.78
Ratios					
EBITDA Margins (%)	12.54	12.35	11.65	12.70	8.85
PBT Margin (%)	7.36	7.32	6.48	5.66	3.59
PAT Margins (%)	5.14	5.17	4.57	3.95	2.59
Earnings Per Share (₹)	35.51	31.16	23.17	17.67	9.25
Dividend Per Share (₹)	7.00*	6.00	4.00	3.00	2.50
Book Value Per Equity Share (₹)	178.47	153.03	128.89	108.50	93.04
ROE (%)	19.90	20.36	17.98	16.29	9.94
ROCE (%)	22.07	22.72	18.15	17.47	10.28

*Proposed

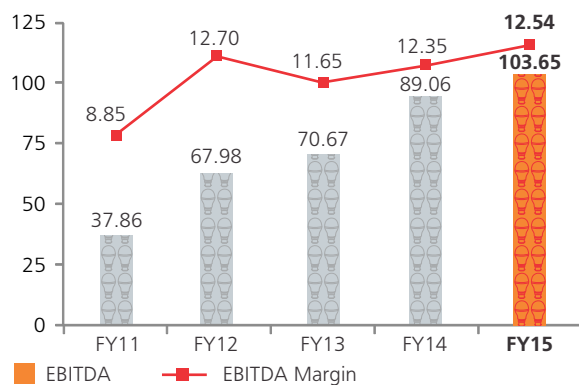
Total Income (₹ Cr)



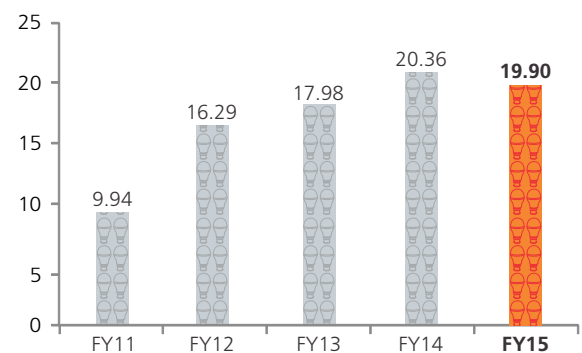
ROCE (%)



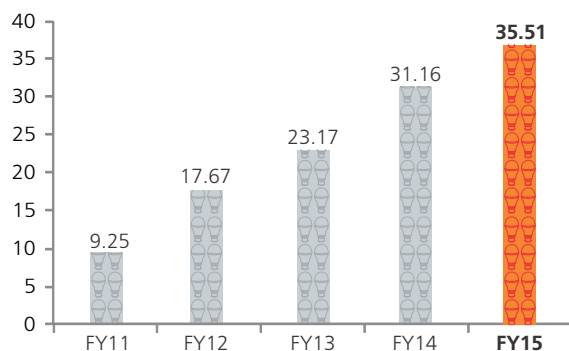
EBITDA (₹ Cr) and EBITDA Margin (%)



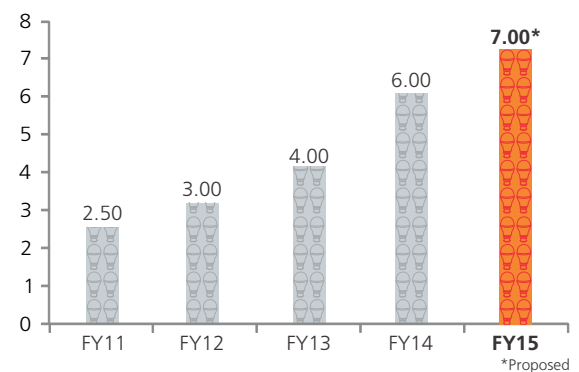
ROE (%)



Earnings Per Share (₹)



Dividend Per Share (₹)



*Proposed

CHAIRMAN MESSAGE



Dear Shareholders,

The nation is going through a phase of economic turnaround after a lull period of last few years. The macro-economic numbers including GDP, inflation rate, IIP data and forex reserves are reflecting the improved economic health of India. This enhances my confidence that we are on the right direction on the course of economic recovery led by a pro reformist government in the center.

Domestically, the automotive sales grew by a moderate rate of 7% in FY15 from the previous year. What is encouraging is the growth recorded in the passenger vehicle and medium and heavy vehicle (M&H) segment after a decline in growth in the previous year. The two wheeler segment where we have a very strong presence continued to perform steadily by recording a healthy 8% growth in FY15.

We continued to achieve strong performance in this year also. Our consistency helped us to mark an impressive 18% CAGR in revenue over the last four years. During the year, revenue grew by 14.75% to ₹ 819.50 Cr from ₹ 714.11 Cr in the previous year. Net profit for FY15 was ₹ 42.26 Cr compared to ₹ 37.40 Cr in FY14 translating to a growth of 13%. Going forward we are confident of doing better riding on an economic turnaround and supportive government policies.

During the year, we expanded our capacity in Tapukara plant in Rajasthan and Rai plant in Haryana. The Unit 9 in Ahmadabad, Gujarat setup to cater HMSI's new plant in Gujarat. We are further expanding our capacity in the Tapukara plant for LED Luminaires. We continued to enjoy a healthy relation with our valued OEM customers, thanks to our high quality products and cost competitiveness. Supported by superior design, development and testing capabilities, we are also relentlessly striving to attract new customers in this segment.

Our non auto component ventures in LED and IPIS (Integrated Passenger Information System) are poised for a strong growth supported by right and timely policy direction. Government initiatives to increase the use of LED in pursuit of saving energy and thus enhancing energy efficiency will provide an impetus to this industry. The National Program for LED-based Home and Street Lighting launched in 2015 envisages installing LED bulbs for domestic and replacing the existing street lights with LED street lights. The large scale demand created by this initiative will help the domestic LED industry to pick up pace.

We, at FIEM Industries are well poised to reap the benefit emerging from this opportunity. In FY 15, we received and completed an order of ₹ 11.53 Cr from EESL (Energy Efficiency Services Limited) to supply self ballasted 7.74 lakh 7w LED Bulbs for West Godavari and Srikakulam in Andhra Pradesh. This success reflects the strength of our strategy of in-house manufacturing enabling us to maintain quality and control cost.

“ We manufacture every component in-house except LED chips and some electronics. Even the most crucial part, i.e. driver for the LED luminaires is manufactured in-house.”

We manufacture every component in-house except LED chips and some electricals. Even the most crucial part, i.e. driver for the LED luminaires is manufactured in-house. Apart from giving us an upper edge over our competitors, our policy of in-house production also goes in sync with the spirit of Make in India initiative.

It is heartening to see the new government identified railway as among the primary drivers for economic growth and rolled out various plans to upgrade and modernize this mode of transportation. Announcement of modernizing the station navigation information system by the government in the FY16 rail budget will have a positive repercussion for the IPIS segment including IPIS with train indication, coach guidance, and a PC based announcement system.

I take this opportunity to thank all our stakeholders for their belief in FIEM Industries and also thank our employees for their valuable contribution and dedication.

J.K. Jain
Chairman & Managing Director

FORAY INTO LED LUMINAIRES



“

Our journey of making LED lamps started around 8 years back when one of our customers in Europe ordered us to supply LED marker Lamp for Caravans and Trucks. He supported us for the development of LED Marker Lamps and we installed facility for SMT (Surface Mounting). Since then we never looked back and developed in-house capacities in LED design, development and manufacturing with deep domain expertise and expanded LED range in automotive lighting. By the time LED Indoor and Outdoor lighting opportunity emerged in India, we were ready to convert this opportunity in our growth engine. With the long experience in Automotive Lighting and in-house capacities in LED technology, we developed Quality LED Luminaires for Indoor and outdoor applications like LED bulbs, tubes, down lighters, street lights, solar lanterns, torches etc. in competitive pricing. Our understanding of Indian situations helped us to develop robust and more resilient products to suit Indian conditions like high voltage fluctuation.

”

Rahul Jain
Whole-time Director

CSR INITIATIVES



Caring the Needy



SPOTLIGHT ON LED



LED industry in India

Never before seen such a huge opportunity in India for LED Lighting!

MAKE IN INDIA initiative rolling for the LED industry as well!!

Leading magazine 'LED World' (Jan-Feb 2015 issue) provides some insights about the market potential of LED lighting in near future. It refers interview with Mr. Saurabh Kumar, Managing Director, EESL and following statistics emerges...

Question by LW: What are your views on the LED market in India?

Mr. Saurabh Kumar: Let's talk about the two important sub sectors in the LED market: household lighting & street lighting. In the country as of now, 120 crores CFL's and incandescent bulbs are sold every year. Potentially all of them can be replaced by LED and they will at some point in time because that is the future of lighting. If I assume a cost of 200 for LED in terms of volume, then **we are already looking at 24,000 crores worth of market for bulbs alone and this is excluding tube lights or any other form of domestic lighting.** When it comes to street lights, there are close to 300 crores street lights in the country. Take an average of about 10,000 for street lights with maintenance etc. and **we're looking at an astounding number for public lighting alone. In the next 4-5 years, the market size should at least be 50,000 crores.** I'm presuming in 5 years we should be in a position to replace most the street lights and encourage people to change over to LEDs. Hopefully EESL's direct interventions will encourage people to invest in LED bulbs.



In Support of Make in India

ELCOMA Vision 2020

Mission Statement:

"To make the Indian Lighting industry a leader in energy efficient lighting and environmental consciousness by reducing the share of national energy consumption for lighting from 18% to 13%, and develop a sustainable world-class, global manufacturing hub for modern lighting products."



Vision 2020: Objectives

1. Generate consumer demand for energy efficient lighting products to enable energy consumption for lighting to reduce from 18% to 13% of total power consumption
 - All inclusive adoption of energy efficient lighting, including rural sector
 - Launch cost-effective products catering to the mass Indian consumer
2. Develop LED Testing infrastructure to support the increasing demand for high quality products
3. Develop strong domestic manufacturing capability for LED lighting products and Luminaires to reduce dependence on imports and become an export hub for ASEAN and Gulf countries
 - Local luminaire manufacturing and product assembling capability to fulfil local as well as export demand
 - Local electronic component manufacturing capability to reduce reliance on imports
4. Develop India into a world leader and export hub in designing for LED Luminaire, Control Gear and Systems by leveraging our existing skills in this area
 - Develop India into a world leader in smart controls for lighting products, while building upon our ITES strength
5. Promote R&D and Education in Lighting and build skilled manpower
6. Make the Indian Lighting Industry a global leader in environmental consciousness



We Understand LED Lighting better... ...FIEM has expertise on all levels

We can create solutions with unparalleled expertise, depth and reach.

Why FIEM's LED Bulbs!

- **Low costs of ownership > Long lifetime > up to 80% savings on energy bills**
- **Environmental friendly > Less heat > no mercury**
- **Harmless light > No UV an IR radiation**
- **Scene settings > warm and cool white**
- **High quality of light > with well-defined specs and parameters**



Optical – Optics

- Defines beam angle .
- Portrays beam uniformity, spread.

Perceived to deliver the same or better light effect as the original light source (beam angle, Luminous intensity, color Temp., color rendering), and perceive as equal or better light quality.

Optical – Luminaire Efficacy

- The efficacy of complete LED lamp and luminaire is most relevant to building energy use and will directly impact the light output.

The efficacy of both LED packages and complete products depends on many factors, which range from electrical efficiency to internal quantum efficiency to spectral efficiency.

Initial & Maintained Efficacy

- The luminous efficacy at the beginning of life is greater than the luminous efficacy when the end of rated life is approaching.

TM-21 test in the LM-80 or IS-16106 defines the time period of lumens depreciation, yet, the rate of lumens depreciation and the over all amount of decline are defined for source types.

Optical- LED packages

- Defines Lumens level.
- Long life without depreciation in Lumens
- Optimize colour temperature.

Electrical LED driver/Driver losses

- Defines Power Consumption
- Provides high Electrical efficiency
- Provides various Electrical safety protections.
- Provides constant lumens over wide range of Supply voltage variation.

100% compatible with the electrical characteristics fluctuations and 100% compatible with LEDs , while causing no non-compliance.

Mechanical & Thermal

- Dissipates heat / heat absorbing material
- As temperature increases, the light generation process becomes less efficient.
- Limits Lumen output
- Limits Wattage
- Portrays lamp aesthetics.

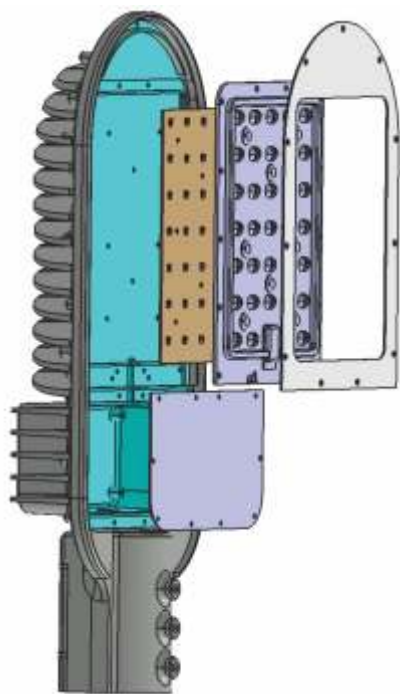
- Mechanical compatibility (shape, size) into an existing fixture and thermal compatibility.
- Requires a thermal management system.

FIEM's Core Competency:

- Strong in all domains of LED Lighting:
 - Design, Development, and whole value chain of Manufacturing,
 - Better understanding of technology and focus on in-house manufacturing,
 - Better Quality and Cost Competitiveness.

Why FIEM's LED Street Lights!

- Low costs of ownership > Long lifetime > up to 80% savings on energy bills
- Environmental friendly > Less heat > no mercury
- Harmless light > No UV an IR radiation
- Scene settings > warm and cool white
- High quality of light > with well-defined specs and parameters



Optical – Optics

- Defines beam angle .
- Portrays beam uniformity, spread and diversity as per CIE:140

Perceived to deliver the same or better light effect as the original light source (beam angle, Luminous intensity, color Temp., color rendering), and perceive as equal or better light quality.

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Integrated Passenger Information System with LED Display

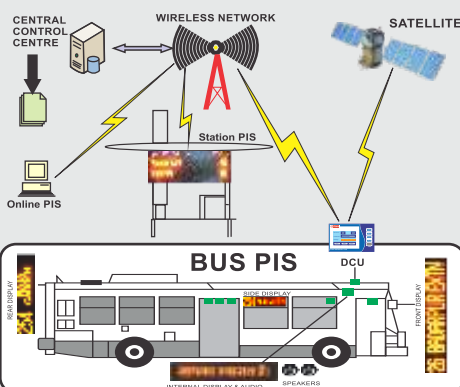
RAILWAYS

Integrated Passenger Information System consisting of train indication, coach guidance & PC based announcement system with display panels



BUSES

Intelligent Transportation Systems with LED display for Buses



Display System consists of: • Driver Controller Unit • Front Display Unit • Side Display Unit • Rear Display Unit • Internal Display Unit & Voice Announcement System

• MOUD/JnNURM/ASRTU Compliant Product • GPS/GPRS Compatible • Multi language support • Windows based user friendly application software • Route database updation through USB • Slim design • High bright day night viewable LEDs

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. Amitabh Prakash Agrawal	– Independent Director
Mr. V. K. Malhotra	– Independent Director
Mr. S.K. Jain	– Independent Director
Mr. P.N. Viswanathan	– Independent Director (From 09/08/14 to 03/12/2014)
Mr. Mohan Bir Sahni	– Independent Director (w.e.f. 12/02/2015)

CHIEF FINANCIAL OFFICER

Mr. O.P. Gupta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Arvind K. Chauhan

AUDIT & RISK MANAGEMENT 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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New Delhi-110015 (INDIA)
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CIN: L36999DL1989PLC034928

CORPORATE OFFICE & UNIT VII

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Fax: +91-130-2367903
Email: investor@fiemindustries.com
Website: www.fiemindustries.com

REGISTRAR AND SHARE TRANSFER AGENT

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

DIRECTORS' REPORT

To

Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended on March 31, 2015.

FINANCIAL SUMMARY / HIGHLIGHTS

As mandated under Rule 8 of the Companies (Accounts) Rules, 2014, the Director's Report is prepared based on the 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:

Particulars	(Rs. in Lacs)		
	Standalone		% Increase or Decrease
	2014-15	2013-14	
Gross Sales	90028.78	78804.10	14.24%
Sales, Net of Excise	81949.78	71410.57	14.75%
Earning before Tax, Depreciation & Finance Cost	10333.50	8914.15	15.92%
Less: Cost of Finance	1204.08	1443.89	-16.60%
Profit before Tax & Depreciation	9129.42	7470.26	22.21%
Less: Depreciation	3063.35	2178.53	40.62%
Profit Before Tax	6066.07	5291.73	14.63%
Less: Tax Expenses	1839.68	1551.74	18.56%
Profit After Tax	4226.39	3739.99	13.00%
Add: Balance brought forward from previous year	10621.41	8096.13	
Profit available for appropriation	14847.80	11836.12	25.44%
Less: Transfer to General Reserve	425.00	375.00	13.33%
Less: Proposed Dividend	837.36	717.73	16.67%
Less: Corporate Dividend Tax	170.46	121.98	39.74%
Less: Transitional adjustments to Fixed Assets as per Schedule II of Companies Act 2013	193.57	—	—
Surplus - Closing Balance	13221.41	10621.41	24.48%
Earnings Per Share (Rs.)	35.33	31.27	12.98%

Dividend

Based on the Company's performance, your Directors have recommended a Dividend of Rs. 7/- per equity share of face value of Rs. 10/- each (i.e. 70%) for the financial year ended March 31, 2015, amounting to Rs. 837.36 Lacs. The Dividend payout is subject to approval of members at the ensuing Annual General Meeting of the Company.

The Dividend payout for the year under review has been recommended in accordance with the Company's policy to pay sustainable dividend and to retain resources requirements for long term growth objectives of the Company to be met from internal accruals.

STATUTORY DISCLOSURES AS PER PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 (the ACT)

1. Extract of Annual Return

Pursuant to sub section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in form MGT-9 as on March 31, 2015 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, decisions and performance of the Company. Due to business exigencies, certain business decisions are taken by the Board through resolution passed by circulation from time to time.

The Board met five times in financial year 2014-15 viz., on May 28, 2014, August 9, 2014, November 10, 2014, December 5, 2014 and February 12, 2015. One separate meeting of Independent Directors was also held on December 5, 2014. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms the part of the Annual Report.

3. Independent Directors' declaration

All Independent Directors of the Company have given declaration under Section 149(7) of the Act, that they meet the criteria laid down in Section 149(6) of the Act read with Clause 49 of the Listing Agreement.

4. Directors' Appointment Criteria and Remuneration Policy etc.

The Nomination & Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of the Directors as well as Remuneration Policy for the Company as mandated under section 178(3)(4) and Clause 49.IV.B.4 of the Listing Agreement.

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

5. Auditors & Auditor's Report

(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 previous 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, Practising Company Secretaries, Delhi as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2014-15. 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 2014-15 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

For financial year 2014-15, Cost Audit was not applicable on the Company. The Cost Audit Report for financial year 2013-14 was filed on 23/09/2014 within due date for filing. For the financial year 2015-16, Cost Audit is applicable on the Company and pursuant to section 148(3) of the Companies Act read with Rule 6(2) of Companies (Cost Records and Audit) Rules, 2014, Mr. Krishan Singh Berk, Cost Accountant (membership No. 2724) has been appointed as Cost Auditor of the Company at the Board Meeting held on 29th May, 2015.

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

Particulars of loans given, investment made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the standalone financial statement of the Company (Please refer to Note No. 11 to the standalone financial statement).

7. Contracts and Arrangements with Related Parties

All contract/arrangement/transactions entered by the Company during the Financial Year 2014-15, with the related parties were on arm's length basis. During the year, Company has not entered into contract/arrangement/transactions with related parties which could be considered material in accordance with the Company's 'Subsidiary & Related Party Transactions Policy'. The said policy is available on the Company's website (www.fiemindustries.com).

During the year, Company and one of its Whole-time Directors have entered into a Contract/ arrangement, which is a related party transaction pursuant to Section 188(1), AS-18 and Clause 49 of the Listing Agreement. The particulars of the transaction are disclosed in Form AOC-2 as **Annexure IV**.

Further, kindly refer to Note no 45 of the Standalone Financial Statements of the Company for details on all related party transactions.

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

The financial year 2014-15 was another successful year, where despite a challenging economic environment; business of the Company grew well, ahead of Industry.

The macro business environment continued to remain muted during the previous year, however economy is now slowly improving because of industry friendly and growth oriented policies of the Govt. Amid all these developments, your Company delivered healthy results. Company achieved a net turnover of Rs.819.50 Crore in comparison to Rs. 714.11 Crores in previous financial year. Company has also been able to increase the Profit after tax from Rs. 37.40 Crore in 2013-14 to Rs. 42.26 Crore in 2014-15. One important development during the year was Company's winning of LED Bulb tender from EESL for 7.74 lac LED Bulbs, which was completed by the Company in last quarter of FY 2014-15.

The Operational Performance of the Company has remained among best in the Industry with an EBITDA margin of 12.52%. The management has clear vision and mission as how to competitively differentiate by defining the right values proposition for the customer and maintain excellence in all parameters of operations, whether Quality, Cost, Design, Development, Delivery and overall Management systems.

9. Transfer to Reserves

Your Company has transferred Rs. 425.00 Lacs to the general reserve from the profits of the Company.

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred after the close of financial

year till the date of this Report. **However, there are two important developments on LED front. One is the awarding of tender by EESL (Energy Efficiency Services Ltd) to Company for LED Street Lights in Delhi under South Delhi Municipal Corporation. The value of contract is Rs. 99.79 Crores. Second tender by EESL is for supply 70,00,000 LED 9W Bulbs at the rate of Rs. 72.40 per Bulb (total value Rs. 50.68 Crore). Both these orders are to be completed during current year.**

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

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

12. Risk Management

During the year, your Directors has re-visited the terms of reference of the Audit Committee by adding various issues related to risk management and the name of the Committee has been changed to Audit & Risk Management Committee and Committee also entrusted with the responsibility to assist the Board in risk management framework and implementation of adequate risk management mechanism. A Risk Management Policy was framed and implemented by the Company.

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

13. Corporate Social Responsibility (CSR)

Your Company being a responsible corporate citizen has been taking initiatives for society at large under Corporate Social Responsibility provisions prescribed under the Companies Act, 2013. Financial Year 2014-15, being first financial year for the Company to implement its CSR programme as per section 135 of the Act in a more structured way, hence during the year company used its resources to lay down the basic frame work for undertaking the CSR activities in accordance with the provisions of the Act, including finalizing the CSR Policy, constituting committee for undertaking CSR activities, identifying the CSR projects which meet the Company's policy and statutory requirements. The Company has set up a dedicated trust, namely **Fiem Foundation** for undertaking CSR programmes and has contributed Rs.75,33,000/- in the corpus of trust for implementation of CSR programme as per Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Company whole-heartedly supported the CSR provisions and remained compliant with the requirement of Section 135 which mandated CSR spent equal to 2% of average profits for the last three years.

In terms of the provisions of Section 135 of the Companies Act, 2013 (Act) your Company has constituted a CSR Committee and the Composition of the CSR Committee has been disclosed in the Corporate Governance Report forming part of the Annual Report. The Company also adopted CSR Policy which is available on its website www.fiemindustries.com.

Corporate Social Responsibility Report, pursuant to clause (o) of Sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of the Directors' Report and enclosed as **Annexure VI**.

14. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the performance evaluation of each individual directors as well as the evaluation of the working of its various Committees.

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process. Nomination &

Remuneration Committee supported the entire process in terms of provisions of the Act.

15. 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 levels. The financial performance of the Company was as under:

Subsidiary- Fiem Industries Japan Co. Ltd.

(Amount In INR)

	FY 14-15	FY 13-14
% of shareholding	100%	100%
Turnover	31,21,586	206,16,168
Other Operating Income	66,56,400	-
Other Income	43,066	4,813
Total Income	98,21,052	206,20,981
Total expenses	102,91,590	190,02,648
Profit/(Loss) before taxation	(4,70,538)	16,18,333
Provision for taxation	41,998	2,29,495
Profit/ (Loss) after taxation	(5,12,536)	13,88,838

- 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 14-15	FY 13-14
Extend of Holding %	50%	50%
Turnover	79,18,803	12,94,387
Total Income	79,18,803	12,94,387
Total expenses	53,31,630	39,14,374
Profit/(Loss) before taxation	25,87,172	-26,19,987
Provision for taxation	-	-
Profit/ (Loss) after taxation	25,87,172	-26,19,987

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

16. Directors' Responsibility Statement

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2015, 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, 2015 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.

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.

ii. Change in Directors and Key Managerial Personnel:

- The Board of Directors, at its meeting held on August 1, 2015, upon recommendation from the Nomination & Remuneration Committee, re-appointed Mr. J.K. Jain (DIN: 00013356) as Managing Director of the Company, w.e.f. August 7, 2015 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 August 1, 2015, upon recommendation from the Nomination & Remuneration Committee, also re-appointed Mr. Rahul Jain (DIN: 00013566) as Whole-time Director of the Company for a period of five years w.e.f. October 1, 2015, subject to the Approval of shareholders at the ensuing Annual General Meeting of the Company.
- Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mrs. Seema Jain (DIN: 00013523) and Ms. Aanchal Jain (DIN: 00013350), Directors of the Company liable to retire by rotation and being eligible have offered themselves for re-appointment and they are not disqualified under Section 164(2) of the Companies Act, 2013.
- Shri Padur Narayana Viswanathan was appointed as Independent Director w.e.f. 9th August, 2014. He passed away in December, 2014. The Board places on record its deep appreciation for the valuable contribution made by him during his short stint as Director of the Company. 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 February 12, 2015 had appointed Mr. Mohan Bir Sahni as an Independent Director in place of Late P.N. Viswanathan to fill the casual vacancy arose due to his death.
- The details of Directors being recommended for appointment/ re-appointment as required under Clause 49 of the Listing Agreement 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. They were already in office before the commencement of the Act. During the year, their position as Key Managerial Personnel has been formalised by noting in the Board meeting.

- 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 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 Companies Act, 2013 and Listing Agreement, as may be applicable:**
 - As per provisions of Section 177(8) of the Act, composition of the Audit & Risk Management 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 & Risk Management Committee.
 - **Establishment of vigil mechanism as per provision of Section 177(10) of the Act:** During the year the Company has instituted 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 VII & Annexure VIII.**
 - 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.
 - There are no public issue / preferential allotment proceeds pending to be utilised during the year, hence information

required under Clause 43 of the Listing Agreement are not applicable.

CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Management Discussion and Analysis Report, Report on Corporate Governance, Certificate on Corporate Governance, issued by Practising 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.

The policy of determining material subsidiary as approved, may be accessed on the Company's website (www.fiemindustries.com).

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 wish to place on record their sincere appreciation to all the employees for their dedication and commitment. The hard work and unstinting efforts of the employees have enabled the Company to sustain and further consolidate its position in the industry.

Your Company continues to occupy a place of respect among its stakeholders and all valued OEM customers. Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including banks, Central and State Government authorities. It will be the Company's endeavour to build and nurture these strong relations with its stakeholders.

The Board deeply acknowledges the trust and confidence placed by customers and all shareholders.

**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 : 01.08.2015**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2015

[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, signalling equipment and parts	2740	65.81%
2	Rear View Mirror and Parts	2310	13.44%
3	Plastic Moulded Parts	2930	12.11%
4	LED & Other Misc. Items (being less than 10%)	–	8.64%

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, 2014 i.e. on the basis of SHP of March 31, 2014)				No. of Shares held at the end of the year (as on March 31, 2015)				% 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

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2014 i.e. on the basis of SHP of March 31, 2014)				No. of Shares held at the end of the year (as on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	200000	0	200000	1.6719	374943	0	374943	3.1344	1.4625
b) Bank/ FI	180	0	180	0.0015	3404	0	3404	0.0285	0.027
c) Central Government	0	0	0	0	0	0	0	0	0
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) FIIs	0	0	0	0	595853	0	595853	4.9811	4.9811
h) Foreign venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total B (1)	200180	0	200180	1.6734	974200	0	974200	8.144	6.4706
2. Non-Institutions									
a) Bodies Corporate									
I. Indian	1036877	0	1036877	8.6679	798000	0	798000	6.6710	-1.9969
II. Overseas									
b) Individuals									
I. Individual Shareholders holding nominal share capital upto Rs. 1 lakhs	463830	513	464343	3.8817	650834	478	651312	5.4447	1.563
II. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	891442	0	891442	7.4521	268039	0	268039	2.2407	-5.2114
c) Others (Specify)									
c-i) NRIs	763724	0	763724	6.3845	715549	0	715549	5.9817	-0.4028
c-ii) Directors and their relatives	315	20049	20364	0.1702	315	20049	20364	0.1702	0
c-iii) Clearing Members	112976	0	112976	0.9444	49144	0	49144	0.4108	-0.5336
c-iv) Foreign Corporate Bodies	0	104051	104051	0.8698	0	104051	104051	0.8698	0
c-v) Trusts	0	0	0	0	10199	0	10199	0.0853	0.0856
c-vi) Foreign Portfolio Investor	0	0	0	0	3090	0	3090	0.0258	0.0258
Total Public Shareholding (B)=(B)(1)+(B)(2)	3469335	124613	3593948	30.0441	3469370	124578	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)	11837613	124613	11962226	100	11837648	124578	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, 2014)			Shareholding at the end of the year (As on March 31, 2015)			% 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	
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, 2014)		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, 2014 and March 31, 2015

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 (1st April, 2014)		Transactions during the year		Cumulative Shareholding during the year and at the end of year (31st March, 2015)	
		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	AMON PANICKIVALKOSIL	596420	4.9859				
	Transfer			13 Feb 2015	-56216	540204	4.5159
	Transfer			20 Feb 2015	-17994	522210	4.3655
	AT THE END OF THE YEAR					522210	4.3655
2	L AND T MUTUAL FUND TRUSTEE LTD.	200000	1.6719				
	Transfer			04 Apr 2014	100000	300000	2.5079
	Transfer			18 Apr 2014	47500	347500	2.9050
	Transfer			30 May 2014	30000	377500	3.1558
	Transfer			20 Jun 2014	117536	495036	4.1383
	Transfer			30 Jun 2014	5000	500036	4.1801
	Transfer			04 Jul 2014	15000	515036	4.3055
	Transfer			16 Jan 2015	-40964	474072	3.9631
	Transfer			23 Jan 2015	-65330	408742	3.4169
	Transfer			30 Jan 2015	-25212	383530	3.2062
	Transfer			06 Feb 2015	-13343	370187	3.0946
	Transfer			13 Feb 2015	-17995	352192	2.9442
	Transfer			20 Feb 2015	-50000	302192	2.5262
	Transfer			06 Mar 2015	-1445	300747	2.5141
	Transfer			13 Mar 2015	-30316	270431	2.2607
	Transfer			20 Mar 2015	-14562	255869	2.1390
	Transfer			27 Mar 2015	-48899	206970	1.7302
	Transfer			31 Mar 2015	-7027	199943	1.6715
	AT THE END OF THE YEAR					199943	1.6715
3	KOTAK MAHINDRA (INTERNATIONAL) LIMITED	0	0.0000				
	Transfer			19 Sep 2014	106758	106758	0.8925
	Transfer			21 Nov 2014	92500	199258	1.6657
	AT THE END OF THE YEAR					199258	1.6657
4	DSP BLACKROCK MICRO CAP FUND	0	0.0000				
	Transfer			23 Jan 2015	100000	100000	0.8360
	Transfer			27 Feb 2015	50000	150000	1.2539
	Transfer			13 Mar 2015	25000	175000	1.4629
	AT THE END OF THE YEAR					175000	1.4629
5	MARUTI CAPITAL SERVICES PRIVATE LIMITED	135937	1.1364				
	AT THE END OF THE YEAR					135937	1.1364
6	SAROJ AGENCIES PVT. LTD.	129492	1.0825				
	AT THE END OF THE YEAR					129492	1.0825
7	MILLENIUM PORTFOLIO SERVICES LIMITED	124117	1.0376				
	Transfer			25 Apr 2014	-143	123974	1.0364
	Transfer			09 May 2014	143	124117	1.0376
	AT THE END OF THE YEAR					124117	1.0376

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (1st April, 2014)		Transactions during the year		Cumulative Shareholding during the year and at the end of year (31st March, 2015)	
		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
8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0	0.0000				
	Transfer			20 Jun 2014	100000	100000	0.8360
	Transfer			14 Nov 2014	10000	110000	0.9196
	AT THE END OF THE YEAR					110000	0.9196
9	VARINDER SINGH	107529	0.8989				
	AT THE END OF THE YEAR					107529	0.8989
10	LALITH KUMAR	156519	1.3084				
	Transfer			16 Jan 2015	-144028	12491	0.1044
	Transfer			06 Feb 2015	-10000	2491	0.0208
	Transfer			27 Mar 2015	22000	24491	0.2047
	AT THE END OF THE YEAR					24491	0.2047
11	ADROIT TRADELINK PRIVATE LIMITED	155655	1.3012				
	Transfer			04-Apr-14	-40831	114824	0.9599
	Transfer			11-Apr-14	928	115752	0.9676
	Transfer			18-Apr-14	-49491	66261	0.5539
	Transfer			25-Apr-14	80	66341	0.5546
	Transfer			02-May-14	-3368	62973	0.5264
	Transfer			09-May-14	-4136	58837	0.4919
	Transfer			16-May-14	9209	68046	0.5688
	Transfer			23-May-14	2724	70770	0.5916
	Transfer			30-May-14	65717	136487	1.1410
	Transfer			06-Jun-14	2960	139447	1.1657
	Transfer			13-Jun-14	-2180	137267	1.1475
	Transfer			20-Jun-14	-351	136916	1.1446
	Transfer			30-Jun-14	-429	136487	1.1410
	Transfer			04-Jul-14	-27196	109291	0.9136
	Transfer			11-Jul-14	-3458	105833	0.8847
	Transfer			18-Jul-14	-7663	98170	0.8207
	Transfer			25-Jul-14	8234	106404	0.8895
	Transfer			01-Aug-14	418	106822	0.8930
	Transfer			08-Aug-14	-97820	9002	0.0753
	Transfer			15-Aug-14	1381	10383	0.0868
	Transfer			22-Aug-14	64493	74876	0.6259
	Transfer			29-Aug-14	-16416	58460	0.4887
	Transfer			05-Sep-14	-17630	40830	0.3413
	Transfer			12-Sep-14	181	41011	0.3428
	Transfer			19-Sep-14	-26330	14681	0.1227
	Transfer			26-Sep-14	-6790	7891	0.0660
	Transfer			03-Oct-14	2133	10024	0.0838
	Transfer			10-Oct-14	7724	17748	0.1484
	Transfer			17-Oct-14	1530	19278	0.1612
	Transfer			24-Oct-14	7078	26356	0.2203
	Transfer			31-Oct-14	-8278	18078	0.1511
	Transfer			07-Nov-14	-9111	8967	0.0750
	Transfer			14-Nov-14	-6867	2100	0.0176
	Transfer			21-Nov-14	-1795	305	0.0025
	Transfer			28-Nov-14	-200	105	0.0009
	Transfer			05-Dec-14	950	1055	0.0088
	Transfer			12-Dec-14	-715	340	0.0028
	Transfer			19-Dec-14	4137	4477	0.0374
	Transfer			31-Dec-14	-1091	3386	0.0283
	Transfer			02-Jan-15	-105	3281	0.0274
	Transfer			09-Jan-15	-3176	105	0.0009
	Transfer			16-Jan-15	600	705	0.0059
	Transfer			23-Jan-15	-172	533	0.0045

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (1st April, 2014)		Transactions during the year		Cumulative Shareholding during the year and at the end of year (31st March, 2015)	
		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			30-Jan-15	322	855	0.0071
	Transfer			06-Feb-15	-764	91	0.0008
	Transfer			13-Feb-15	12399	12490	0.1044
	Transfer			20-Feb-15	33595	46085	0.3853
	Transfer			27-Feb-15	1958	48043	0.4016
	Transfer			06-Mar-15	-4259	43784	0.3660
	Transfer			13-Mar-15	-6381	37403	0.3127
	Transfer			20-Mar-15	2897	40300	0.3369
	Transfer			27-Mar-15	-2187	38113	0.3186
	Transfer			31-Mar-15	-30451	7662	0.0641
	AT THE END OF THE YEAR					7662	0.0641
12	N V GRAPHICS AND ADVERTISING PVT LTD	209506	1.7514				
	Transfer			23 May 2014	-52000	157506	1.3167
	Transfer			06 Jun 2014	-25000	132506	1.1077
	Transfer			30 Jun 2014	-8633	123873	1.0355
	Transfer			25 Jul 2014	-20000	103873	0.8683
	Transfer			19 Sep 2014	-100000	3873	0.0324
	Transfer			28 Nov 2014	-3873	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	SUMEETH KUMAR HARAN	159928	1.3369				
	Transfer			30 Sep 2014	-12000	147928	1.2366
	Transfer			21 Nov 2014	-50000	97928	0.8186
	Transfer			05 Dec 2014	-21328	76600	0.6403
	Transfer			12 Dec 2014	-5148	71452	0.5973
	Transfer			19 Dec 2014	-5129	66323	0.5544
	Transfer			09 Jan 2015	-10734	55589	0.4647
	Transfer			16 Jan 2015	-55589	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	SUKHIDEVI RAMESHKUMAR HARAN	139370	1.1651				
	Transfer			13 Jun 2014	-74192	65178	0.5449
	Transfer			20 Jun 2014	-65000	178	0.0015
	Transfer			27 Jun 2014	-178	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	SL CORPORATION	104051	0.8698				
	AT THE END OF THE YEAR					104051	0.8698

Notes:

1. Paid-up Share Capital of the Company at the end and beginning of the year is Rs. 119622260 (Face Value Rs. 10/- per Share).
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.
4. Top 10 Shareholders (other than promoters and directors) are ascertained at the beginning of the financial year and at the end of the financial 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, 2014)		Cumulative Shareholding during the year		At end of year (As on March 31, 2015)	
		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	6.68	800000	6.68	800000	6.68
4.	Mr. Rahul Jain	1552340	12.97	1552340	12.97	1552340	12.97
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
10.	Mr. S. K. Jain	0	0.00	0	0.00	0	0.00
11.	Late. P. N. Vishwanathan (from August 9, 2014 to December 3, 2014)	NA	NA	0	0.00	NA	NA
12.	Mr. Mohan Bir Sahni (w.e.f. February 12, 2015)	NA	NA	0	0.00	0	0.00
13.	Mr. Amitabh P. Agrawal	0	0.00	0	0.00	0	0.00
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 *	117,42,94,433	1,63,62,100	–	119,06,56,533
II. Interest due but not paid	65,00,121	–	–	65,00,121
III. Interest accrued but not due	21,76,598	4,90,863	–	26,67,461
Total (i+ii+iii)	118,29,71,152	1,68,52,963	–	119,98,24,115
Change in Indebtedness during the financial year				
+ Addition	30,71,11,939	–	–	30,71,11,939
– Reduction *	31,78,74,046	1,12,35,310	–	32,91,09,356
Net Change	–1,07,62,107	–1,12,35,310	–	–2,19,97,417
Indebtedness at the end 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

* 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:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD						Total Amount
		Mr. J. K. Jain (CMD)	Mrs. Seema Rao (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	36.00	72.00	72.14	30.00	36.00	369.14
	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 • Other, specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Others (Company Contribution towards PF, Medical Reimbursement)	0.00	0.00	0.00	1.31	0.00	0.00	1.31
	Total (1+2+3)	124.80	36.00	72.00	73.45	30.00	36.00	372.25
	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:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr Iqbal Singh	Mr Chareon Sachamune ewongse	Mr Amitabh Prakash Agrawal	Mr Vinod K Malhotra	Mr Subodh Kumar Jain	Mr P. N. Viswanathan	Mr Mohan Bir Sahni	
1	Independent Directors								
	Fee for attending Board/ Committee meetings	2.10	0.75	0.50	2.60	2.10	0.50	0	8.55
	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)	2.10	0.75	0.50	2.60	2.10	0.50	0	8.55
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)	2.10	0.75	0.50	2.60	2.10	0.50	0	8.55
	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 Rs. 1,00,000/- per meeting for each director as stipulated under section 197(5) read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

(Rs. 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	39.60	36.90	76.50
	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)	39.60	36.90	76.50

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 : 01.08.2015

REMUNERATION POLICY

1. Background and Legal Framework

1.1 Section 178 of 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.

1.2 In line with Companies Act, 2013, SEBI vide Circulars dated April 17, 2014 and September 15, 2014; has amended Clause 49 of the Listing Agreement, which has become effective from 1st October, 2014. Clause 49.IV.A.B.1 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 a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

1.3 On above background, the captioned policy is framed.

2. Objectives & Scope

- 2.1 Criteria to determine qualifications, positive attributes and independence of a director.
- 2.2 Policy to provide guiding principles for remuneration of the directors, key managerial personnel and other employees.

3. Definitions

- 3.1 **"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 Clause 49 of the Listing Agreement.
- 3.2 **"Board"** means the Board of Directors of the Company.
- 3.3 **"Company"** means the **"Fiem Industries Limited"** / **"FIEM"**.
- 3.4 **Companies Act, 2013 ('Act')** includes Rules framed thereunder.
- 3.5 All other words, terms and phrases referred and not defined herein, shall have the same meaning as defined under Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

- 4.1 The independence of an Independent Director will be decided as per parameters provided under section 149(6) of the Act read with Clause 49

of the Listing Agreement. Professional qualification of an Independent Directors 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.

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

- 5.1 The remuneration to Managing Director and Whole-time Directors will be as per Companies Act, 2013 and will be recommended by NRC and approved by the Board and Shareholders.
- 5.2 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.
- 5.3 The remuneration of KMPs and other employees of the Company will be governed by the Human Resources practices of the Company.

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

- 6.1 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.
- 6.2 Long term objective, growth and suitability for the business of the Company will remain supreme driving principles.
- 6.3 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees at all levels for successfully running the Company.
- 6.4 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.
- 6.5 Adequate facilities like company provided vehicles and other perquisites will be given to the Directors and eligible employees to retain and nurture best talent.
- 6.6 Variable remuneration will not be mandatory and periodic increments etc. will be decided considering Company's performance, his willingness to devote sufficient time and energy in carrying out duties and responsibility effectively retaining and nurturing best talent, industry practices, availability of talented manpower and motivate the manpower and to developing 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.

7. Policy Review

- 7.1 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 : 01.08.2015

ANNEXURE-III

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2015

[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.

I 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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Management's Responsibility for records and Compliances

The maintenance of secretarial record is the responsibility of the management of the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is also the responsibility of management.

Auditor's Responsibility

My responsibility is to express an opinion on theses secretarial records and status of compliance of applicable laws based on my audit and my examination was limited to the verification of procedures on test basis.

I have followed the audit practices and process as was 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial statements of the Company.

Where ever required, I have obtained the Management representations about the Compliance of applicable Laws, Rules and Regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs the Company.

Opinion

Based on my verification of the Company's books, papers, 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, I hereby report that In my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ('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. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015, 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;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Note: Regulations at (d) to (h) mentioned above were not applicable on the Company during the Audit Period, as no such event / transactions took place.

- 2. I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. However, I have not examined compliance with the clauses of Secretarial Standards issued by the Institute of Company Secretaries of India as these were not mandatory to comply during the Audit Period.
- 3. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- 4. The Business of the Company is manufacturing of Automotive Lighting & Signaling Equipments, Rear View Mirror, Plastic Moulded Parts and other Auto Components. Company also manufactures LED Luminaires/ 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 thereunder) applies to the Company. I have examined the compliance management system of the Company for ensuring the compliance of these laws. In my opinion and to the best of my information and explanations given to me; the compliance management system is adequate to ensure compliance of above referred applicable laws.

5. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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.
6. Adequate notice is given to all Directors for Board and Committee Meetings. Notice, agenda and detailed notes on agenda were sent at least seven 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.
7. Decisions by the Board and Committees are carried unanimously and therefore no requirement arose to capture and record dissenting members' views as part of the minutes.

8. 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.
9. The Members of the Company passed a Special Resolution dated July 21, 2014 vide postal ballots under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 for increase in Borrowing Powers of the Board up to Rs. 400 Crore and for creation of securities and charges on the Company's assets to secure borrowings.
10. During the Audit period there were no instances of:
 - (i) Issue of shares, debenture or other securities under public, right, preferential issue or sweat equity, ESOS/ESOP.
 - (ii) Redemption or buy back of securities.
 - (iii) Merger, amalgamation or reconstruction.

**For Ranjana Gupta & Associates,
Company Secretaries**

-Sd-

**Ranjana Gupta, Proprietor
ACS - 27746
CP No. - 9920**

**Place: Delhi
Date: 1st August, 2015**

ANNEXURE-IV

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Account) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first provision to
—	—	—	—	—	—	—	—

Details of material contracts or arrangement or transactions at arm's length basis (Pl. see note also)

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
The transaction happened between Ms. Aanchal Jain, Whole-time Director and Company. Mr. J.K. Jain, Chairman & Managing Director is father and Mrs. Seema Jain, Whole-time Director is mother and Mr. Rahul Jain, Whole – time Director is brother of Ms. Aanchal Jain. Further all 4 are promoters of the Company.	Company has taken one premises on rent from Ms. Aanchal Jain to open its Marketing Head Office and for other uses as per its discretion.	From 1 st August, 2014 to 30 th April, 2036.	Monthly Rent Rs. 6,65,800/- (increased at the rate of 15% of the last month's rent paid after expiry of every three (3) years)	28 th May, 2014	NIL

Note: The transaction was also approved by the Shareholders of the Company through Special Resolution dated 21st July, 2014 passed by Postal Ballots.

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 : 01.08.2015

ANNEXURE-V

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

Being LED Lighting one of the main business verticals, the energy conservation has become an integral part of the thought process of the management of the Company and every employee of the Company. It is not about the conserving the energy alone but it goes beyond that in the form of conserving the environment and contributing towards a sustainable future for the next generations. With this thought process, all factories of the Company follows best practices to conserve and save energy and contributing to this national and human cause of energy saving.

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

- Mapping of Motors and Pumps carried and based on the requirement, horse power reduced which resulted in energy saving in Hosur units.
- In hard-coating conveyor, sensors provided so that continuous running can be avoided and energy can be saved.
- Daytime lighting requirement reduced by providing transparent roofing.
- Web enabled energy meters provided to have a close monitoring on the gen-sets utilisation.
- In continuation to last year efforts, Hydraulic System in moulding machines replaced with Servo Hydraulic System resulting in energy saving.
- In continuation to last year process, heavy duty Industrial exhausts fans replaced by turbo ventilators resulting in reduction of power consumption.
- Energy saving awareness programme are regular features and training imparted to concerned staff members as how to use minimum power while working.

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.

(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 equipments.

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards Technology Absorption:

Company operations require continuous improvement 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:

- Blue Gold washing process introduced for head lamps BMC reflectors for high performance light output.
- Additional specially in house designed Jigs increased productivity in aluminium metalising machines.

- LED Division – brightness bin controlling process introduced to avoid different brightness bins mix-up on production line – Which effects Headlamp homogeneity light appearance/ performance.
- Online vibration testing further expanded in production line for LED lighting products for better durability and problem detection.

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

- New process development and Improvement in existing production processes resulted in increased efficiency.
- Compliance of quality standards and customer mandated requirements in the products.
- Product development has become faster with latest technology and features.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year 2014-15), 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 technology imported, hence information not required to be furnished.

(iv) RESEARCH & DEVELOPMENT (R&D)

Company's main product lines are Automotive Lighting & other Auto Components and LED Lighting. Both are highly technology and research driven industries. Innovations and new product development are paramount to sustain and grow in these Industries; 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.

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.
- Design and development of LED Bi-projector lamps for two wheeler high end models which can meet stringent regulatory requirements with low power consumption.

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

- New generation LED technology in automotive and home lighting segments developed and improved.
- Developed Energy Efficient LED bulbs in various wattage in very reasonable prices.
- Developed energy efficient LED Street Lights in various ranges which replaces existing FTL, ICL & HPSV Street lights. These street lights are designed as per CIE: 140 and also full fill TRANSCO guidelines.
- Designed & manufactured LED lenses for street lights applications.
- Developed centralised control and monitoring system for controlling street lights and outdoor luminary systems.
- Developed measuring and verification system for collecting data of bulb with wireless technology and for showing energy saving.
- Developed 7W Bulb which runs on same AC line with DC backup inbuilt, have active grid sense technology.
- Developed LED head Lamp for replacing 36W incandescent head lamp with 12W.
- Developed IC based LED Tail Lamp.
- Optical efficiency increase, resulted in producing compact LED Tail lamp by using least quantity of LEDs.
- In-depth robust Design and Engineering Database having quality gates at defined appropriate stages of development.
- Established R&D confidence and exclusive technology experience has given opportunity to enhance customer reach in high end and luxury automotive segment.
- Diversified and large portfolio of lighting products developed.

(c) Future Plan of action:

- Research on DIFFUSER polymers for optical lens, OLED products and benchmarking.
- Development of more cost effective LED bulbs and Street Lights OLED products with high quality.
- Target cost reduction on High end LED Bi-projector head lamp by design means and futuristic concept of lower power consumption.
- Target cost reduction on MFR LED head lamps by design means and futuristic concept of lower power consumption.
- Research on using polymer based heat sinks in place of metal heat sinks to reduce manufacturing costs.
- 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.

- Designing & Development of LED Head Lamp with indigenous developed control module.
- More research and development on solar based lighting system to provide complete system for all kind of solar based lighting systems.

(d) Expenditure on R&D:

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

Amount in (Rs.)

Particulars	2014-15	2013-14
Capital Expenditure:		
Capital Expenditure	3,202,065	19,34,307
Total (A)	3,202,065	19,34,307
Recurring / Revenue Expenditure:		
Raw Material Consumed	63,396	4,83,745
Employees Benefits	46,925,397	38,649,111
Other Expenses	5,164,510	3,817,180
Finance Cost	1,67,618	9,89,766
Depreciation & Amortization	8,465,304	2,459,400
Total (B)	60,786,225	46,399,202
Grand Total (A+B)	63,988,290	48,333,509

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year 2013-14 and 2014-15, foreign exchange earnings and outgo has been as under:

Foreign Exchange Outgo

Amount (In Rs. lacs)

S. No.	Particulars	2014-15	2013-14
1.	Value of Import on CIF basis	5239.36	3202.81
2.	Finance Cost	60.70	103.11
3.	Travelling expenses	64.81	47.35
4.	Consultancy Charges	8.64	7.12
5.	Liasioning charges	62.68	-
6.	Others	20.73	43.21
	TOTAL	5456.92	3403.60

Earning in Foreign Exchange

Amount (In Rs. lacs)

S. No.	Particulars	2014-15	2013-14
1.	Export Sale on FOB Value	1646.39	1370.44
2.	Packing & Forwarding	-	1.12
3.	Other Income	0.56	2.44
	TOTAL	1646.95	1374.00

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 : 01.08.2015

Annual Report for Corporate Social Responsibility (CSR)

S. No.	Particulars					Details			
1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken					Company's CSR Policy is in consonance and as per object of section 135 of the Act and Rules made thereunder. The focus of the Company's CSR Policy is within the activities mentioned under Schedule VII of the Act. The programs proposed covers health care, assistance to poor and other permitted activities. As permitted under Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has 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 utilisation in the CSR programs.			
	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					40,63,45,642/-			
4	Prescribed CSR Expenditure (2% of amount as in item 3 above)					81,26,913/-			
5	Details of CSR Spent during the financial year:								
	a) Total amount to be spent for the year:					81,26,913/-			
	b) Amount unspent, if any:					-			
	c) Manner in which the amount spent during the financial year is detailed as below:					(i) As explained above, the Company has set up a registered trust namely ' Fiem Foundation ' exclusively for undertaking CSR activities. As permitted vide general circular no. 21/2014 dated 18/06/2014, the Company has contributed Rs.75,33,000/- to the corpus of Fiem Foundation for the programs in due course with in the activities under Schedule VII. (ii) Rs. 6,00,000/- spent on free eye operations Camps.			
	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	Health Care	Kutch, Gujarat	Rs. 6,00,000/-	6,00,000/-	Nil	6,00,000/-	Implementing Agency (Kutch Vikas Trust Regn No. E-644, Add: Raidhanpar Village, Nagor PO, Bhuj-370001, Kutch, Gujarat)
	2	As permitted vide general circular no. 21/2014 dated 18/06/2014, amount contributed to the corpus of Fiem Foundation , a Trust set up exclusively for undertaking CSR programs in due course with in the activities mentioned under Schedule VII of Companies Act, 2013.						75,33,000/-	-
		Total						81,33,000/-	-
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 : August 1st, 2015

-Sd-
Rahul Jain
Chairman CSR Committee

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

ANNEXURE-VII

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 1489 direct employees on the rolls of the Company at the end of the Financial Year 2014-15.
V.	The explanation on the relationship between average increase in remuneration and Company performance	Average increases in employee remuneration for the financial year 2014-15 is 14.32%. 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 2014-15, 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 Rs. 496.01 Crore as of March 31, 2014 to Rs. 755.71 Crore as of March 31, 2015. Over the same period, the price earnings ratio moved from 13.26 to 17.88. Company came with public issue in 2006 at the issue price of Rs. 137/- per share. The closing share price as at March 31, 2015 was Rs. 631.75 which is an increase of 361% 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 2014-15 in the salaries of employees (excluding managerial persons) was 14.50%. Average percentile increase during the year 2014-15 in managerial remuneration was 12.65%. 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

	Median remuneration of employees in the Financial Year (Rs.)	162,000			
	Percentage increase in the median remuneration of employees		28.57%		
	Name & Designation of Directors and KMPs	Remuneration FY-14-15 (Rs.)	% increase	Ratio with Median Remuneration	Company's Performance for FY 2014-15
1	Mr. J.K. Jain, Chairman & Managing Director	12,480,000	-	77.04	Refer Note 2 below.
2	Mr. Rahul Jain, Whole-time Director	3,600,000	-	22.22	-
3	Mrs. Seema Jain, Whole-time Director	3,600,000	50%	22.22	-
4	Mr. J.S.S Rao, Whole-time Director	7,200,000	9.09%	44.44	-
5	Ms. Aanchal Jain, Whole-time Director	3,000,000	150%	18.52	-
6	Mr. K. R. Yadav, Whole-time Director	7,344,864	8.90%	45.34	-
7	Mr. O.P. Gupta, Chief Financial Officer	3,960,000	11.86%	-	Refer Note 2 below.
8	Mr. A.K. Chauhan, Company Secretary	3,690,000	12.84%	-	Refer Note 2 below.
	Total Managerial Remuneration	44,874,864	12.65%		Refer Note 2 below.

Notes:

- The calculation of median remuneration of employees and increase therein is based on the employees of the company who were at company's payroll 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 14.75% from Rs. 714.11 Crore to Rs. 819.50 Crore. PAT increased by 13% from Rs. 37.40 Crore to Rs. 42.26 Crore. Company procuring good business in LED Luminaries and expanding capacities in Rai and Tapukara Units. 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 : 01.08.2015

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 (2014-15), was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 60,00,000/-:

Name	Designation	Remuneration Received (Rs. 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	43	05.08.1996 ¹	63	See Note ¹	24.74%
Mr. J.S.S. Rao	Whole-time Director	72.00	Post Graduate	34	02.05.2003	58	Toshi Auto Industries Ltd. As Executive Director	See Note ²
Mr. Kashi Ram Yadav	Whole-time Director	73.45	Matriculation	36	01.05.1995	59	B.P. Plastic Industries as Manager (Operations)	See Note ²
Mr. Rajesh Sharma	Marketing Head	75.00	BSc, MBA	28	01.09.2003	53	Toshi Auto Industries Ltd. as Sr. Vice President	Nil

(ii) Employed for a part of the Financial Year (2014-15), was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 5,00,000/- per month:

Name	Designation	Remuneration Received (Rs. In Lacs)	Qualification	Experience in years	Date of Commencement of Employment	Age in years	Last Employment & position held	%age of Equity Shares held
Mr. Piyush Gahalaut	Head - LED	51.03	BE, MBA	20	15.05.2014	42	Vice President, Surya Roshni Ltd.	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 31.03.2015, 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 31.03.2015, 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 : 01.08.2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF THE ECONOMIC ENVIRONMENT

World Economy and Outlook

The most important development in the global economy happened during the last year was softening of the crude oil prices, which is leaving direct positive impact on the Indian Economy as well as Indian public. Most recently Greece episode has remained in limelight because of it's near to bankrupt economy and solution still looks temporary. The disturbance in gulf region because of extremists' activity has badly impacted domestic economies there. All these developments have its mixed impacts on Indian economy. Lower oil prices will help reduce inflation and external vulnerabilities, thereby reducing pressure on central banks to raise policy interest rates.

As per "Word Economy Outlook Update" released by International Monetary Fund in July 2015, global growth in 2014 was a modest 3.4%. Despite the slowdown, emerging markets and developing economies still accounted for three-fourths of global growth in 2014.

Overall, global growth is projected to be 3.3% and 3.8% in 2015 and 2016, respectively. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporters.

Indian Economy and Outlook

2014-15 has been a year marked by excitement and its share of challenges. The decisive political mandate accorded in the general elections set the stage for surging hopes for a rapid economic turnaround of the Indian Economy. While many macro-economic indicators have improved during the course of the year, the journey to realize the growth potential of the Economy is slow and yet to take momentum.

The IMF estimated that India's Economy will grow at 7.5% per annum over the next two years. This puts India's projected growth in 2016 ahead of the organization's estimates for China (which stand at 6.8% and 6.3% for 2015 and 2016, respectively), leaving India the fastest growing major emerging economy in the world. The IMF's reasoning is based primarily on high expectations for Indian Prime Minister, who has been in office for almost 13 months after winning May 2014 general election. The prime minister's first year in office is marked by modest attempts for economic reform, but has fallen short of the expectations of many observers. Most notably, Prime Minister has taken concrete steps to make manufacturing sector a greater proportion of India's GDP (primarily via his "Make in India" initiative).

With launch of the 'Make in India' initiative, the Prime Minister of India, aims to give global recognition to the Indian Economy and also place India on the World map as a manufacturing hub.

India has also set for itself an ambitious target of increasing the contribution of manufacturing output to 25% of gross domestic product (GDP) by 2025, from 16% currently.

Despite the positive expectations surrounding the Indian prime minister's economic reform initiatives and favourable external factors, the Indian Economy still suffers from negative factors. While the headline indicators point towards steady improvement, the recovery on the ground has been rather slow. Lower inflation has not resulted in significant improvement in demand conditions. The demand conditions have been quite challenging across sectors as borne out by the slow improvement in industrial production. Some of the other key underlying drivers like credit growth and fixed capital formation also highlight a very sluggish environment. The new Indian government, despite its overwhelming legislative mandate, has found it difficult to dismantle older regulations that make India an unfavourable or excessively risky investment destination.

INDUSTRY STRUCTURE AND DEVELOPMENT

Automobile & Auto Components Industry

The Indian automobiles Industry mainly consist of four different segments which are as follows:

- Two-wheelers which comprise of mopeds, scooters, motorcycles and electric two-wheelers.
- Passenger Vehicles which include passenger cars, utility vehicles and multi-purpose vehicles.
- Commercial Vehicles that are light and medium-heavy vehicles.
- Three Wheelers that are passenger carriers and goods carriers.

The automobile industry is one of the key drivers that boost the economic growth of the Country. Since the de-licensing of the Sector in 1991 and the subsequent opening up of 100 percent FDI through automatic route, Indian automobile sector has come a long way. Today, almost every global auto major has set up facilities in the country led by Japanese and Korean Companies.

Today Indian automobile Industry counts as under:

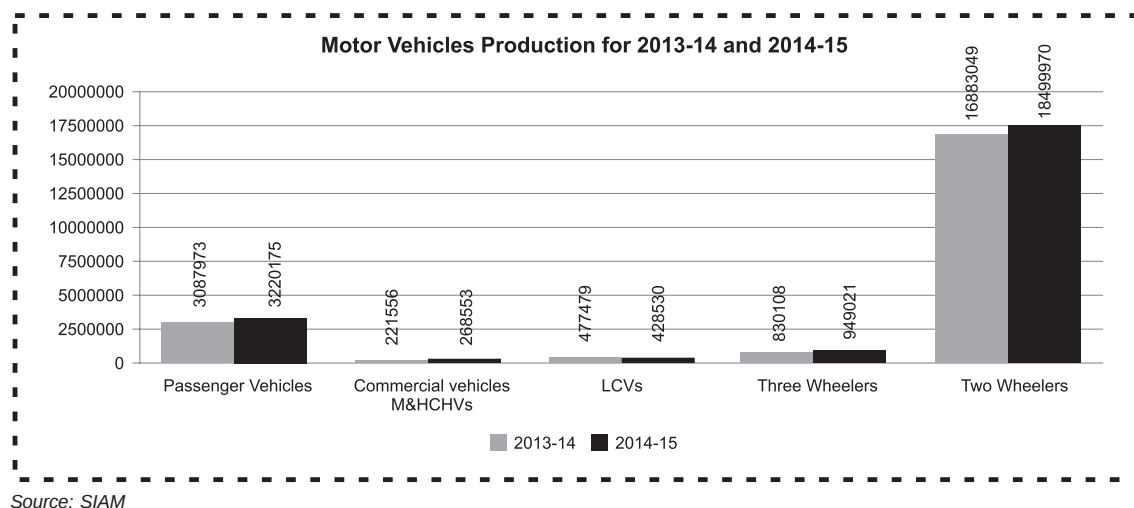
- Seventh-largest producer in the world with an average annual production of 17.5 Million vehicles.
- The Indian automobile market is estimated to become the 3rd largest in the world by 2016 and will account for more than 5% of global vehicle sales.
- India is the second-largest two-wheeler manufacturer, the largest motorcycle manufacturer and the fifth largest commercial vehicle manufacturer in the world.

The domestic auto components industry also consists of unorganized players, who are largely small and medium enterprises. However, it is the organized segment that contributes about three fourth of the industry's total revenues. More than 600 organized players are registered with the Auto Component Manufacturers Association.

The Indian auto components industry has experienced return of moderate growth over the last one-and-a-half years. The growth can be attributed to factors such as strong buoyancy in the end-user industry, recovery of the global economy, improved consumer sentiment and return of adequate liquidity in the financial system. The revival of the auto industry was initially driven by the fiscal stimulus programme of the government.

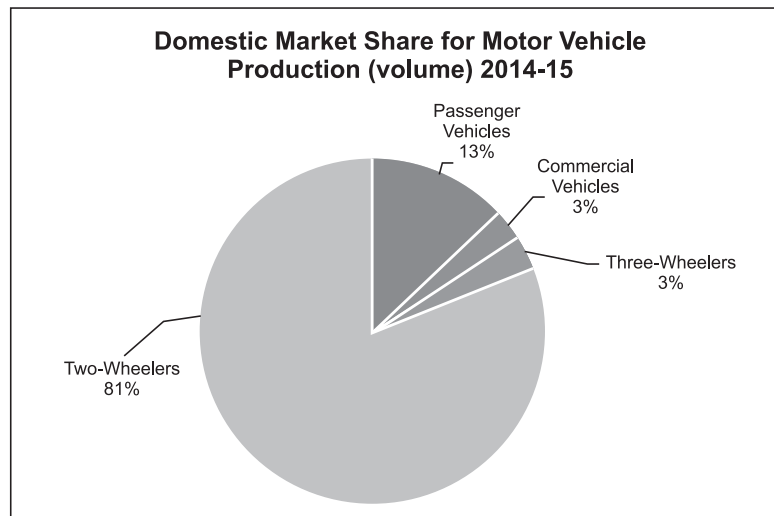
With the government's 'Make in India' initiative boosting manufacturing, commodity prices under control and growth in industrial activity visible – all being indicators of a positive outlook – the Indian auto sector expected for a better ride this fiscal. Buoyancy in the Industry and a return to the former 2011-12 highs expected only after stability and reforms drive in the economy.

Following chart shows the statistics of segment wise Vehicle Production data:



Category Segment/Sub segment	Production		% Change
	April-March 2013-14	April-March 2014-15	
A. Passenger Vehicles			
Passenger Cars	23,22,578	24,16,862	4.06
Utility Vehicles(Uvs)	5,68,692	6,29,255	10.65
Vans	1,96,703	1,74,055	-11.51
Total Passenger Vehicles	30,87,973	32,20,172	4.28
B. Commercial Vehicles			
M&HCVs			
Passenger Carriers	41,175	49,360	19.88
Goods Carriers	1,80,381	2,19,193	21.52
Total M&HCVs	2,21,556	2,68,553	21.21
LCVs			
Passenger Carriers	45,136	46,569	3.17
Goods Carriers	4,32,343	3,81,961	-11.65
Total LCVs	4,77,479	4,28,530	-10.25
Total Commercial Vehicles	6,99,035	6,97,083	-0.28
C. Three Wheelers			
Passenger Carrier	7,33,244	8,45,606	15.32
Goods Carrier	96,864	1,03,415	6.76
Total Three Wheelers	8,30,108	9,49,021	14.33
D. Two wheelers			
Scooter/Scooterette	36,76,213	47,21,415	28.43
Motor cycles/Step-Through	124,74,626	130,23,210	4.40
Mopeds	7,32,210	7,55,345	3.16
Total Two wheelers	168,83,049	184,99,970	9.58
Grand Total of All Categories (A+B+C+D)	215,00,165	233,66,246	8.68

Source: SIAM



Source: SIAM

Road Ahead

The rapidly globalising world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is consequently adding to the auto component industry's growing opportunities. According to a report by the Confederation of Indian Industry (CII), the Indian auto component industry is set to become the third largest in the world by 2025. Also, by that time, newer verticals and opportunities for component manufacturers will open up as the automobile market will shift towards electric, electronic and hybrid cars and newer technologies will have to be adopted via systematic research and development.

Indian auto component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased significantly in the days to come because of positive momentum in the Economy and 'Make in India' initiative.

India is probably among the most competitive country in the World for the Automotive Industry. It covers near to 100% of technology or components required to make a car.

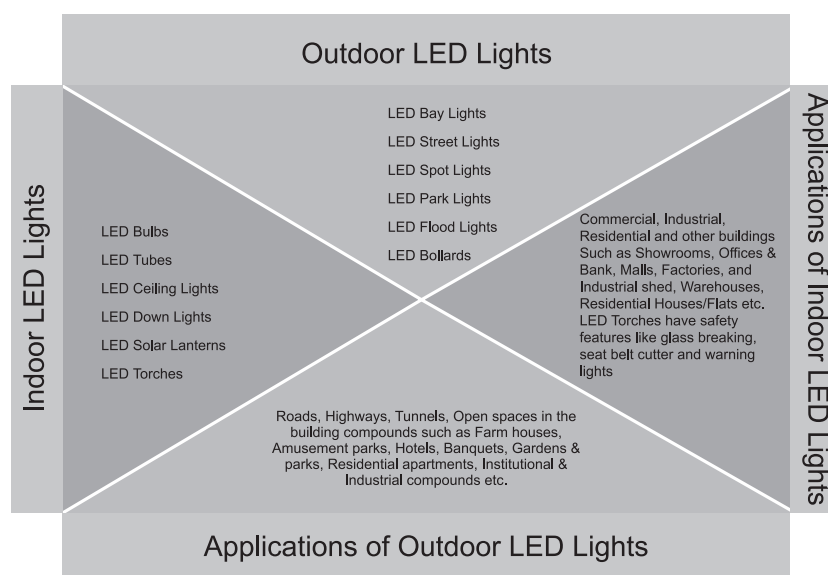
LED Lighting and

Integrated Passenger Information System (IPIS)

Energy Efficiency has become one of the most important issues of the Century to curb the greenhouse gases and to tackle the global climate changes.

In Indian context, in spite of all efforts of fast tracking the power projects, the power crisis in the country is worsening by the day. The lighting load in the country is approximately 18% of the total connected load. One immediate solution for energy efficiency is adoption of LED lighting with a fast pace.

Product application-wise, LED lighting industry can be segmented as under:



Sensing the large opportunity which is set to open up over the next few years, new players are entering in the LED market. After the initial euphoria, it is expected that industry will be consolidated by serious and long term players on lines similar to what was seen in the CFL segment.

The momentum of LEDs is broad-based, covering both residential and commercial applications. All major technology groups - HID, linear fluorescent, compact fluorescent, incandescent/halogen are giving way to LEDs. LED solutions have strengthened their position in applications where they already had a foothold -such as LED Bulbs, downlights, commercial screw-in reflector lamps and street lights. Meanwhile, improvements in performance and reductions in manufacturing costs have penetrated market in a much faster way and opened up new applications for LEDs, from high-bay, high-lumen applications to the smaller MR16 replacement lamps illuminating retail displays.

A Disruptive Technology-How LEDs are Changing the Game

The ongoing transition to solid state lighting has disrupted the lighting market in two significant ways.

First, an industry long dominated by global giants like Philips, Osram, GE etc. is now seeing incredible fragmentation, with competition from thousands of new manufacturers. Threatened incumbents have tried to wall off access to their established market channels, such as their electrical wholesale distributors, retail partners, and manufacturer sales representatives. In response, upstart LED companies have increasingly taken their lamps and luminaires directly to the end-user, bypassing these traditional distribution channels. While it's too early to know how the distribution channels will ultimately change, it is possible the direct-to-market channel is growing at the expense of the stocking electrical wholesaler.

The second disruption is the shift from standardized lamps to customized lighting systems. LED technology enables an infinite variety of design possibilities in both function and form. However, achieving these possibilities and ensuring a high quality lighting solution, requires an in depth knowledge of both system design and lighting component technology. All system components, from the LED chip (the actual light source) to the driver to the luminaire's optics, must be fully integrated and coordinated. In this way, LEDs stand in stark contrast to the traditional lighting paradigm in which bulbs, ballasts, and fixtures could be sold separately from any number of manufacturers and then installed on site with little technical sophistication.

That business model, in which lamp and ballast manufacturers could capture value independent of how the complete lighting system was assembled, appears less tenable in an LED world. The design and coordination required to optimize the overall LED system performance means, to no small degree, that the fixture (luminaire) manufacturer is now the provider of the actual light source. Particularly in the commercial market, this places fixture manufacturers at the top of the value chain. As a result, many traditional lamp manufacturers are defining and marketing themselves as lighting solution providers, offering customers an overall lighting experience, rather than just manufacturing standard products.

The technological potential of LEDs, coupled with competitive pressure on manufacturers to differentiate themselves, appears poised to push exciting developments in lighting systems in the near future. Already, manufacturers are marketing sophisticated controls and people-centred functionality that promise a range of possible experiences. Luminaires will work more like computers than bulbs, offering non-energy benefits such as light output and color adjustment to circadian rhythms in order to enhance mood, sleep, and productivity. They may function as wi-fi access points, meters, or data analytics devices. In summary, the value-added features of well-designed LED systems go well beyond energy benefits. Lighting manufacturers-solution providers-will seek to develop and promote these features to differentiate themselves in the highly competitive lighting market.

"On above backdrop, we believe that Company like us who is having in-house capabilities for Design, Development and whole value chain of Manufacturing as well as better understanding about technology, coupled with deep knowledge of peculiarity of Indian market will be at advantageous position."

Integrated Passenger Information System with LED Display (IPIS)

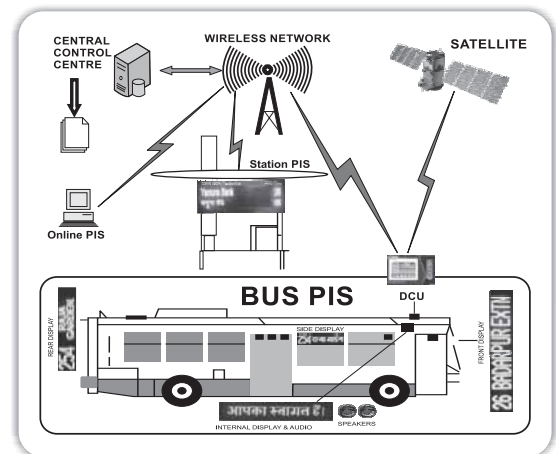
Integrated Passenger Information System is a computer based electronic system providing audio and visual information to passengers through multiple displays spanning over the entire station and coaches. It is widely used in Buses and other avenues like Metro, Railway etc. It may be used both physically within a transportation hub and remotely using a web browser or mobile device. IPIS covers various modes of transportation viz Trains, Metro Trains and Public Transport Vehicles like Buses, Railway Stations and Bus Stops etc. The information to the passenger is provided through audio announcement and Visual information through various types of displays.

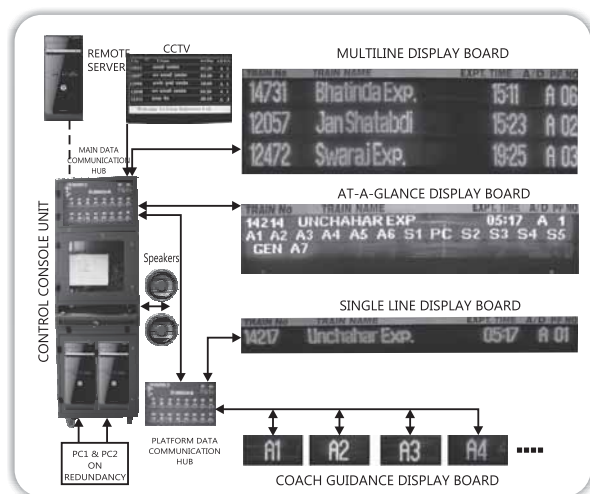
IPIS is a set of IT system, hardware, and services which provides real-time information about the arrival and departure and other information of transport mediums to the passengers. It offers other features such as scheduling information, entertainment, news broadcasts, and emergency communication services. These solutions require seamless integration between the moving transport medium, station, and the passengers. Traditional methods of delivering the scheduling information were manual. A passenger has to visit the station to know the exact arrival or departure time but new technologically advanced solutions offer information on the go to the passengers.

IPIS for Automotive/BUS application: Automotive PIS includes on board control system like controller LED Displays, LED/ LCD Displays, Announcement System, Camera, GPS/ GPRS, Ticketing and on board diagnostic system.

There is a real time connectivity of the on board system with backend 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 & PC through web based application.

IPIS for Railways: 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.





PIS for Coaches: Passenger information system is an important aspect of passenger amenity inside the train. Information about train location, next halting station and late running status of train and alarm system help in enhancing passenger comfort especially during night hours. The GPS based Passenger Information System is a cost effective solution to provide this information to passengers on a moving train. In addition to the above this system is used for providing the entertainment and advertisement services for additional revenue generation.

Way Ahead: Advent of smartphones and better connectivity are the primary factors among others which will drive the growth and advancement of the Passenger information system market. With the mobile applications installed on a smartphone connected with a network, the information can be accessed any time. Mobile applications in this market are going to be one of the key segments which have a promising future in terms of revenues. On the other hand, passengers are becoming more demanding and to enhance the passenger experiences, transport service providers started offering other features along with scheduling information. These features are mainly entertainment, in-transit connectivity, news, and emergency communication. The vendors in the PIS market are constantly trying to introduce better connectivity into their solutions which will help transport service operators to provide better services to the passengers.

OPPORTUNITIES & THREATS

Auto-Component Business

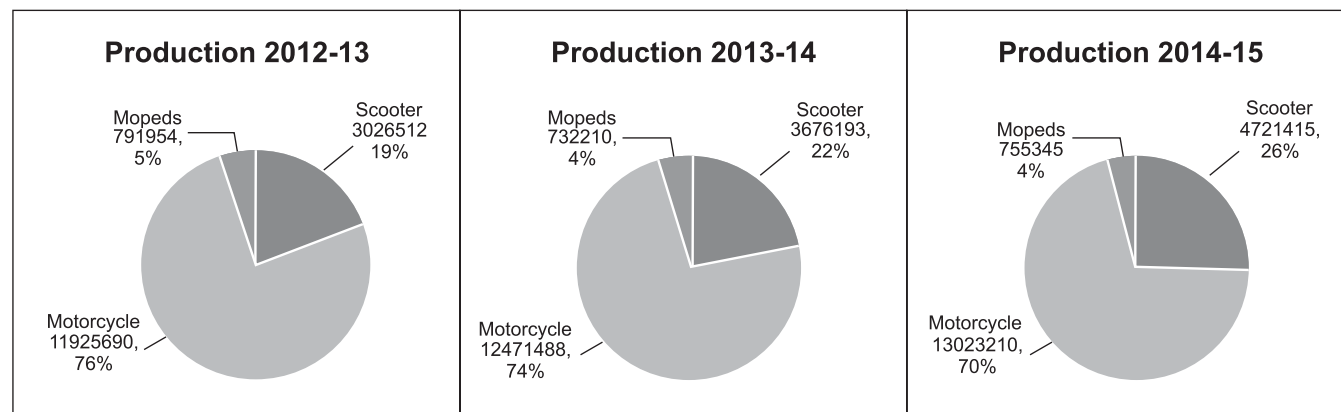
The Indian auto component Industry is one of India's sunrise industries with tremendous growth prospects. From a low-key supplier providing components to the domestic market alone, the Industry has emerged as one of the key auto components centres in Asia and today seen as a significant player in the global automotive supply chain. India is now a supplier of a large range of high-value and critical automobile components to global auto makers in every continent. Following are major growth drivers for the auto component industry:

- With the increasing middle class and disposable income, passenger vehicles expected to grow more.
- Two-wheelers will also grow with a growing working population and an expanding middle class are expected to remain key demand drivers. Increasing disposable incomes in the rural agri-sector is another driving force.
- The presence of a large pool of skilled and semi-skilled workers and a strong educational system will support the Industry.
- A large number of products are available to consumers across various segments. With the entry of a number of foreign players, reduced overall product lifecycle and quicker product launches have become the order of the day.
- The availability of a variety of vehicle models meets diverse needs and preferences.
- Easy finance schemes, owing to which the auto finance has grown at a very fast pace, adding fuel to auto industry's growth.
- Favourable government policies like lower excise duties, automotive mission plans, the constitution of NATRiP (National Automotive Testing and R&D Infrastructure Project) etc. will further encourage the growth of the auto component sector.

An emerging trend is of consolidation of suppliers and Indian Original Equipment Manufacturers (OEMs) or automobile makers are actively looking to reduce suppliers over the next few years - more business for fewer players is the new trend.

On above backdrop, Company is looking for every possible and strategic fit opportunity, which entails to growth and continuously increasing its product portfolio as well as customer base. Starting of Plastic Molded Parts, Sheet Metal Parts and Wiring Harness shows Company's resolve to grow its product portfolio in auto components.

Following diagram shows the statistics of Scooters, Motorcycle & Mopeds production for last three years:



Presently, major business of the Company comes from two-wheeler segment. Company supplies its products to almost every two wheeler OEM in India, barring one or two. The biggest two customers of Company are HMSI and TVSM. Within two-wheelers, gearless scooter segment is witnessing an impressive growth.

Scooters are on a roll as it has been the only automotive segment to buck the economic downturn to grow by an impressive double digit growth. Scooters are finding favour with buyers owing to a unisex appeal, increasing female independence, ease of drivability and improved fuel efficiency. Notably, Activa (Honda Motorcycles & Scooters India) is now India's 2nd largest Two-Wheelers brand. Rural India is at the forefront of the rapid growth in scooter demand. Scooters are becoming more fuel efficient, which has enabled higher penetration in rural areas as well, especially in large and fast-growing northern states. With increasing women empowerment and better rural road infrastructure, states like UP, Madhya Pradesh, Rajasthan and Bihar have clocked scorching scooter sales growth. Perception of scooters being a safer Two-Wheelers and ability to address the entire family's transportation needs expected to facilitate the shift of demand from motorcycles to scooters.

The Company is one of the biggest suppliers of automotive lighting and rear view mirrors to scooter segment and sees better growth trajectory with the increased acceptance of scooters.

With such ample opportunities, Indian automobile & auto component industry also faces some challenges, which are typical of an emerging market. Foremost of these challenges are infrastructure – roads, ports and power. Off late land acquisition may also emerge as a stumbling block for industrial growth. Inflation though was a problem but has come down recently, as a relief to all.

LED Lighting and

Integrated Passenger Information System with LED Display (IPIS)

The LED market has emerged as one of the fastest growing industries in India. This industry has been majorly driven by factors such as falling prices of LED lights, increasing initiatives taken by the government and rising concerns with respect to energy conservation. Further, modernisation of Indian Railways, Transport Infrastructure Development and Metro Systems will give a big boost to the IPIS.

Hon'ble Prime Minister, Mr. Narendra Modi has recently launched the "National Programme for LED based Home and Street lighting" with the aim to replace incandescent bulbs (ICLs) with LED lights for residential and street lighting. Driven by the government's initiatives, the LED market is growing with a very fast pace, earlier and faster than expected.

The key driver of the increased usage of LED's over the next few years will be the government's push to replace street lighting (via municipalities) and residential lighting (via state discoms) to achieve energy efficiency and savings. The government expected to ban the sale of 100W, 60W and 40W ICL's in next few years and this along with a further fall in prices of LEDs would fuel a large scale switchover to LEDs. Commercial establishments (retail outlets/offices/shops) to increasingly opt for LED down lights to replace less efficient FTL's and CFL's; the price gap of LED's vs CFL's down lights has narrowed significantly which provides a good incentive to switch to LED lights.

Road Ahead

During next 4-5 years, use of LED's to be driven by replacement of streetlights, down lights and retrofit of LED lamps under the government's recent initiative called the "National Programme for LED based home and street lighting", launched by the Honourable Prime Minister, LED bulbs shall be used to replace existing ICLs in domestic households. Similarly, existing street lights have started to be replaced with cost effective LED Lights.

LED Bulbs for household lighting Incandescent Lamps are primarily used for domestic household lighting. Under the government's initiative, it is expected that ICL's in India top 100 cities would be replaced by LED Bulb to encourage energy efficiency and cost savings. As a step towards phasing out of ICL's and increasing the usage of LED's, ICL will be banned in due course. A total of 780mn ICL's were sold in CY13 (758mn in CY12) as per ELCOMA. Replacement of these ICL's by LED Bulbs which use 85% less energy would help save a total of 50bn units and a cost savings of Rs. 25 bn.

Energy Efficiency Services Ltd. (EESL) – a Joint Venture Company of PSUs under power ministry is nodal agency to implement the energy saving projects in the country. It is emerging as one of the most important facilitator to Govt., local bodies as well as LED manufacturer and other stakeholders.

Domain expert on LED - Fiem has extensive knowledge of LED technology from chips, optics, and thermal management to ingenious design, quality and reliability to make the right choice of components. On the strength of its R&D and Technology understanding, Company has added a host of LED products in its product portfolio. Company is well equipped to meet the challenges of LED technology and the ever increasing customer expectations. The complete range of LED products helps us in providing the much desired total lighting solution. FIEM's R&D centre ensures that highly efficient and top quality products are delivered.

Innovative design, affordable price, lasting energy savings, and no compromise on quality – it's a winning combination for FIEM.

The speed of market development and the length of the transition period as well as FIEM's ability to react promptly and flexibly to change in market requirements, will determine how successfully we pass through these phases.

Integrated Passenger Information System (IPIS) also provides huge opportunity in Indian Railways and State Transport Buses. Indian Railway planned an unprecedented investment of Rs 1 lac crore for 2015-16 and Rs 8.56 lac crore for the period of 2015-20. The modernization programme which includes new lines, gauge conversion, doubling, tripling and electrifications covers platforms and passenger information / announcement system also. State transport authorities are installing IPIS system in its buses. Private institutions like school buses also use this system.

Investment Outlay of Indian Railways for five years (2015-20)

Major Headings	Amount (Rs. Crore)	%
Network Decongestion (incl. DFC, Electrification, Doubling, etc.)	199,320	23.3%
Network expansion (incl. electrification)	193,000	22.5%
National Projects (North Eastern & Kashmir connectivity projects)	39,000	4.6%
Safety (Track renewal, bridge works, ROB, RUB and Signaling & Telecom)	127,000	14.8%
Information Technology / Research	5,000	0.6%
Rolling Stock (Locomotives, coaches, Wagons - production & maintenance)	102,000	11.9%
Passenger Amenities	12,500	1.5%
High Speed Rail & Elevated corridor	65,000	7.6%
Station redevelopment and logistic parks	100,000	11.7%
Other	13,200	1.5%
Total	856,020	

Source: Indian Railways Budget 2015-16

Management believes that these two additional businesses will drive growth of the Company in next phase. Company has done maximum backward integration by manufacturing almost all components of LED Luminaire in-house to maintain stringent quality standards and control the costs, so that the Company can offer high quality products at competitive prices. On the strength of the in-house manufacturing capabilities, Company is able to procure good business through tenders floated by the EESL. In the time to come, this business expected to grow with a fast pace.

Threats and Challenges

The Indian lighting industry is less energy efficient compared to other countries. Further less Government support compared to global competitors like China, who has become a global manufacturing hub for LED/ Electrical components through a lot of government support is also a disincentive. In addition to this, quality and testing standards are yet to be enforced. Limited testing capacity for LED lighting and heavy dependence on imports for electronic components and LED chips are other concerns.

OPERATIONAL REVIEW

During the year under review, the operations of the Company had remained steady and efficient. During the year the activities started for commission of Ahmedabad plant and capacity addition took place in Rai Plant for LED Luminaires and IPIS. The performance of the Company at operational front has remained among best in the Industry. On operational front, the principles of the Company remained to produce best quality product at least cost. The capacity addition at Tapukara Plant for LED luminaires is under progress and should be completed during the current year. Company is successfully participating in the tenders floated by EESL for LED Bulbs and LED street lights.

The new business of LED Luminaires is growing well and as of now following major tenders has been procured by the Company floated by Energy Efficiency Services Ltd. (EESL):

- In last Quarter of FY15, the EESL tender for supply of 7.74 Lac LED Bulbs of 7W to Andhra Government, total contract value Rs. 11.53 Crore [Order completed during FY2014-15].

- Award of business by EESL for Design, Manufacture, Supply, Testing, Installation, Commissioning CCMS and 7 year Warranty of LED Street Lights and other related works under South Delhi Municipal Corporation in Delhi. The contract value is Rs. 99.79 Crore and to be completed during the current financial year.

- In tender floated by EESL for Design, Manufacture, Supply and 3 years warranty of self-ballasted 9W LED Bulbs (Quantity 3.27 Crore) for Kerala and Andhra Pradesh, we stood L-1 for 70,00,000 (Seventy lac) Bulbs at a bid-price of Rs. 72.40 per Bulb. The supply of the LED Bulbs would be completed during the current financial year.

As a testimony to the operational performance, the Company got awards from its esteemed customers on the parameters of Quality, Cost, Development, Delivery and overall Management.

FINANCIAL REVIEW

On the financial performance side, the year under review has been another successful year for the Company with overall strong performance. The net sales of the Company grew by 14.75% in 2014-15 to Rs. 819.50 Crore as against Rs. 714.11 Crore in the previous year.

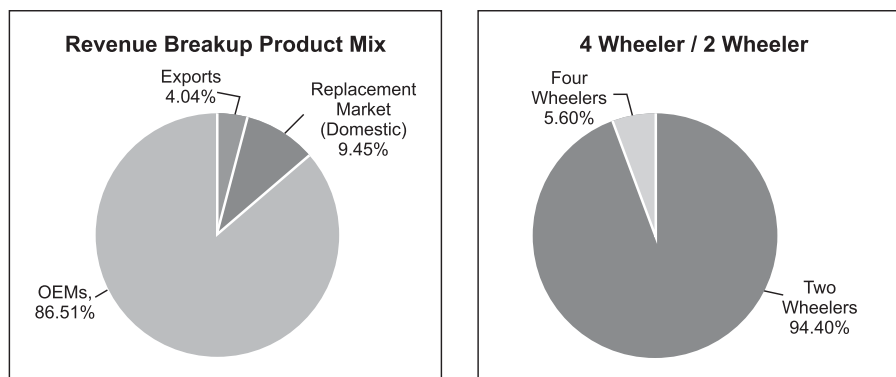
On profitability side, the Profit after tax was Rs. 42.26 Crore in comparison to Rs. 37.40 Crore in 2013-14. The detailed financial highlights / summary are given in the Directors' Report.

Company has been able to consistently perform better and is growing well despite slow growth in the auto industry during this period. This has been possible because of relentless efforts of the management of the Company and support from its valued OEM customers.

During the year the product-mix of the Company has remained almost same and there is steady growth in revenue of all product categories as under:
(Rs. in Lacs)

Product Category	2014-15	%age	2013-14	%age	Change (%age)
Lights, signaling equipment and parts	59249.01	65.81%	52485.71	66.60%	-0.79%
Rear View Mirror and Parts	12098.86	13.44%	10113.18	12.83%	0.61%
Plastic Moulded Parts	10902.75	12.11%	10105.44	12.82%	-0.71%
LED & Other Misc. Items (being less than 10%)	7778.16	8.64%	6099.77	7.75%	0.89%
Total	90028.78	100%	78804.10	100%	

Segment wise revenue mix of the Company during the year under review:



RISKS AND CONCERNS

Our Risk Management Policy use systematic approach for risk management by identifying, assess and manage the risks. We constantly review this approach and adopt it as warranted by new circumstances in light of the changing environment affecting us.

The Company regularly monitor risks to the business and adopt proactive remedial measures. These include areas such as market trends, new competition, changing customer preferences, disruptions in supplies, product development, talent management etc.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a comprehensive system of internal control to safeguard the Company's assets against any loss from unauthorized use and ensure proper authorization of financial transactions. The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances.

The Company takes abundant care in designing, reviewing and monitoring regularly the working of internal control systems and their compliances for all important financial internal control processes. The Audit findings are reported on quarterly basis to the Audit & Risk Management Committee of the Board headed by a Non-executive Independent Director.

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial statements and compliance with laws and regulations.

The Internal Auditor, an Independent firm of Chartered Accountants reviews the effectiveness and efficiency of financial internal control systems. The Audit & Risk Management Committee approves and reviews audit plans for the year. Audits are conducted on an ongoing basis and significant findings are brought to the notice of the Audit & Risk Management Committee of the Board following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

HUMAN RESOURCES

Our people are integral to our success. We continue to develop our people to meet the requirements of our business and our employee engagement continues to be amongst the highest in the industry. One of the principal anchors of your Company's ability to cope with challenging business environment is its strong culture of customer centricity, innovation and people focus. Your Company has embarked on several initiatives to strengthen its Employee Relations. Your Company has a longstanding practice of developing talent from within by providing on-the-job learning opportunities and career development platforms to all including front line employees of the Organization. Your Company's commitment to the development of employees is best reflected in how individual development conversations and the people review programs are being institutionalized in the Organization. There is a constant endeavour to identify individual capability development needs and provide structured support and intervention to hone these capabilities. All the manufacturing locations are working on an ambitious Employee Relations agenda through various initiatives like Continuous Education Programme, providing vertical growth plans from operator to staff level and create an environment of inclusive participation by involving operators in decision-making process through Quality Circles and Total Preventive Maintenance programs.

Company believe in social harmony and empowering women at workplace. Toward this approach Company employs maximum woman employees at assembly lines. Company imparts on-job training to develop their skills and to make them employable. Company goes beyond business needs and give all facilities to the women which are necessary to feel them safe. On job facilities are best in the Industry like uniform, lockers, restrooms, canteen and transportation.

The employee feel a sense of belongingness and throughout the year industrial relations has remained cordial across all locations. At the end of the financial year the direct employee strength at payroll were 1489.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

The Board of Directors of the Company present the Company's Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges. The Board is committed to high standards of Corporate Governance and has implemented a governance framework which it considers to be appropriate for the Company.

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance is the manifestation of beliefs and values of the leadership, which configures the organisational values and actions of its employees and associates. Transparency, Accountability and Integrity are the fundamental principles of sound corporate governance, which ensures that the organisation is managed for 'Creating and Sharing the Wealth and Values'. This is demonstrated by performance focussed work environment, consistent growth and resilience during the difficult times.



The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time. Company should work as a responsible corporate citizen and while creating wealth for shareholders it should contribute towards the cause of society in best possible way.

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company believes that there is a need to view Corporate Governance as more than just regulatory requirement and Company imbibing this belief.

2. BOARD OF DIRECTORS

We believe that an active, well-informed and Independent Board is necessary for proper guidance to the Company. The Board of Directors is at the core of Corporate Governance practices and oversees how management serves and protects the long-term interest of stakeholders. The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the System. The Board has established 4 (Four) Committees to discharge its responsibilities in an effective manner namely-

- Audit & Risk Management Committee,
- Nomination & Remuneration Committee,
- Stakeholders Relationship Committee and
- Corporate Social Responsibility Committee.

The Board is authorised to constitute additional functional committee, depending on business needs. Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act 1956 / Companies Act, 2013. The Management works under direction of the Board. Operations and functioning of the Company is managed by Chairman & Managing Director with five Whole-time Directors and a core group of senior level executives.

2.1 Role of Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board (including Committee thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the Meetings and otherwise. The Company Secretary is primarily responsible to assist the Board and management in the conduct of affairs of the Company vis-à-vis legal compliance and governance framework. He also acts as Compliance Officer of the Company and responsible for regulatory and governance matters.

2.2 Composition of the Board of Directors

The Board provides and evaluates the Company's strategic direction, management policy and their effectiveness, and ensure that shareholder's long-term interests are being served.

The present strength of the Board is 12 (Twelve) Directors with a fine mix of 6 (Six) Independent Directors, 5 (Five) Whole-time Directors and 1 (One) Managing Director.

2.3 Board Meetings and Directors Attendance Record

Minimum 4 (Four) Board Meetings are held during a financial year. Additionally Board Meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

During the financial year under review, 5 (Five) Board Meetings held on 28th May 2014, 9th August 2014, 10th November 2014, 5th December 2014 and 12th February 2015. In addition to these meetings one separate meeting of Independent Directors also held on 5th December 2014. The attendance of directors at the above mentioned Board Meetings and at the previous Annual General Meeting held on 29th September 2014 is as under:

Name of the Director	Board Meeting Attendance for financial year 2014-15	Separate meeting of Independent Directors	Presence at AGM - 29 th September 2014
Number of Meetings Held	(5)	(1)	
Mr. J. K. Jain	5/5	NA	Yes
Mrs. Seema Jain	5/5	NA	Yes
Mr. J.S.S. Rao	4/5	NA	No
Mr. K. R. Yadav	5/5	NA	Yes
Ms. Aanchal Jain	5/5	NA	Yes
Mr. Rahul Jain	5/5	NA	Yes
Mr. Iqbal Singh	5/5	Yes	Yes
Mr. Charoen Sachamuneewongse	2/5	Yes	No
Mr. Amitabh Prakash Agrawal	1/5	Yes	No
Mr. Vinod K Malhotra	5/5	Yes	Yes
Mr. Subodh Kumar Jain	5/5	Yes	Yes
Mr. P. N. Viswanathan (from 09.08.14 to 03.12.14)	2/2	NA	No
Mr. Mohan Bir Sahni (w.e.f. 12.02.2015)	0/1	NA	NA

2.4 Other Relevant Details of the Directors:

Sr. No.	Name of the Director	Category	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 31.03.2015)
1.	Mr. J. K. Jain	Chairman & Managing Director (Promoter)	NIL	NIL	2960000
2.	Mrs. Seema Jain	Whole-time Director (Promoter)	NIL	NIL	2960000
3.	Mr. J.S.S. Rao	Whole-time Director	NIL	NIL	12
4.	Mr. K. R. Yadav	Whole-time Director	NIL	NIL	338
5.	Ms. Aanchal Jain	Whole-time Director (Promoter)	NIL	NIL	800000
6.	Mr. Rahul Jain	Whole-time Director (Promoter)	NIL	NIL	1552340
7.	Mr. Iqbal Singh	Independent Director	NIL	NIL	20014
8.	Mr. Charoen Sachamuneewongse	Independent Director	NIL	NIL	NIL
9.	Mr. Amitabh Prakash Agrawal	Independent Director	NIL	NIL	NIL
10.	Mr. Vinod K. Malhotra	Independent Director	NIL	NIL	NIL
11.	Mr. Subodh Kumar Jain	Independent Director	NIL	NIL	NIL
12.	Mr. P. N. Viswanathan (from 09.08.14 to 03.12.14)	Independent Director	NIL	NIL	NIL
13.	Mr. Mohan Bir Sahni (w.e.f. 12.02.2015)	Independent Director	1	NIL	NIL

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

** Only Chairmanship/ Membership of the Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies considered.

Notes:

- None of the Directors of the Company were members of more than 10 (Ten) Committees or acted as Chairperson of more than 5 (Five) Committees across all public limited companies.
- None of the Independent Directors of the Company served as Independent Director in more than 7 (Seven) listed companies.
- Company while selecting independent directors on the Board, inter-alia, considers their qualification, experience, age and other directorships etc. All the Independent Directors have provided declaration affirming that they meet the criteria of independence.
- 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.

3. COMMITTEES OF THE BOARD

The Board has constituted 4 (Four) Board Committees. The duties, responsibilities and scope of work of each Committee are as per applicable provisions of the Companies Act, 2013, Listing Agreement and terms of reference. Some of the Committees of the Board were reconstituted, renamed and terms of reference were revised to align with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

3.1 AUDIT & RISK MANAGEMENT COMMITTEE:

During the financial year 2014-15, the Audit Committee was re-named as the 'Audit & Risk Management Committee, by inclusion of terms of references for risk management. The terms of reference of Audit & Risk Management Committee has been amended in line with Clause 49 of the Listing Agreement entered with the Stock Exchanges and Section 177 of the Companies Act, 2013.

3.1.1 Brief Description of Terms of Reference

The terms of reference of the Audit & Risk Management Committee includes the matters specified in Section 177 of the Companies Act, 2013, as well as Clause 49 of the Listing Agreement entered with the Stock Exchanges. 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 Company's financial reporting process and the disclosure requirements.
- Recommendation to the Board, the appointment, remuneration and terms of appointment of the statutory auditor, including determination of other services which can be rendered by the Auditors.
- Reviewing, with the management, the annual financial statements

and draft auditors report thereon and quarterly financial statements before submission to the Board for their approval.

- Reviewing and monitoring the auditor's independence and performance and effectiveness of the Audit process.
- Recommending to the Board, the appointment and remuneration of Cost Auditor and Secretarial Auditor.
- Reviewing with the management, performance of internal auditors and the adequacy of the internal control system.
- Reviewing the adequacy of internal audit function and matters connected thereto.
- Discuss with internal auditors any significant findings and follow-up thereon.
- 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 system of a material nature and reporting the matter to the Board.
- To review the functioning of the Whistle Blower Mechanism.
- Approval or any subsequent modifications of transactions of the Company with related parties.
- To evaluate and review internal financial controls and risk management systems including identification of the risks, approval of risk management policies and structure of risk management system.
- Such other functions as may be prescribed under the applicable laws, regulations or directed by the Board of the Company.

3.1.2 Composition of Committee

The Audit & Risk Management Committee comprises of 3 (Three) 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 & Risk Management 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 & Risk Management Committee was present at the last Annual General Meeting held on 29th September, 2014.

3.1.3 Meetings and Attendance

Four meetings of Audit & Risk Management Committee were held during the financial year under review on 28th May, 2014, 9th August, 2014, 10th November, 2014 and 12th February, 2015.

The attendance of the above mentioned Audit & Risk Management Committee meetings are as under:

Sr. No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1	Mr. S.K. Jain	4	4
2	Mr. Iqbal Singh	4	4
3	Mr. V.K. Malhotra	4	4

3.2. NOMINATION & REMUNERATION COMMITTEE

During the financial year 2014-15, the Remuneration Committee was re-named as the 'Nomination & Remuneration Committee' and the terms of reference of the Committee has been revised in line with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchanges.

3.2.1 Brief Description of Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

- Formulation of criteria for evaluation of Independent Directors and the Board.
- Carryout evaluation of every director's performance.
- Devising a policy on Board diversity;
- 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 their appointment and removal.

3.2.2 Composition of Committee

The Nomination & Remuneration Committee comprises of 3 (Three) 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 other members of 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 Nomination & Remuneration Committee was present at the last Annual General Meeting held on 29th September, 2014.

3.2.3 Meetings and Attendance

Two meetings of Nomination & Remuneration Committee were held during the financial year under review on 08th August, 2014 and 12th February, 2015.

The attendance of the above mentioned Nomination & Remuneration Committee meetings are as under:

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

3.2.4 Remuneration Policy

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

3.2.5 Details of Remuneration to all Directors

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

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Name of CMD / WTD					
		Mr. J. K. Jain (CMD)	Mrs. Seema Jain (WTD)	Mr. J.S.S. Rao (WTD)	Mr. K. R. Yadav (WTD)	Ms. Aanchal Jain (WTD)	Mr. Rahul Jain (WTD)
1	Gross Salary						
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	123.00	36.00	72.00	72.14	30.00	36.00
	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	36.00	72.00	73.45	30.00	36.00

(b) Remuneration to other Directors (all Non-executive Directors are Independent Directors) :
(Rs. 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 P.N. Viswanathan	Mr. Mohan Bir Sahni
1	Gross Salary	—	—	—	—	—	—	—
2	Fee for attending Board/ Committee meetings	2.10	0.75	0.50	2.60	2.10	0.50	—
3	Commission • As % of profit • Other, specify	—	—	—	—	—	—	—
4	Others (Company Contribution towards PF, Medical Reimbursement, Fixed Pay, LTA, Bonus)	—	—	—	—	—	—	—
	Total (1+2+3+4)	2.10	0.75	0.50	2.60	2.10	0.50	—

Notes:

- The Company does not have any Stock Option Scheme or performance-linked incentives for the Directors.
- 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.
- Mr. Kashi Ram Yadav was elevated to the Board w.e.f. 25th October, 2008. Prior to that he was working with the Company as regular employee of the Company. The above remuneration of Rs. 73.45 lacs for Financial Year 2014-15 includes Rs. 13,824 as Bonus and Rs. 1,31,040 as employer's contribution towards Provident Fund. Except Mr. Kashi Ram Yadav, none of the other Directors are receiving these benefits.
- The above remuneration 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.
- There are no other pecuniary relationships or transactions between Non-Executive Directors vis-a-vis the Company except payment of sitting fees and travelling expenses incurred for attending the Board Meetings and Board Committee Meetings.
- The Company did not pay any amount to Directors by way of Commission as a percentage of profits.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE

- In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the name of the Shareholders' / Investor Grievance Committee has been changed to "Stakeholders Relationship Committee".
- 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 balance sheet, non-receipt of declared dividend etc.
- 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.
- During the year 4 (Four) meetings of committee held on 28th May 2014, 8th August 2014, 10th November, 2014 and 12th February, 2015. All 4 (Four) meetings attended by all members of the committee.
- Name and designation of Compliance Officer: Mr. Arvind K. Chauhan, Company Secretary.
- With reference to Clause 47(f) of the Listing Agreement, 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.
- The Status and details of the Shareholder's complaint received during the financial year, number of complaints not solved to the satisfaction of shareholders and number of pending complaints as on 31st March 2015 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 Investor	NIL	14	14	NIL	NIL
Received through BSE	NIL	NIL	NIL	NIL	NIL
Received through NSE	NIL	NIL	NIL	NIL	NIL
Received through SEBI	NIL	NIL	NIL	NIL	NIL
Total	NIL	14	14	NIL	NIL

3.4 Corporate Social Responsibility (CSR) Committee

- During the year, the Board constituted a "Corporate Social Responsibility (CSR) Committee" as required under Section 135 of the Companies Act, 2013. The CSR Committee comprises of Mr. Rahul Jain as Member Chairman, Mr. Kashi Ram Yadav and Mr. V. K. Malhotra as members. The Company Secretary act as the Secretary to the Committee.
- The terms of reference of the Committee include formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programmes or activities undertaken by the Company and perform any other function or duty as stipulated under the Companies Act, 2013.
- During FY 2014-15, 1 (One) CSR Committee meeting was held on 10th November, 2014, which was attended by all the Members of the Committee.

4. GENERAL BODY MEETINGS

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

Date and Time	Venue	Details of Special resolutions passed
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 25th October, 2014 at revised remuneration of Rs. 6,00,000/- per month. 2. Re-appointment of Mr. J.S.S. Rao as Whole-time Director for a period of 3 years w.e.f. from 1st December, 2014 at revised remuneration of Rs. 6,00,000/- per month.
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 Rs. 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 Rs. 2,50,000/- per month. 3. Increase in Remuneration of Mr. Kashi Ram Yadav, Whole-time Director from Rs. 4,50,000/- to Rs. 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 Rs. 4,50,000/- to Rs. 5,50,000/- per month w.e.f. 1st April, 2013.
September 29, 2012 at 10.00 am	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi-110036	1. Re-appointment of Mr. J.K. Jain as Chairman & Managing Director for a period of 3 years w.e.f. 7th August, 2012. 2. Appointment of Mr. Rahul Jain as Whole-time Director of the Company for a period of 3 years w.e.f. 1st October, 2012. 3. Increase in Remuneration of Mr. Kashi Ram Yadav, Whole-time Director from Rs. 2,50,000/- per month to Rs. 4,50,000/- per month. 4. Increase in Remuneration of Mr. J.S.S. Rao, Whole-time Director from Rs. 2,50,000/- per month to Rs. 4,50,000/- per month.

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

4.1 Resolutions passed through Postal Ballot

The Board of Directors of the Company in its Meeting held on 28th May, 2014 had decided to seek the approval of the shareholders through Postal Ballot process (including e-voting) pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Companies (Management and Administration) Rules, 2014 ("the Rules") and Clause 35B of the Listing Agreement for the following Resolutions:

Resolution No. 1: Special Resolution under section 188 of the Companies Act, 2013 for approval of Related Party Transaction.

Resolution No. 2: Special Resolution under section 180 of the Companies Act, 2013 for increase in borrowing powers of the Board of Directors of the Company and creation of charge on the Company's assets.

Details of voting pattern are as under:

Particulars	Resolution No. 1			
	E-Voting		Postal Ballots	
	Voter Count	Vote Count	No. of Forms	Vote Count
Total Ballot Form & e-voting received	22	379106	128	153361
Less: Invalid e-votes / Ballot Forms 0	0	8	2468	
Valid Votes	22	379106	120	150893
Total Valid Votes (Ballot Form & e-voting)				529999
Out of Valid Votes, No. of Votes in favour				528934
Out of Valid Votes, % of Votes in favour				99.7991%
Out of Valid Votes, No. of Votes against				1065
Out of Valid Votes, % of Votes against				0.2009%

Particulars	Resolution No. 2			
	E-Voting		Postal Ballots	
	Voter Count	Vote Count	No. of Forms	Vote Count
Total Ballot Form & e-voting received	22	379106	134	8521639
Less: Invalid e-votes / Ballot Forms	0	0	8	2468
Valid Votes	22	379106	126	8519171
Total Valid Votes (Ballot Form & e-voting)				8898277
Out of Valid Votes, No. of Votes in favour				8897216
Out of Valid Votes, % of Votes in favour				99.9881%
Out of Valid Votes, No. of Votes against				1061
Out of Valid Votes, % of Votes against				0.0119%

Mrs. Ranjana Gupta, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process in fair and transparent manner.

The result of above Postal Ballots was declared on 21st July, 2014.

Till the forthcoming Annual General Meeting of the Company scheduled to be held on 25th September, 2015, there is no proposal for passing of any resolution through postal ballots.

5. DISCLOSURES

5.1 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 which were in conflict with the interest of the Company. Suitable disclosures have been made in notes to financial statements.

5.2 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 1 (One) matter involving a Show Cause Notice (SCN) No. EAD3/DRK/JP/3226/2014 dated 28.01.2014 which has been finally adjudicated by SEBI vide Order NO. ISD/FIEM/AO/DRK-AKS/EAD3-681-684/06-09 - 2015 dated 03.02.2015 by imposing penalty of Rs. 1,00,000/- on the each Promoter of the Company (Total 4x1,00,000=4,00,000). A Letter No. CFD/DCR/SKD/256/2014 dated January 3, 2014 was also received from SEBI, which was replied to their satisfaction. The referred SCN and Letter pertains to one transaction involving promoters inter-se share transfer held on 30th April, 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.

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

The Company has implemented the Whistle Blower Policy 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 direct access to the Chairman of the Audit & Risk Management Committee.

It is affirmed that no person has been denied access to Chairman of Audit & Risk Management Committee.

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

5.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all applicable mandatory requirements under Clause 49 of the Listing Agreement.

5.5 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.

5.6 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.

5.7 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 2014-15 to the Board under Clause 49 of the Listing Agreement.

5.8 The Management Discussion and Analysis Report form part of Annual Report.

5.9 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 Companies Act, 2013 and revised Clause 49 of the Listing Agreement. 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)

5.10 Code of Conduct for Prevention of Insider Trading

The Company had earlier adopted a Code of Conduct for prevention of Insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, which has become effective from 15th May, 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.

5.11 The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Clause 49 of the Listing Agreement to the extent applicable to the Company.

5.12 Brief profile of the Directors retiring by rotation and eligible to re-appoint and Directors proposed to be appointed is attached to the notice convening Annual General Meeting.

5.13 To familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry, business model etc., the programmes were conducted during the year.

The details of such familiarization programme are available on the website of the Company (www.fiemindustries.com) and a web link is provided in this report.

6. MEANS OF COMMUNICATION

The Company provided adequate and timely information to its member's 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 and Jansatta (Hindi).

The financial results and presentations made to the Institutional Investors or to the analysts are also available on the website of the Company (www.fiemindustries.com).

The financial and other information filed by the Company from time to time is also available on the website of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited.

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

7. GENERAL SHAREHOLDER INFORMATION

Date and time of AGM	Friday, 25th September, 2015 at 10.00 AM
Venue of AGM	Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, New Delhi-110036
Financial Year	April to March
Date of Book Closure	Saturday, 19th September, 2015 to Friday, 25th September, 2015 (both days inclusive)
Dividend Payment Date	Start from 1st October, 2015
Registered office	D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi - 110015, India CIN: L36999DL1989PLC034928
Telephone No.	+91-11-25927820, 25927919
Facsimile Number	+91-11-25927740
Website	www.fiemindustries.com
Dedicated E-mail	investor@fiemindustries.com

LISTING**Equity Shares**

- B S E Ltd.
- National Stock Exchange of India Ltd.
- The Annual listing fees for the year 2015-16 has been paid by the Company to both the Stock Exchanges.

The Stock Codes are 532768 (BSE) and FIEMIND (NSE)

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

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 lodgement.

GENERAL INFORMATION**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

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

Corporate Office Address:

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

Address of Compliance officer

Mr. Arvind K Chauhan, 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

8. 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 (Rs. 42,288) for the Financial Year 2006-07 have been transferred during the Financial Year 2014-15 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.

9. DISCLOSURE UNDER CLAUSE 5A OF THE LISTING AGREEMENT

As per Clause 5A of the Listing Agreement, the Information and Disclosure for Unclaimed Shares lying in the Escrow Account of Registrar to the Issue / RTA are as under:

As no Shares of the Company were left unclaimed in Escrow Account of the RTA, therefore, requirement of opening a Demat Suspense Account and disclosure requirements related to the Account, as mandated under Clause 5A of the Listing Agreement are not applicable on the Company.

10. OTHER DISCLOSURE REQUIREMENTS UNDER PROVISIONS OF CLAUSE 49

- Criteria for performance evaluation of Directors has already been provided in Directors' Report.
- Web links for following on www.fiemindustries.com:

Familiarisation programme of Independent Directors:

http://www.fiemindustries.com/familiarisation%20Programme_IDS_Fiem.pdf

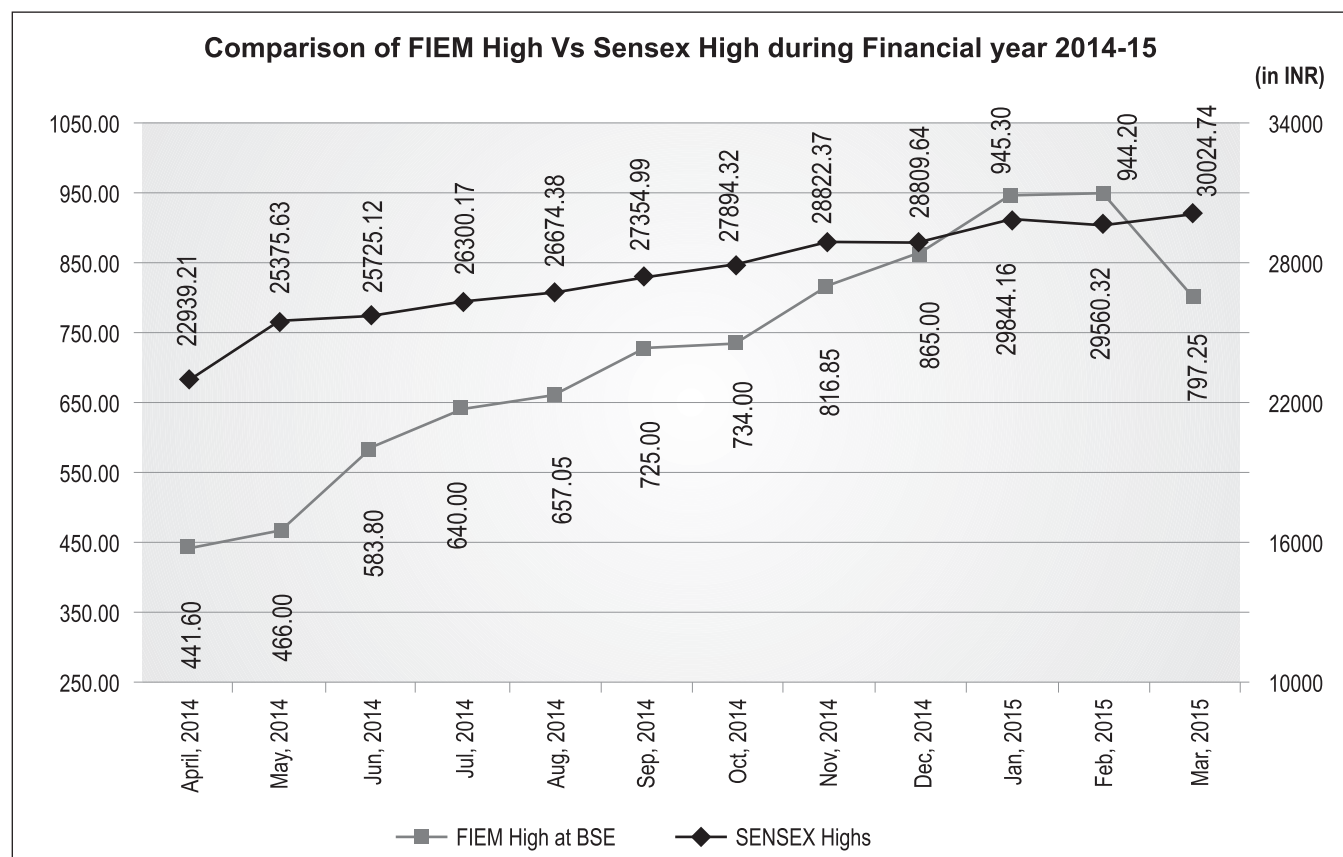
Policy for determining 'material' subsidiary & dealing with related party transactions:

<http://www.fiemindustries.com/RPT%20Policy%20v2.pdf>

11. MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH DURING THE FINANCIAL YEAR 2014-15

(in Rs)

Month	NSE		BSE	
	High	Low	High	Low
April - 14	440.00	395.05	441.60	400.00
May - 14	468.90	416.00	466.00	414.00
June - 14	584.40	445.25	583.80	452.00
July - 14	639.80	548.00	640.00	551.00
August - 14	657.70	599.00	657.05	601.00
September - 14	730.00	615.25	725.00	618.00
October - 14	735.00	630.00	734.00	631.95
November - 14	815.00	695.00	816.85	697.00
December - 14	864.95	782.40	865.00	785.00
January - 15	944.90	823.00	945.30	826.15
February - 15	948.90	732.00	944.20	732.50
March - 15	804.25	626.50	797.25	626.00



12. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

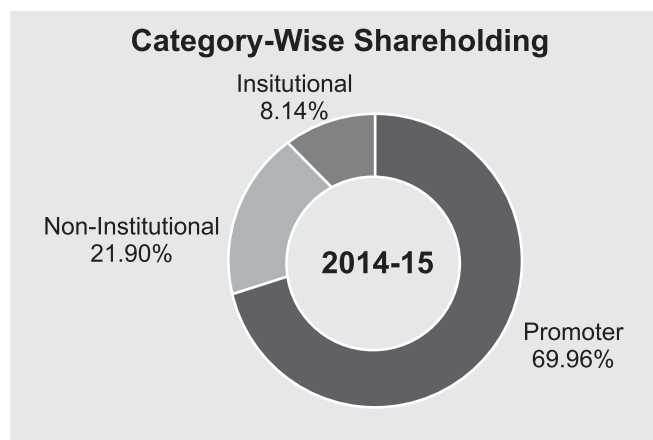
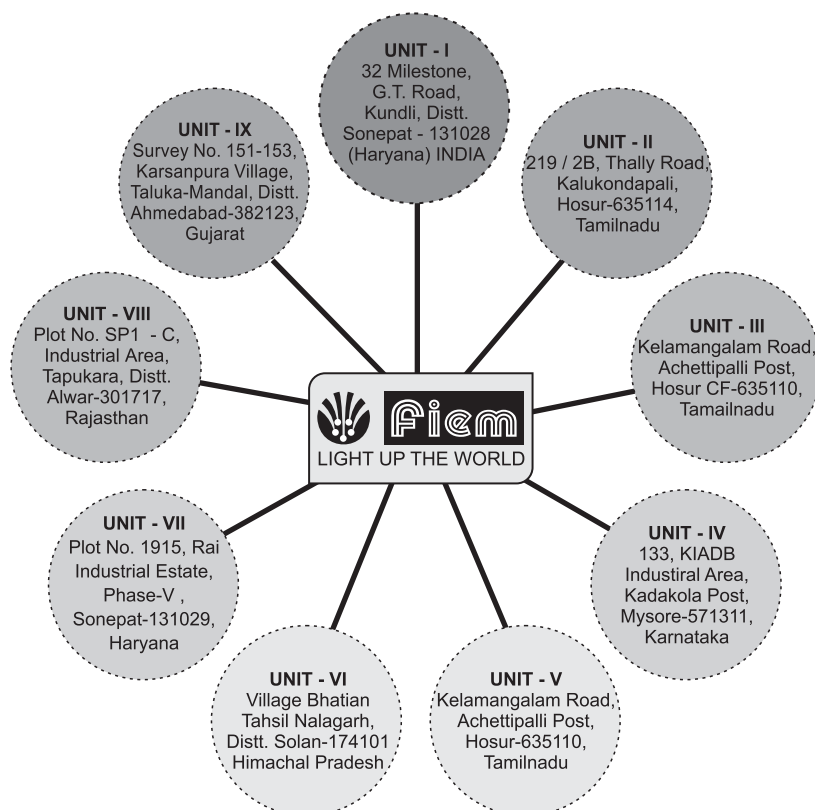
Category code	Category of shareholder	Number of share holders	Total number of shares	As a % of Total Capital
(I)	(II)	(III)	(IV)	(V)
(A)	Shareholding of Promoter Group	6	8368278	69.96
(B)	Public Shareholding			
(1)	Institutions			
	(a) Mutual Funds	6	3749743	3.13
	(b) Financial Institutions / Banks	2	3404	0.03
	(c) Foreign Institutional Investors	24	595853	4.98
(2)	Non-Institutions			
	(a) Bodies Corporate	201	798000	6.67
	(b) Individuals	5776	919351	7.69
	(c) Any Other (specify)-			
	i. Non Resident Indians	110	715549	5.98
	ii. Directors & Their Relatives	3	20364	0.17
	iii. Clearing Members	84	49144	0.41
	iv. Trust	2	10199	0.08
	v. Foreign Portfolio Investor	1	3090	0.03
	vi. Foreign Corporate Bodies	1	104051	0.87
	Total Public Shareholding	6210	3593948	30.04
	TOTAL (A)+(B)	6216	11962226	100.00

12.1 Distribution by Size:

Sr. No.	Shareholding Range	No. of Shareholders	Shares held	%age of Total
1	1 to 500	5904	422862	3.54
2	501 to 1000	126	94515	0.79
3	1001 to 2000	74	105613	0.88
4	2001 to 3000	17	43161	0.36
5	3001 to 4000	6	20946	0.17
6	4001 to 5000	12	57086	0.48
7	5001 to 10000	25	169162	1.41
8	10001 and above	52	11048881	92.37
	Total	6216	11962226	100

12.2 Dematerialization of shares and Liquidity status as on March 31, 2015

Sr. No.	Demat / physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	2564020	Free to trade	21.43
2	CDSL	9273628	Free to trade	77.52
3	Physical	124578	Free to trade	1.05
	Total	11962226		100.00

**Plant Locations**

CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members
Fiem Industries Limited

I have examined the compliance of conditions of Corporate Governance by **FIEM INDUSTRIES LIMITED** ("the Company") for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

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

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
ACS - 27746
CP No. - 9920**

**PLACE: Delhi
DATE : 1st August, 2015**

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, 2015.

**Place : Rai, Sonapat (HR)
Date : 1st August, 2015**

**Sd/-
J.K. Jain
Chairman & Managing Director**

CERTIFICATION BY MANAGING DIRECTOR AND CFO FOR FINANCIAL YEAR 2014-15

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 the financial statements and the cash flow statement for the financial year 2014-15 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management 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, if any.
- d) We have indicated to the Auditors and the Audit & Risk Management Committee, wherever applicable, the following:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and there were no instances of 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 : 29th May, 2015

Sd/-
O.P. Gupta
Chief Financial Officer

Sd/-
J.K. Jain
Chairman & Managing Director



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 2015, 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 2015 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, 2015 ("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 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, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act and
 - f. 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 28(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: 29/05/2015

ANNEXURE 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 31.03.15, 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.
2. a) The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification of the inventory as compared to the book records.
3. As informed, 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 in respect of interest free loan given to a wholly owned foreign subsidiary Fiem Industries japan Co. Ltd., in earlier years, the maximum amount outstanding at any time during the year is Rs 23,53,200 and the year-end balance is Rs 20,84,400.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The company has not accepted any deposits from the public.
6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
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, wealth tax, service tax, custom duty, excise duty, 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, wealth tax, service tax, custom duty, excise duty, 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, customs duty, excise duty and cess on account of any dispute are as follows:

(Amount in Rs.)

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	Modvat Credit of Excise Duty	April 2006 to March 2008	21,69,700	2,16,970	19,52,730	CESTAT, Chennai
4	The Central Excise Act, 1944	Input service tax credit on catering services	January 2011 to March 2011	1,22,423	12,242	1,10,181	CESTAT, Chennai
5	The Central Excise Act, 1944	Input service tax credit on employees insurance	September 2010 to March 2012	1,00,968	10,097	90,871	CESTAT, Chennai
6	Haryana Value Added Tax 2003	Sales tax demand	Financial year 2010-11	23,75,072	3,75,072	20,00,000	Sales tax Tribunal
7	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Financial year 2010-11	6,17,45,248	See Note	6,17,45,248	ITAT, New Delhi
			Total	7,48,07,857	21,11,224	7,26,96,633	

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.

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 and rules made thereunder has been transferred to such fund within time.
8. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
9. 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.
10. In our opinion and according to the information and explanations given to us, no guarantees for loans taken by others from banks or financial institutions have been given by the company.
11. 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.
12. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place: Rai, Sonapat (HR.)
Dated: 29/05/2015

BALANCE SHEET AS AT 31ST MARCH 2015

(Amount in Rs)

	Note No.		AS AT 31.03.2015	AS AT 31.03.2014
I. EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
a) Share Capital	2	119,622,260	119,622,260	
b) Reserves & Surplus	3	2,153,718,555	1,851,458,950	
			2,273,340,815	1,971,081,210
NON CURRENT LIABILITIES				
a) Long term borrowings	4	514,672,471	579,564,954	
b) Deferred Tax Liabilities (net)	36	276,112,452	275,112,310	
c) Long Term Provisions	5	20,073,055	11,365,042	
			810,857,978	866,042,306
CURRENT LIABILITIES				
a) Short term borrowings	6	343,404,753	292,516,813	
b) Trade Payables	7	883,704,039	774,859,996	
c) Other Current Liabilities	8	579,617,032	545,218,820	
d) Short Term Provisions	9	122,249,758	97,913,831	
			1,928,975,583	1,710,509,461
TOTAL			5,013,174,376	4,547,632,977
II. ASSETS				
NON CURRENT ASSETS				
a) Fixed Assets				
i) Tangible assets	10	3,336,895,546	3,117,747,157	
ii) Intangible assets	10	4,759,503	12,016,794	
iii) Capital work-in-progress	10	46,251,172	293,348	
iv) Intangible assets under development		—	—	
b) Non-current investments	11	3,777,640	1,303,240	
c) Long term Loans and Advances	12	78,620,671	57,058,785	
d) Other non current assets	13	1,491,218	1,044,181	
			3,471,795,751	3,189,463,505
CURRENT ASSETS				
a) Current Investments		—	—	
b) Inventories	14	513,880,612	423,487,638	
c) Trade receivables	15	866,681,787	763,700,457	
d) Cash and Bank Balances	16	33,185,311	18,139,598	
e) Short term Loans and Advances	17	123,154,908	145,220,260	
f) Other current assets	18	4,476,008	7,621,519	
			1,541,378,625	1,358,169,472
TOTAL			5,013,174,376	4,547,632,977

Significant Accounting Policies and
Notes to financial Statements.

1 to 54

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 : Raj, Sonapat (HR.)
Date : 29/05/15

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2015

(Amount in Rs)

	Note No.		Current Year 2014-15	Previous Year 2013-14
I. INCOME				
Gross Sale of Products	19	9,002,878,094	7,880,409,628	
Less :- Excise Duty		807,899,793	739,353,095	
a) Net Sales			8,194,978,301	7,141,056,533
b) Operating Income	20		52,765,648	43,103,809
Net Revenue from Operations			8,247,743,949	7,184,160,343
c) Other Income	21		8,988,900	6,655,103
TOTAL REVENUE (A)			8,256,732,849	7,190,815,446
II. EXPENSES				
a) Cost of Raw Materials and Components Consumed	22		4,770,496,541	4,101,033,231
b) Purchase of Stock-in-Trade	23		240,719,967	215,510,862
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	24		(32,632,782)	63,325,625
d) Employees benefits Expenses	25		982,548,764	838,126,293
e) Finance Costs	26		120,408,358	144,388,509
f) Depreciation and amortization Expense	10		306,334,767	217,853,112
g) Other Expenses	27		1,262,250,628	1,081,404,496
TOTAL EXPENSES (B)			7,650,126,244	6,661,642,128
PROFIT BEFORE TAX (A-B)			606,606,605	529,173,317
TAX EXPENSES				
a) Current Tax Expense		173,000,000	122,200,000	
b) Deferred Tax Liability/ (Assets)		10,967,660	32,973,960	
			183,967,660	155,173,960
PROFIT AFTER TAX FOR THE YEAR			422,638,945	373,999,357
Basic and Diluted Earning per Equity Share (Nominal value Rs 10 per share)	41		35.33	31.27
Significant Accounting Policies and Notes to financial Statements.	1 to 54			
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 : 29/05/15

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	2014-15		2013-14	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax As Per Statement of Profit and Loss		606,606,605		529,173,317
Adjustments for				
Depreciation & Amortization	306,334,767		217,853,112	
Loss (Profit) on sale/discarded of Fixed Assets	1,238,945		(4,891,813)	
Adjustment of Income Tax for Earlier Year	120,057		(21,682)	
Unrealised Foreign Exchange (Gain)/Loss	(154,945)		439,735	
Provision for Bad & Doubtful Debts	355,235		894,602	
Variation in Excise Duty of FG	2,360,949		917,919	
Bad Debt written-off	1,650,374		1,257,713	
Interest Income	(1,967,820)		(1,193,681)	
Finance Costs	120,408,358	430,345,920	144,388,509	359,644,414
Operating Profit before Working Capital Changes		1,036,952,525		888,817,731
Adjustment for (Increase)/decrease in Operating Assets				
Inventories	(90,392,974)		63,167,784	
Trade and Other Receivables	(104,916,195)		(77,915,383)	
Other Current Assets & Loan and Advances	(20,059,607)	(215,368,776)	(13,228,047)	(27,975,646)
Adjustment for Increase/(decrease) in Operating Liabilities				
Trade Payable & Other Current Liabilities and Provisions	140,469,712	140,469,712	22,855,058	22,855,058
Cash Generated from Operating Activities		962,053,461		883,697,143
Income Tax Paid (Including Tax Deducted at Source)	(141,292,941)	(141,292,941)	(117,355,267)	(117,355,267)
Net Cash From Operating Activities		820,760,520		766,341,876
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Including Capital Advances)	(586,559,131)		(476,120,075)	
Sale of Fixed Assets	1,472,000		68,848,707	
Investment in Joint Venture company	(2,474,400)		(841,200)	
Interest Received on Deposits	1,967,820		1,193,681	
Net Cash (Used) in Investing Activities		(585,593,711)		(406,918,887)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd...)

(Amount in Rs)

Particulars	2014-15		2013-14	
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Dividend Paid	(71,773,356)		(47,848,904)	
Corporate Dividend Distribution Tax Paid	(12,197,882)		(8,131,921)	
Finance Costs Paid	(128,554,305)		(142,942,126)	
Exchange Loss on Repayment of Foreign Currency Loan	(1,350,452)		(7,490,703)	
Proceeds from Long-Term Borrowings	256,249,394		139,281,363	
Repayment of Long-Term Borrowings	(313,381,232)		(278,217,709)	
Increase/(Decrease) in Short-Term Borrowing	50,887,940		(11,026,099)	
Net Cash (used)/from Financing Activities		(220,119,893)		(356,376,099)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		15,046,916		3,046,890
Opening Balance of Cash & Cash Equivalents		18,139,598		15,318,178
Effect of Exchange Rate Change		(1,203)		(225,470)
Closing Balance of Cash & Cash Equivalents		33,185,311		18,139,598
Components of Cash and Bank Balance				
Cash in Hand		2,153,337		2,169,290
Balances with Banks on Current Account		1,042,104		8,804,117
Deposit with Banks having maturity less than three months		11,925,000		4,525,000
Deposit with original maturity more than 3 month but less than 12 month		17,672,567		2,264,220
Unpaid Dividend Accounts		392,303		376,972
Cash and Bank Balances (Refer Note No.-16)		33,185,311		18,139,598
Less:-Deposit with original maturity more than 3 month but less than 12 months		17,672,567		2,264,220
Cash and Cash Equivalent in Cash Flow Statement		15,512,744		15,875,378

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 : 29/05/15

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1. Significant Accounting Policies Followed by The Company

Corporate Information

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 in 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 luminaires comprising of indoor and outdoor lighting, display panels etc.

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, 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.
- 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.
- 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. Inventories

- 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.
- 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.
- 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).
- Inventories of non-reusable waste say scrap for which facilities for reprocessing do not exist have been valued at net realizable value.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

- (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 assets acquired during the year is charged on a '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 assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013. Where the remaining useful life of an assets is nil the carrying amount as on April 1, 2014 after retaining the residual value, has been recognized in the opening balance of retained earnings.
 - (iii) Leasehold land is amortised over the duration of the 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) Advance paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.
 - (viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss as specified in Schedule II of the Companies Act 2013.
- H. Revenue Recognition**
- (i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the company, which can be reliably measured.
 - (ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns. 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 other expenses.
 - (iii) Revenue from services is recognized on rendering of services to customers.
 - (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 accounted when the right to receive dividend is established.
 - (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 and Translations**
- 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**
- (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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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. Taxation

- (i) Provision for 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 are recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax assets are recognized subject to the consideration of prudence. Deferred Tax Assets and Liabilities are measured using the tax rates as per tax Laws that have been enacted or substantially enacted as on the Balance Sheet date.
- (iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.
- (v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

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

Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Q. Excise Duty

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

R. Impairment

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

S. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of preparing the cash flow statement comprises cash at bank and in hand and short term investments having original maturities of three months or less from the date of purchase.

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 Policies

The Company is primarily in the business of manufacture of various types of Auto Components. The entire operations are governed by the same set of risk and return hence the entire operations represent a single primary segment. The analysis of geographical segments is based on the geographical location of the customers i.e. customers located within India and customers located outside India. The Segment of LED luminaries is not a reportable segment as it does not exceed the quantitative thresholds as laid down in AS-17 "Segment reporting",

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

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning/(loss) per share, the net profit or loss for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity shares of Rs 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 Rs. 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 Rs 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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

Name of the Shareholder	AS AT 31.03.2015		AS AT 31.03.2014	
	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

CAPITAL RESERVE

a) Land Revaluation Reserve			
As per Last Balance Sheet– Total (a)	117,477,278		117,477,278
b) Building Revaluation Reserve			
As Per Last Balance Sheet	20,773,148		21,765,174
Less:- Adjustment on account of depreciation on revalued portion of asset	–		992,026
Total (b)	20,773,148		20,773,148
Total (a+b)		138,250,426	138,250,426

SECURITIES PREMIUM RESERVE

As per Last Balance Sheet	509,972,343		509,972,343
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GENERAL RESERVE

As Per Last Balance Sheet	141,000,000		103,500,000
Add :- Transferred from Surplus in the statement of Profit and Loss	42,500,000		37,500,000
Closing balance		183,500,000	141,000,000

FOREIGN CURRENCY MONETARY ITEM TRANSLATION

DIFFERENCE ACCOUNT

As Per Last Balance Sheet	94,944		67,968
Add :- Addition/(Deduction) during the year	(239,824)		26,976
Closing balance		(144,880)	94,944

SURPLUS -OPENING BALANCE

Add:- Net profit after tax transferred from Statement of Profit and Loss	1,062,141,237		809,613,118
	422,638,945		373,999,357
Amount Available for Appropriation	1,484,780,182		1,183,612,475
Less :- Appropriations			
i) Proposed Dividend	83,735,582		71,773,356
ii) Corporate Dividend Tax	17,046,597		12,197,882
iii) Transitional adjustments related to Fixed Assets as per schedule II of the Act (Note No 44)- net of tax expense	19,357,338		–
iv) Transfer to General Reserve	42,500,000		37,500,000
	162,639,517		121,471,238

SURPLUS -CLOSING BALANCE	1,322,140,666		1,062,141,237
TOTAL	2,153,718,555		1,851,458,950

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

4 LONG TERM BORROWINGS

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.15	AS AT 31.03.14	AS AT 31.03.15	AS AT 31.03.14
A. SECURED LOANS				
TERM LOANS FROM BANKS				
a) Indian Rupee Loan	207,582,715	356,022,885	154,715,564	154,462,446
b) Foreign Currency Loan	265,118,750	206,774,883	133,965,071	141,436,898
	472,701,465	562,797,768	288,680,635	295,899,344
VEHICLE LOANS				
a) from Banks	41,971,006	10,087,934	17,757,588	10,552,320
b) from Others	—	1,225,220	1,225,220	1,215,034
	41,971,006	11,313,154	18,982,808	11,767,354
B. UNSECURED LOANS				
from HSIIDC	—	5,454,032	5,454,032	10,908,068
TOTAL	514,672,471	579,564,954	313,117,475	318,574,766

INDIAN RUPPE TERM LOAN FROM BANKS INCLUDE

- From Citibank N.A.:— Loan outstanding as at 31.03.15 Rs 2,54,82,715 (Previous year Rs 4,12,32,715) 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 and secured against First Pari Passu charge on movable fixed assets of Kundli unit and Unit-2 at Hosur along with Axis bank.
- From State bank of Patiala :— Loan outstanding as on 31.03.15 Rs 9,06,65,564 (Previous Year Rs 13,73,08,170). 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 loan initially carried floating interest rate of 11.75% and 12.75% which currently is 10.75%. 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 Parri passu charge on movable fixed assets of Hosur unit- III (Tamilnadu) with Standard Chartered Bank and First Charge on movable fixed assets of Mysore unit – IV Karnataka and Second charge over the entire fixed assets of Unit VI Nalagarh Unit (first charge with Citibank).
- From Axis Bank :— Loan outstanding as on 31.03.15 Rs 16,49,00,000 (Previous year Rs 23,19,44,446) :— The loan is for 4 years and 7 years and has half yearly and quarterly repayment beginning after moratorium period of 6 and 12 months from the drawdown. Interest is monthly payable. The loan initially carried floating interest rate of 11.75% and 12.25% which currently is 10.90% . 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.
- HSBC Bank:— Loan Outstanding as on 31.03.15 Rs 8,12,50,000 (Previous Year 10,00,00,000) 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

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

- From CITIBANK N.A.:— FCNR Term Loan-1 outstanding as on 31.03.15 Rs 7,50,00,000 (Previous Year 10,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- From CITIBANK N.A.:— FCNR Term Loan-2 outstanding as on 31.03.15 Rs 20,00,00,000 (Previous Year Nil) 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 First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with Working Capital Lenders viz. Citibank and Standard Chartered Bank and term lenders Citibank and 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 31.03.15 Rs 5,96,40,071 (Previous year Rs 14,69,43,031). The loan is for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest rate is 3 month LIBOR PLUS 225 BSP p.a. payable quarterly. The loan is 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.
- From Standard Chartered Bank ECB -2:— Loan outstanding as on 31.03.15 Rs 6,44,43,750 (Previous year Rs 10,12,68,750). 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 at Tapukara, Rajasthan Unit on Exclusive basis and Specific charge on Plant and machinery at Tapukara, Rajasthan Unit.

VEHICLE LOANS FROM BANKS AND OTHERS

- Vehicle loan from banks and others outstanding as on 31.03.15 are Rs 6,09,53,814 (Previous year Rs 2,30,80,508) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8% to 12%.

UNSECURED LOAN

Unsecured Loan from HSIIDC is for Enhanced Compensation of land situated at Rai Unit-7 amount to Rs 54,54,032 (previous year Rs 1,63,62,100). The Loan is at fixed interest rate of 12% has tenor of two and Half years, The loan is repayable on half yearly equally installment basis. Interest is payable Half yearly.

	1-2 years	2-3 years	3-4 years	4-5 years
Maturity Profile of Term Loan, Vehicle Loan and Unsecured Loan are as	243,660,264	164,487,567	66,626,501	39,898,139

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
5 LONG TERM PROVISIONS		
Provision for Retirement Benefits		
a) Leave Encashment	20,073,055	11,365,042
TOTAL	20,073,055	11,365,042
6 SHORT TERM BORROWINGS		
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks		
Indian Rupee Loan	343,404,753	292,516,813
TOTAL	343,404,753	292,516,813

Indian Rupee Loan includes

- a) From Citibank NA :- Loan outstanding as at 31st March 2015 Rs 34,34,05,205 (Previous Year Rs 29,90,24,616) 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 11.75%. The loan is secured against First Pari Passu Charge with Standard Chartered Bank on all present and future receivables, stocks/inventories and on all fixed assets of the company with Standard Chartered Bank and Citibank FCNR -2 Loan (excluding assets specifically purchased out of term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at Kundli, Haryana & Thally Road Hosur, Tamilnadu with Standard Chartered Bank and Citibank FCNR-2 Loan.
- b) From Standard Chartered Bank :- Loan outstanding as at 31st March 2015 is receivable Rs 452/- (Previous year Receivable Rs 65,07,803/-) 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 11.79%. The loan is secured against First Pari Passu charge with Citibank cash credit loan on Stocks & Book Debts, and Equitable mortgage charge on First Pari Passu basis on land and building situated at Kundli unit Haryana & Thally Road Hosur, Tamilnadu and first pari passu charge over all present and future movable fixed assets of the company with Citibank (excluding assets specifically financed by other term lenders)

7 TRADE PAYABLES			
a) Micro, Small and Medium Enterprises	9,146,231		6,946,789
b) Others	874,557,808		767,913,207
		883,704,039	774,859,996
TOTAL		883,704,039	774,859,996

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.

8 OTHER CURRENT LIABILITIES		
a) Current Maturity of Long-term debt (See Note 4)	313,117,475	318,574,766
b) Interest accrued but not due on borrowings	1,806,282	2,667,461
c) Interest accrued and due on borrowings	4,825,717	6,500,121
d) Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))	392,303	376,972
e) Advances from Customers	81,768,027	65,882,687
f) Security Deposits Received	17,538,069	14,257,623
g) Creditors for Capital Expenditure	53,439,217	29,035,583
h) Liabilities for Expenses	71,023,788	67,634,697
i) Statutory Dues payable	35,706,154	40,288,911
TOTAL	579,617,032	545,218,820

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		AS AT 31.03.2015	AS AT 31.03.2014
9	SHORT TERM PROVISIONS		
1)	Provision for Retirement Benefits		
a)	Leave Encashment	3,453,234	2,539,279
b)	For Gratuity	2,484,303	—
		5,937,537	2,539,279
2)	Other Provisions		
a)	Provision for Taxation		
I.	Income tax (net of advance tax)	2,796,078	2,515,338
II.	Wealth Tax	400,000	270,000
III.	Corporate Dividend Tax	17,046,597	12,197,882
		20,242,675	14,983,220
b)	Proposed Dividend	83,735,582	71,773,356
c)	Warranties	4,925,568	3,570,528
d)	Excise Duty	7,408,397	5,047,448
	TOTAL	122,249,758	97,913,831

Proposed Dividend

During the year ended 31.03.15, the amount of Rs 7 per share as dividend recognized for distribution to equity shareholders (Previous Year Rs 6.00 per share)

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 31.03.15 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	31.03.15	31.03.14
Opening Balance	3,570,528	1,497,048
Addition	4,925,568	3,570,528
Utilization	2,096,411	2,538,017
Reversal	1,474,117	(1,040,969)
Closing Balance	4,925,568	3,570,528

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

10. FIXED ASSETS

(Amount In Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK	
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the Year	Upto 31.03.2015	As at 31.03.2015
1. Tangible Assets								
Land Free hold	305,023,450	7,842,598	–	312,866,048	–	–	–	312,866,048
Land Lease hold	187,728,999	–	4,155,052	183,573,947	8,641,796	2,492,166	11,133,962	172,439,985
Buildings	925,234,968	66,420,029	–	991,654,997	136,311,791	30,854,072	167,165,863	824,489,134
Plant & Equipment	1,995,176,088	268,051,508	–	2,263,227,596	572,628,732	168,463,745	741,092,477	1,522,135,119
Furniture & Fixtures	93,181,738	15,450,133	–	108,631,871	30,344,959	11,315,539	41,660,498	66,971,373
Vehicles	98,389,128	73,836,051	4,658,781	167,566,398	39,870,884	16,952,891	54,875,958	112,690,440
Office Equipment	30,630,491	5,272,423	20,130	35,882,784	9,934,824	12,669,563	22,584,257	13,298,527
Mould, Block & Dies	387,657,599	91,491,521	–	479,149,120	224,025,341	46,922,842	270,948,183	208,200,937
Tools & Equipments	52,799,762	5,760,539	–	58,560,301	35,164,855	5,709,786	40,874,641	17,685,660
Electrical Installations	120,383,942	13,719,965	–	134,103,907	32,696,231	22,625,520	55,321,751	78,782,156
Computers	37,527,624	4,574,439	–	42,102,063	26,367,219	8,398,678	34,765,897	7,336,166
Total	4,233,733,789	552,419,206	8,833,963	4,777,319,032	1,115,986,631	326,404,801	1,967,947	3,336,895,546
Previous Year	3,831,583,103	482,322,563	80,171,876	4,233,733,789	916,045,234	216,156,380	1,115,986,631	3,117,747,157
2. Intangible Assets								
Computer Software	13,589,186	1,997,531	–	15,586,717	4,087,557	8,626,031	12,713,588	2,873,129
Technical Know-how	3,111,557	–	–	3,111,557	622,311	622,311	1,244,622	1,866,934
Trademarks	32,400	–	–	32,400	6,480	6,480	12,960	19,440
Total	16,733,143	1,997,531	–	18,730,674	4,716,348	9,254,822	13,971,170	4,759,503
Previous Year	12,896,493	3,836,650	–	16,733,143	2,027,590	2,688,758	4,716,348	12,016,794
3.Capital Work-in-Progress								
Grand Total (1+2)	4,250,466,931	554,416,737	8,833,963	4,796,049,705	1,120,702,980	335,659,623	1,454,394,656	3,341,655,049
Previous Year	3,844,479,595	486,159,213	80,171,876	4,250,466,931	918,072,824	218,845,138	1,120,702,980	3,129,763,951

NOTES:

- Depreciation & Amortization for the year
 Less: Depreciation withdrawn from Retained Earning (Refer Note-44)
 Less: Depreciation on revalued assets withdrawn from building revaluation reserve
 Depreciation & amortization charged to Statement of Profit & Loss

	Rs.	Rs.
Current Year	335,659,623	Previous Year
	218,845,138	248,488
	–	–
	992,026	–
	<u>306,334,767</u>	<u>217,853,112</u>
- Addition to land free hold includes an amount of Rs. 74,23,114 (Previous Year-Rs. 2,72,70,168) paid to HSIDC against enhanced compensation in the price of land.
- Adjustment of Rs. 41,55,052 in land lease hold pertains to variation in foreign exchange on ECB Loan taken for the purpose of purchase of land.
- Gross Block of Land free hold includes Rs. 11,74,77,278 and gross block of Buildings includes Rs. 2,97,01,382 on account of revaluation carried out in the past years based on reports issued by Government approved valuers.
- Additions of fixed assets includes Rs. 1,18,67,484 (Previous Year-Rs. 60,84,411) 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. Fixed assets under construction	28,290,856	248,488
ii. Pre-operative expenses (Refer Note-50)	7,852,836	–
iii. Fixed assets under installation	8,666,570	44,860
iv. Fixed assets in transit	1,440,910	–
Total	46,251,172	293,348

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
11 NON-CURRENT INVESTMENTS		
TRADE INVESTMENTS (At cost) in Equity (unquoted)		
1 <u>in Subsidiaries</u>		
Equity Shares in wholly owned foreign Subsidiary company FIEM INDUSTRIES JAPAN CO., LTD. 10 (P.Y. 10) fully Paid Equity shares of 50,000 JPY each	262,040	262,040
2 <u>in Joint Venture (JV)</u>		
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 10,000 euros)	3,315,600	841,200
3 <u>in Others</u>		
a) M/s Shivalik Solid Waste Management Ltd. 20,000 (P. Y. 20,000) equity shares of Rs 10 each fully paid up	200,000	200,000
TOTAL	3,777,640	1,303,240
12 LONG TERM LOANS AND ADVANCES		
(unsecured but considered good)		
a) Capital Advances	34,710,696	26,224,541
b) Loan to Subsidiary Company	2,084,400	2,353,200
c) Security Deposits	36,176,755	20,244,124
d) Prepaid Expenses	2,888,073	4,038,066
e) Loan to Employees	2,760,747	4,198,854
TOTAL	78,620,671	57,058,785
13 OTHER NON CURRENT ASSETS		
a) Margin Money deposit with original maturity for more than 12 months	1,491,218	587,952
b) Balance with Income tax Dept.	—	456,229
TOTAL	1,491,218	1,044,181
14 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	284,066,532	232,279,055
b) Raw Materials and Components in transit	9,939,656	7,371,495
c) Work in Progress	89,677,129	50,481,837
d) Finished Goods	98,554,941	109,163,122
e) Stock in trade (Mould, Tools and Dies)	6,080,688	2,349,065
f) Stock in trade (Others)	7,426,058	7,112,010
g) Stores and Spares (including Packing Material)	17,406,196	14,533,838
h) Stores and Spares (including Packing Material) in transit	729,413	197,216
	513,880,612	423,487,638
TOTAL	513,880,612	423,487,638

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		AS AT 31.03.2015	AS AT 31.03.2014
15 TRADE RECEIVABLES			
(unsecured but considered good)			
Debt Outstanding for a period exceeding Six Months			
a) Considered Good	8,819,833	7,213,735	
b) Considered Doubtful	2,158,669	1,803,434	
Other Debts :- Considered Good	857,861,953	756,486,721	
		868,840,456	765,503,891
Less:- Provision for Doubtful Debts		2,158,669	1,803,434
TOTAL		866,681,787	763,700,457
Trade receivables includes dues from subsidiary company– Fiem Industries Japan Co., Ltd. Rs 6,51,896 (Previous year Rs 92,069/-)			
16 CASH AND BANK BALANCES			
1) Cash and Cash Equivalents			
a) Balances with Banks in current account	1,042,104	8,804,117	
b) Deposits with original maturity of less than three months	11,925,000	4,525,000	
		12,967,104	13,329,117
2) Cash on Hand		2,153,337	2,169,290
3) Other bank balances			
a) Unpaid Dividend Account	392,303	376,972	
b) Margin money deposit with original maturity for more than 3 months but less than 12 months	17,672,567	2,264,220	
		18,064,870	2,641,192
TOTAL		33,185,311	18,139,598
17 SHORT TERM LOANS AND ADVANCES			
(unsecured but considered good)			
a) Prepaid Expenses		9,010,290	9,261,932
b) MAT credit entitlement		–	31,457,986
c) Loan to Employees		3,480,083	2,874,416
d) Advances for Goods other than Capital Goods		33,388,812	32,661,411
e) Balance with Customs, Excise Department		65,738,248	61,038,154
f) Balance with Sales Tax Department		3,105,753	2,519,609
g) Security deposits		3,887,246	1,595,055
h) Other Advances recoverable		4,544,475	3,811,696
TOTAL		123,154,908	145,220,260
18 OTHER CURRENT ASSETS			
a) Interest accrued on deposits		1,284,017	901,801
b) Subsidy Receivables		1,462,627	3,029,792
c) Export Incentive Receivables		1,729,364	1,559,657
d) Dues from Debtors other than Goods and Services		–	2,130,269
TOTAL		4,476,008	7,621,519

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
19 GROSS SALE OF PRODUCTS			
a) Finished goods			
Automotive Lamps, Signaling Equipment and Parts	5,924,900,482		5,248,570,385
Rear View Mirrors and Parts	1,209,886,508		1,011,317,991
Plastic Moulded Parts	1,090,275,225		1,010,543,533
Moulds	33,158,863		55,253,920
Others	370,808,642		226,893,037
		8,629,029,721	7,552,578,866
b) Traded goods			
Mould and dies	315,749,287		265,968,240
Others	58,099,086		61,862,522
		373,848,373	327,830,762
		9,002,878,094	7,880,409,628
20 OPERATING INCOME			
1) Scrap sales		28,710,591	23,312,019
2) Testing charges Received		10,460,908	5,662,346
3) Tool, Mould and dies development charges received		1,353,043	3,259,209
4) Government subsidy received		5,369,696	6,160,988
5) Duty Drawback Received		3,027,103	2,454,527
6) Rebate and Discount Received		2,038,560	2,432,866
7) Difference in foreign exchange		600,148	(901,242)
8) Segregation/Rework Charges Received		360,727	455,222
9) Packing and Forwarding		844,872	267,875
TOTAL		52,765,648	43,103,809
21 OTHER INCOME			
1) Profit on sale of fixed assets		—	4,891,813
2) Interest Income		1,967,820	1,193,681
3) Dividend Received		15,000	10,000
4) Sundry Creditors written back		6,771,949	559,609
5) Sundry balances written back		234,131	—
TOTAL		8,988,900	6,655,103
22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
Opening Stock		232,279,055	227,143,225
Add : Purchases		4,822,284,018	4,106,169,061
Less :- Inventories at the end of the year		284,066,532	232,279,055
TOTAL		4,770,496,541	4,101,033,231
Particulars of Raw material and components consumed			
Plastic Powder		1,788,653,101	1,489,465,671
Bulb		513,039,389	441,287,986
Iron sheet and rods		256,334,103	208,936,862
Wiring harness		489,031,753	452,077,857
Others		1,723,438,196	1,509,264,855
		4,770,496,541	4,101,033,231

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
23 PURCHASE OF STOCK IN TRADE			
a) Purchase of Traded Goods		43,792,856	49,011,736
b) Purchase of Traded Moulds, Dies and Tools		196,927,111	166,499,126
TOTAL		240,719,967	215,510,862
<u>Detail of Purchase of Traded Goods</u>			
Bulb		13,473,589	14,484,363
Mould Dies and Tools		196,927,111	166,499,126
Others		30,319,267	34,527,373
		240,719,967	215,510,862
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE			
<u>Inventories at the end of the year</u>			
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
<u>Inventories at the beginning of the year</u>			
a) Finished Goods	109,163,122	100,115,584	
b) Work-in-Progress	50,481,837	120,201,379	
c) Traded Goods – (Mould, Tools and Dies)	2,349,065	796,694	
d) Traded Goods – (Others)	7,112,010	11,318,002	
		169,106,034	232,431,659
		(32,632,782)	63,325,625
<u>Finished Goods</u>			
Automotive Lights, signaling equipment and parts		66,541,388	83,577,826
Rear View Mirror and Parts		18,407,709	15,209,109
Plastic Moulded Parts		11,281,356	9,440,678
Others		2,324,489	935,509
		98,554,941	109,163,122
<u>Work in Progress</u>			
Automotive Lights, signaling equipment and parts		61,906,453	34,987,559
Rear View Mirror and Parts		16,911,183	9,278,491
Plastic Moulded Parts		1,926,994	1,051,380
Others		8,932,499	5,164,407
		89,677,129	50,481,837
25 EMPLOYEES BENEFITS EXPENSES			
Salaries, wages and bonus to employees		892,638,622	769,206,379
Contribution to Provident and other Funds		17,371,589	13,587,448
Staff Welfare Expenses		51,222,053	44,219,103
Gratuity Expenses		10,697,637	6,286,110
Earned Leave to staff		10,618,864	4,827,253
TOTAL		982,548,764	838,126,293

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
26	FINANCE COSTS		
	Interest Expenses	116,493,340	140,555,243
	Other Borrowing Costs	3,915,018	3,833,266
	TOTAL	120,408,358	144,388,509
27	OTHER EXPENSES		
	<u>Manufacturing Expenses</u>		
1)	Job Charges	4,878,271	4,208,381
2)	Machinery running and Maintenance		
a)	Machinery Repair and service charges	6,142,430	4,808,568
b)	Machinery Spares	60,904,306	53,922,477
3)	Consumption of Stores and Spare parts	113,452,383	102,016,528
4)	Packing Expenses	199,910,465	169,247,809
5)	Power & Fuel	333,307,291	316,052,044
6)	Variation in Excise duty of FG	2,360,949	917,919
7)	Repair – Dies	14,704,681	12,578,615
8)	Factory / Godown Rent	5,208,522	4,988,739
9)	Freight, Cartage & Octroi	65,315,293	58,218,346
10)	Testing Fees	11,245,968	5,502,813
11)	Segregation Charges Paid	1,730,555	703,203
		819,161,114	733,165,442
	<u>Administrative and Selling Expenses</u>		
1)	Advertisement, Sub & Membership Exp.	15,039,116	8,106,075
2)	Payment to Auditors	5,084,600	4,553,602
3)	Donation	1,462,197	1,764,053
4)	Rates and taxes	7,349,354	5,579,296
5)	Insurance	3,716,329	4,152,213
6)	Bad debt written off	1,650,374	1,257,713
7)	Provision for Bad and Doubtful Debt	355,235	894,602
8)	Rent	10,549,872	3,499,240
9)	Repair & Maintenance– Building	3,776,442	3,024,094
10)	Repair & Maintenance– Other	16,326,581	11,867,124
11)	Royalty	5,049,026	5,066,528
12)	Loss on sale of Fixed Assets	1,238,945	–
13)	Selling & Distribution Expenses	150,326,613	132,663,743
14)	Cash Discount on sales	14,709,638	14,781,774
15)	Travelling and Conveyance Expenses	40,967,909	23,093,800
16)	Contribution toward CSR (Note–51)	8,133,000	–
17)	Prior Period Expenses	716,004	693,461
18)	Other Office Expenses	156,638,279	127,241,735
		443,089,514	348,239,054
	TOTAL	1,262,250,628	1,081,404,496

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	31.03.2015	31.03.2014
28 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 CIT (Appeal) in respect of A.Y. 2011-12 for which the department has filed further appeal (See Note-2)	61,745,248	62,866,893
(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	644,567
(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	—
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in superior Courts.	797,786	689,236
(b) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	2,000,000	—
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	275,863,699	218,798,894

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.

Note:-2 The appeal has been preferred by the department against the order of the CIT (Appeal) in relation to disallowances of loss on account of foreign exchange derivative contracts entered for hedging of underlying exports.

Particulars	31.03.2015	31.03.2014
29 Capital & Other Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	189,484,358	62,327,836
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided, (net of advances)	63,284,955	99,208,872
(iii) Uncalled Liability for investment in 50:50 Joint Venture	—	2,477,295
(iv) Lease Commitments (non-cancellable in nature) (See Note-37)	19,562,400	3,680,000

Particulars	2014-15	2013-14
30 Earning in Foreign Exchange		
(i) FOB Value of Exports	164,638,519	137,043,967
(ii) Packing & Forwarding Charges Received	—	111,625
(iii) Others	56,145	244,212
Total	164,694,664	137,399,804

Note:- FOB value of exports excludes export sales in Indian Rupee.

Particulars	2014-15	2013-14
31 Expenditure in Foreign Currency		
(i) Finance Cost	6,069,675	10,311,114
(ii) Travelling Expenses	6,481,466	4,735,089
(iii) Liasioning Charges	6,268,950	—
(iv) Consultancy Charges	864,285	711,980
(v) Others	2,073,514	4,320,669
Total	21,757,890	20,078,852

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount In Rs.)

Particulars	2014-15	2013-14
32 Value of Imports Calculated on CIF Basis		
(i) Raw Materials	172,466,268	109,023,778
(ii) Capital Goods	154,920,628	50,401,570
(iii) Trading Goods	189,821,369	156,879,218
(iv) Components & Spare parts	4,833,318	2,700,687
(v) Consumable Store	1,894,472	1,275,636
	523,936,055	320,280,889

33 Value of Imported and Indigenous Raw Materials, Stores and Spare Parts Consumed

(Amount In Rs.)

	2014-15		2013-14	
Raw Materials	Rs.	%	Rs.	%
Imported	171,242,383	3.59%	100,792,546	2.46%
Indigenous	4,599,254,158	96.41%	4,000,240,685	97.54%
Total	4,770,496,541	100.00%	4,101,033,231	100.00%
Stores and Spare Parts				
Imported	7,932,366	4.55%	4,838,538	3.10%
Indigenous	166,424,323	95.45%	151,100,467	96.90%
Total	174,356,689	100.00%	155,939,005	100.00%

34 Remittance in Foreign Currency for Dividend		
Number of Non Resident Shareholder	1	1
Number of Equity Share held by them	104,051	104,051
Amount of Dividend Paid (In Rs.)	624,306	416,204
Amount of Dividend Paid (In USD)	9,990	6,645
Year to which dividend relates	2013-14	2012-13
	2014-15	2013-14
35 (a) Auditor's Remuneration		
For Statutory Audit	3,200,000	3,000,000
For Tax Audit	300,000	300,000
For Limited Review	700,000	700,000
For Other Services	700,000	400,000
Total	(a) 4,900,000	4,400,000
(b) Cost Auditor's Remuneration		
For Cost Audit Fees	180,000	150,000
For Reimbursement of Travelling and Out-of-Pocket Expenses	4,600	3,602
Total	(b) 184,600	153,602
Total	(a+b) 5,084,600	4,553,602

36 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—

	31.03.2015	Addition/(Deduction) during the year	31.03.2014
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	300,315,754	16,097,567	284,218,187
Less:—Tax Effect of carrying value adjusted against the Retained Earnings	9,967,519	—	—
Total (A)	290,348,235	16,097,567	284,218,187
Deferred Tax Assets			
Provision for Bad & Doubtful	747,072	134,084	612,988
Provision for Leave Encashment	8,141,979	3,415,900	4,726,079
Provision for Gratuity	859,768	863,604	(3,836)
Provision for Bonus	2,755,757	221,630	2,534,127
Provision for Warranty	1,704,641	491,018	1,213,623
Welfare Fund	26,565	3,668	22,897
Total (B)	14,235,782	5,129,904	9,105,877
Net Deferred Tax Liability (A—B)	276,112,452	10,967,660	275,112,310
Previous Year	275,112,310	32,973,960	242,138,350

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

37 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 Rs)	
Particulars	2014-15	2013-14
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	8,909,600	2,760,000
Later than one year and not later than five years	10,652,800	920,000
Total	19,562,400	3,680,000
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	15,758,394	8,487,979
Lease Rental recognized in Pre-operative Expenditure respect of a lease	50,000	—
Total	15,808,394	8,487,979
38 Borrowing Cost Capitalized		
Borrowing Cost Capitalized to Qualifying Assets	5,610,364	—
39 Exchange Differences on account of Fluctuation in Foreign Currency Rates		
<u>Exchange Differences recognized in the Statement of Profit & Loss</u>		
(i) Exchange Gain/(Loss) Relating to Export during the year as a part of "Sales"	1,013,854	2,672,462
(ii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	1,164,336	245,806
(iii) Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock-in-Trade"	2,524,823	6,798,549
(iv) Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	600,148	(901,242)
<u>Exchange Differences recognized in the Fixed Assets</u>		
(i) Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	707,885	807,302
(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 Accounting Standard AS-11)	11,867,484	(6,084,411)
40 Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	(94,944)	(67,968)
Exchange loss/(gain) during the year	268,800	(42,800)
Less:—Amortization of Exchange Fluctuation for the year	(28,976)	15,824
Closing Balance	144,880	(94,944)
41 Earning Per Share		
Profit available for equity shareholders	422,638,945	373,999,357
Weighted average number of shares	11,962,226	11,962,226
Earning Per share basic and diluted (In Rs.)	35.33	31.27
Face value per equity share (In Rs.)	10	10
42 Government Grant		
Duty Drawback on Export	3,027,103	2,454,527
Investment Subsidy Under Investment Promotion Scheme	5,369,696	6,160,988

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

43 Segment Reporting

Business Segments:-

The Company is primarily engaged in the business of manufacture of various type of auto components and LED luminaries. The segment of the LED luminaries is not reportable segment as it does not exceeds the quantitative thresholds as laid down in AS-17 "Segment reporting". Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting'.

Geographical Segments:-

The geographical segment comprises of domestic and overseas market. The following tables shows the distribution of the Company's Consolidated sales by geographical market, regardless of where the goods were produced.

(Amount In Rs.)

Sales Revenue by Geographical Market		
	2014-15	2013-14
India	7,863,798,590	6,790,037,158
Outside India	331,179,711	351,019,375
Total	8,194,978,301	7,141,056,533

Trade Receivables by Geographical Market		
	31.03.2015	31.03.2014
India	852,636,832	750,569,652
Outside India	14,044,955	13,130,805
Total	866,681,787	763,700,457

Note:-1. The Company has common assets for producing goods for Domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

Note:-2. Sales Revenue by geographical market Outside India includes indirect export.

- 44** Pursuant to the Companies Act 2013 ("The Act"), the Company has revised depreciation rates on certain fixed assets as per the revised useful life specified in Schedule II of the Act. Due to this based on transitional provision as per note 7(b) of the Schedule II, an amount of Rs. 1,93,57,338 (net of deferred tax of Rs. 99,67,518) have been adjusted with the retained earnings. Further, depreciation charge for the year ended 31st March, 2015 is higher by Rs. 7,85,69,460.

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

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

(ii) Related Parties Controlled by Key Management personnel

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

(iii) Subsidiary Company

Fiem Industries Japan Co. Limited	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 2015

(Amount In Rs.)

Particulars	Transaction Value		Outstanding Amount	
	2014-15	2013-14	31.03.2015	31.03.2014
(i) Key Management Personnel				
<u>Remuneration</u>				
Jagjeevan Kumar Jain	12,480,000	12,480,000	904,417	362,827
Seema Jain	3,600,000	2,400,000	541,807	163,914
Rahul Jain	3,600,000	3,600,000	383,248	218,458
Aanchal Jain	3,000,000	1,200,000	435,488	85,000
JSS Rao	7,200,000	6,600,000	–	397,894
Kashi Ram Yadav	7,344,864	6,744,864	442,330	419,680
OP Gupta	3,960,000	N.A	272,310	N.A
Arvind Kumar Chauhan	3,690,000	N.A	245,250	N.A
<u>Dividend</u>				
Jagjeevan Kumar Jain	17,760,000	11,840,000	–	–
Seema Jain	17,760,000	11,840,000	–	–
Aanchal Jain	4,800,000	3,200,000	–	–
Rahul Jain	9,314,040	6,209,360	–	–
JSS Rao	72	48	–	–
Kashi Ram Yadav	2,028	1,352	–	–
<u>Rent Paid</u>				
Aanchal Jain	5,326,400	–	–	–
<u>Security Deposit Receivables Agst Rent</u>				
Aanchal Jain	3,994,800	–	3,994,800	–
<u>Loan Received</u>				
Jagjeevan Kumar Jain	–	1,250,000	–	–
<u>Sale of Property</u>				
Rahul Jain	–	50,000,000	–	–
(ii) Related Parties Controlled by Key Management personnel				
<u>Corporate Social Responsibility Activities</u>				
Contribution to Fiem Foundation	7,533,000	–	–	–
<u>Brand Royalty</u>				
Fiem Auto & Electrical Industries	5,000,000	5,000,000	1,279,500	625,000
<u>Dividend</u>				
Jagjeevan Kumar Jain (HUF)	69,228	46,152	–	–
Fiem Auto Private Limited	506,400	337,600	–	–
(iii) Subsidiary Company				
<u>Fiem Industries Japan Co. Limited</u>				
Sales of Goods	607,433	1,365,808	651,896	92,069
Liasioning Charges Paid	6,268,950	–	2,110,454	–
Long Term Loan Given	–	–	2,084,400	2,353,200
Investment in equity shares	–	–	262,040	262,040
(iv) Joint Venture Company				
<u>Centro Ricerche Fiem Horustech SRL</u>				
Purchase of Material	3,928,798	–	514,429	–
Investment in Equity shares	2,474,400	841,200	3,315,600	841,200
Reimburesment of Expenses	179,916	–	–	–
Advance Angst purchase of traded goods	–	4,220,438	–	4,128,825

46 Post Employment Benefits Plan

Defined Contribution Plans

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

	2014-15	2013-14
Employer's Contribution to Provident Fund	13,366,173	10,045,006
Employer's Contribution to ESI Fund	3,814,236	3,358,447
Employer's Contribution to Wages Welfare Fund	191,180	183,996
Total	17,371,589	13,587,448

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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 Rs. 10,00,000/- . Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited (earlier was ING Vysya Life Insurance Company Ltd) 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 31.03.15 are as follows:

(Amount In Rs.)

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Net Employees Benefits Expenses Recognized in the Employee Cost				
1. Current Service Cost	13,046,725	6,530,487	8,970,543	4,026,135
2. Interest cost on benefit obligation	2,344,075	2,092,082	1,072,470	850,194
3. Expected return on plan assets	(2,756,593)	(2,097,308)	-	-
4. Actuarial gain/(loss)	(1,936,571)	(239,149)	575,851	(49,076)
5. Net Benefit Expenses	10,697,637	6,286,110	10,618,864	4,827,253
Net Liability/(Assets) As Shown in Balance Sheet Date Under Short Term/Long Term Provisions/Other Advance Recoverable	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Present value of Defined benefit obligation	44,402,145	30,467,238	23,526,289	13,904,321
Fair value of plan assets	41,917,842	30,478,523	-	-
Net Liability/(Assets) recognized in the Balance Sheet	2,484,303	(11,286)	23,526,289	13,904,321
Change in Present Value of the Defined Benefits Obligation	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Opening present value of defined benefit plan				
Current	2,781,203	2,107,534	2,539,279	1,629,628
Non-Current	27,686,035	21,802,097	11,365,042	7,937,907
2. Interest cost	2,344,075	2,092,082	1,072,470	850,194
3. Current service cost	13,046,725	6,530,487	8,970,543	4,026,135
4. Actuarial (gains)/losses on obligation	876,704	(124,682)	575,851	(49,076)
5. Benefits Paid	(2,332,597)	(1,940,280)	(996,896)	(490,467)
6. Closing defined benefit plan	44,402,145	30,467,238	23,526,289	13,904,321
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
Change in Fair value of Plan Assets	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Opening fair value of plan assets	30,478,523	22,577,087	-	-
2. Expected return	2,756,593	2,097,308	-	-
3. Contribution made by employer	8,202,048	7,629,941	-	-
4. Actuarial gains/(losses) on obligation	2,813,275	114,467	-	-
5. Benefits Paid	(2,332,597)	(1,940,280)	-	-
6. Closing fair value of plan assets	41,917,842	30,478,523	-	-
Actuarial Assumptions	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Interest & Discount Rate	8.00%	9.12%	8.00%	9.12%
2. Estimated Rate of Return on Plan Assets	8.25%	8.25%	0.00%	0.00%
3. Attrition Rate	2.00%	1.00%	2.00%	1.00%
4. Retirement Age	58	58	58	58
5. Salary cost increase rate	8.00%	6.00%	8.00%	6.00%
Categories of Plan Assets			Gratuity	
			2014-15	2013-14
Investment with insurer			100%	100%
Total			100%	100%

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Experience Adjustment (Gratuity)

(Amount In Rs.)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined Benefit Obligation	44,402,145	30,467,238	23,909,631	20,886,952	18,482,904
Plan Assets	41,917,842	30,478,523	22,577,087	20,036,442	17,894,857
Surplus/(deficit)	(2,484,303)	11,286	(1,332,545)	(850,509)	(588,047)
Exp. Adj. On Plan Liabilities	876,704	(124,682)	(76,162)	(1,265,459)	—
Exp. Adj. On Plan Assets	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 Foreign Exchange Currency Exposure Outstanding as on Reporting Date (Fully Hedged)

Particulars	31.03.2015		31.03.2014	
	USD Equivalent	INR Equivalent	USD Equivalent	INR Equivalent
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)	1,409,774	75,000,000	1,879,699	100,000,000
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)	3,236,246	200,000,000	—	—
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)	1,312,500	64,443,750	2,062,500	101,268,750

48 Foreign Exchange Currency Exposure Outstanding as on Reporting Date (Not Hedged)

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

	Foreign Currency	31.03.2015		31.03.2014	
		INR	FC	INR	FC
For Import of Raw Materials, Services & Capital Goods	USD	11,314,775	180,695	2,538,120	40,927
	JPY	2,444,464	4,685,000	1,069,500	1,725,000
	EURO	553,278	7,620	—	—
For Foreign Currency Loan Taken	JPY	62,723,979	114,450,338	136,809,003	249,775,679
For Export of Goods & Services	GBP	1,701,390	18,370	—	—
	JPY	698,969	1,251,000	91,537	156,500
	USD	11,528,701	186,195	13,281,805	216,951
	EURO	45,150	600	—	—
For Foreign Currency Loan Given	JPY	2,204,200	4,000,000	2,204,200	4,000,000
Bank Balance	USD	—	—	4,610,166	73,535
	JPY	12,300	21,294	2,593,185	4,350,598

49 Details of Research and Development Expenses

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

(Amount In Rs.)

	2014-15	2013-14
Capital Expenditure		
Capital Expenditure	3,202,065	1,934,307
Total (A)	3,202,065	1,934,307
Revenue Expenditure		
Raw Material Consumed	63,396	483,745
Employee Benefits	46,925,397	38,649,111
Other Expenses	5,164,510	3,817,180
Finance Cost	167,618	989,766
Depreciation & Amortization	8,465,304	2,459,400
Total (B)	60,786,225	46,399,202
Grand Total (A+B)	63,988,290	48,333,509

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

50 Expenditure During Construction Period

Expenditure During Construction Period pending capitalization in Gujarat Unit (Included in capital work in progress)		(Amount In Rs.)	
	2014-15	2013-14	
Opening Balance As on 01.04.2014	—	—	
Pre-operative Expenses			
Employee Benefits	2,828,759	—	
Other Expenses	1,305,429	—	
Finance Cost	3,718,648	—	
Total	7,852,836	—	
Less:— Transferred to Fixed Assets Account	—	—	
Closing Balance As on 31.03.2015	7,852,836	—	

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 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, 2015 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:—

		(Amount In Rs.)	
Particulars	2014-15	2013-14	
Gross amount required to be spent during the year	8,126,913	—	
Amount spent during the year :—			
Contribution to the Fiem Foundation	7,533,000	—	
Amount spent by the company	600,000	—	
	8,133,000	—	

52 Joint Venture Company

The Company has a 50:50 joint venture in Italy with 'Horustech Lighting SRL Italy' namely 'Centro Ricerche Fiem Horustech SRL' as a design centre. The company has invested a sum of Rs. 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 11) 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, 2015	50%

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

Particulars	31.03.2015	31.03.2014
Non Current Assets	2,877,928	460,943
Current Assets	1,960,232	3,610,203
Non Current Liabilities	(3,781)	49,917
Current Liabilities	2,160,400	3,751,038
Revenue	7,918,803	1,294,387
Expenses	5,331,630	3,914,374
Contingent Liabilities	—	—
Capital Commitments	—	—

53 Disclosure under Clause 32 of the Listing Agreement

		(Amount In Rs.)	
Subsidiary Company	Outstanding Balance at year end	Maximum Amount Outstanding in the year	
	31.03.2015	31.03.2014	2014-15 2013-14
Fiem Industries Japan Co., Limited	2,084,400	2,353,200	2,353,200 2,353,200

- 54 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 : 29/05/15

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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 Rs.)

PART "A" : SUBSIDIARIES		
1.	S.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	0.5211
5.	Share capital	262,040
6.	Reserves & surplus	-401,617
7.	Total assets	3,623,965
8.	Total Liabilities	3,623,965
9.	Investments	-
10.	Turnover	3,121,586
11.	Profit/(Loss) before taxation	-470,538
12.	Provision for taxation	41,998
13.	Profit/ (Loss) after taxation	-512,536
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	31.03.15
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	3,195,969
7	Profit / Loss for the year	
	i. Considered in Consolidation	2,587,172
	ii. Not Considered in Consolidation	2,587,172
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 : 29/05/15



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 2015, 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 2015, 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 Rs 53,52,589

as at 31.03.15, total revenue of Rs 79,18,803 and net profit amounting to Rs 25,87,172 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 the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on comments in the auditors' report of the Holding Company, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable. There is no subsidiary company or jointly controlled entity incorporated in India therefore reporting on the Order is given only in respect of Holding Company only.
2. 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, 2015, 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, 2015, from being appointed as a director in terms of Section 164(2) of the Act and
 - f. 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 28(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: 29/05/2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

As stated in Para 1 of 'Report on Other Legal and Regulatory Requirements' in our Auditors report of even date, the following statement is based on the comments in the Auditors' report on standalone financial statements of the Holding company:

1. In respect of fixed assets of the Holding company
 - a) The Holding company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the Holding 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 of the Holding company in accordance with the programme and no material discrepancies were identified on such verification.
2. In respect of inventories of the Holding company
 - a) The inventories have been physically verified by the management of the Holding company at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management of the Holding company are reasonable and adequate in relation to the size of the Holding company and the nature of its business.
 - c) The management of the Holding company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification of the inventory as compared to the book records.
3. As informed, during the year, the holding 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.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the holding company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The holding company has not accepted any deposits from the public.
6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Holding company for the year under audit.
7. a) According to the records of the holding company and also the information and explanations given to us, the holding company is generally regular in depositing with appropriate authorities all undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, 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, wealth tax, service tax, custom duty, excise duty, 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 holding company, the dues outstanding of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess on account of any dispute are as follows:

(Amount in Rs.)

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	Modvat Credit of Excise Duty	April 2006 to March 2008	21,69,700	2,16,970	19,52,730	CESTAT, Chennai
4	The Central Excise Act, 1944	Input service tax credit on catering services	Jan 2011 to march 2011	1,22,423	12,242	1,10,181	CESTAT, Chennai
5	The Central Excise Act, 1944	Input service tax credit on employees insurance	September 2010 to March 2012	1,00,968	10,097	90,871	CESTAT, Chennai
6	Haryana Value Added Tax 2003	Sales tax demand	F.Y. 2010-11	23,75,072	3,75,072	20,00,000	Sales tax Tribunal
7	Income Tax Act 1961	Disallowance of Loss on account of foreign exchange derivative contracts	Financial year 2010-11	6,17,45,248	See Note	6,17,45,248	ITAT, New Delhi
			Total	7,48,07,857	21,11,224	7,26,96,633	

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

- c) The amount required to be transferred by the Holding company to investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956 and rules made thereunder has been transferred to such fund within time.
8. The Group does not have consolidated accumulated losses and have not incurred any cash losses on a consolidated basis during the financial year covered by our audit or in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the holding company has not defaulted in repayment of dues to a financial institution or banks.
10. In our opinion and according to the information and explanations given to us, no guarantees for loans taken by others from banks or financial institutions have been given by the holding company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the holding company for the purpose for which they were raised.
12. According to the information and explanations given to us, no fraud on holding company or by the management of the Holding company has been noticed or reported during the course of our audit.

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

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

Place: Rai, Sonapat (HR.)
Dated: 29/05/2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(Amount in Rs)

	Note No.		AS AT 31.03.2015	AS AT 31.03.2014
I. EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
a) Share Capital	2	119,622,260	119,622,260	
b) Reserves & Surplus	3	2,153,197,307	1,848,926,256	
			2,272,819,567	1,968,548,516
NON CURRENT LIABILITIES				
a) Long term borrowings	4	514,672,471	579,564,954	
b) Deferred Tax Liabilities (net)	31	276,112,452	275,112,310	
c) Long Term Provisions	5	20,069,274	11,414,959	
			810,854,198	866,092,224
CURRENT LIABILITIES				
a) Short term borrowings	6	343,404,753	292,516,813	
b) Trade Payables	7	882,209,624	778,444,258	
c) Other Current Liabilities	8	581,607,532	546,768,928	
d) Short Term Provisions	9	122,316,436	98,477,367	
			1,929,538,345	1,716,207,365
TOTAL			5,013,212,110	4,550,848,105
II. ASSETS				
NON CURRENT ASSETS				
a) Fixed Assets				
i) Tangible assets	10	3,337,049,876	3,117,899,175	
ii) Intangible assets	10	7,585,151	12,477,737	
iii) Capital work-in-progress	10	46,251,172	293,348	
iv) Intangible assets under development		—	—	
b) Non-current investments	11	200,000	200,000	
c) Long term Loans and Advances	12	76,536,271	54,705,585	
d) Other non current assets	13	1,491,218	1,044,181	
			3,469,113,689	3,186,620,026
CURRENT ASSETS				
a) Current Investments		—	—	
b) Inventories	14	513,888,377	423,562,256	
c) Trade receivables	15	867,553,771	767,553,993	
d) Cash and Bank Balances	16	34,379,775	20,224,688	
e) Short term Loans and Advances	17	123,800,489	145,265,623	
f) Other current assets	18	4,476,008	7,621,519	
			1,544,098,421	1,364,228,079
TOTAL			5,013,212,110	4,550,848,105

Significant Accounting Policies and
Notes to financial Statements.

1 to 48

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 : 29/05/15

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2015

(Amount in Rs)

	Note No.		Current Year 2014-15	Previous Year 2013-14
I. INCOME				
Gross Sale of Products	19	9,009,118,664		7,900,954,375
Less :- Excise Duty		<u>807,899,793</u>		<u>739,353,095</u>
a) Net Sales			8,201,218,872	7,161,601,280
b) Operating Income	20		<u>53,454,199</u>	<u>43,087,453</u>
Net Revenue from Operations			8,254,673,071	7,204,688,733
c) Other Income	21		9,031,965	6,659,915
TOTAL REVENUE (A)			<u>8,263,705,036</u>	<u>7,211,348,649</u>
II. EXPENSES				
a) Cost of Raw Materials and Components Consumed	22		4,770,288,916	4,101,033,231
b) Purchase of Stock-in-Trade	23		238,665,355	226,769,840
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	24		(32,565,930)	63,362,128
d) Employees benefits Expenses	25		988,558,060	843,370,691
e) Finance Costs	26		120,486,647	144,526,560
f) Depreciation and amortization Expense	10		307,230,433	217,898,811
g) Other Expenses	27		1,262,281,116	1,086,232,083
TOTAL EXPENSES (B)			<u>7,654,944,597</u>	<u>6,683,193,342</u>
PROFIT BEFORE TAX (A-B)			608,760,439	528,155,306
TAX EXPENSES				
a) Current Tax Expense		173,041,998		122,429,495
b) Deferred Tax Liability/ (Assets)		<u>10,967,660</u>		<u>32,973,960</u>
			184,009,658	155,403,455
PROFIT AFTER TAX FOR THE YEAR			<u>424,750,781</u>	<u>372,751,852</u>
Basic and Diluted Earning per Equity Share (Nominal value Rs 10 per share)	35		35.51	31.16
Significant Accounting Policies and Notes to financial Statements.	1 to 48			
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 : Raj, Sonapat (HR.)
Date : 29/05/15

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	2014-15		2013-14	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax As Per Statement of Profit and Loss		608,760,439		528,155,306
Adjustments for				
Depreciation & Amortization	307,230,433		217,898,811	
Loss (Profit) on sale/discarded of Fixed Assets	1,238,945		(4,891,813)	
Adjustment of Income Tax for Earlier Year	120,057		(21,682)	
Unrealised Foreign Exchange (Gain)/Loss	(192,146)		364,479	
Provision for Bad & Doubtful Debts	355,235		894,602	
Variation in Excise Duty of FG	2,360,949		917,919	
Bad Debt written-off	1,650,374		1,257,713	
Interest Income	(2,010,885)		(1,194,197)	
Finance Costs	120,486,647	431,239,607	144,526,560	359,752,392
Operating Profit before Working Capital Changes		1,040,000,046		887,907,698
Adjustment for (Increase)/decrease in Operating Assets				
Inventories	(90,326,121)		63,204,286	
Trade and Other Receivables	(101,887,569)		(76,599,103)	
Other Current Assets & Loan and Advances	(20,583,797)	(212,797,487)	(12,252,610)	(25,647,427)
Adjustment for Increase/(decrease) in Operating Liabilities				
Trade Payable & Other Current Liabilities and Provisions	135,455,280	135,455,280	22,691,017	22,691,017
Cash Generated from Operating Activities		962,657,839		884,951,288
Income Tax Paid (Including Tax Deducted at Source)	(141,624,225)	(141,624,225)	(117,393,698)	(117,393,698)
Net Cash From Operating Activities		821,033,614		767,557,590
B: CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Including Capital Advances)	(589,821,814)		(476,623,679)	
Sale of Fixed Assets	1,472,000		68,848,707	
Interest Received on Deposits	2,010,885		1,194,197	
Net Cash (Used) in Investing Activities		(586,338,929)		(406,580,774)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd...)

(Amount in Rs)

Particulars	2014-15		2013-14	
C: CASH FLOW FROM FINANCING ACTIVITIES:				
Dividend Paid	(71,773,356)		(47,848,904)	
Corporate Dividend Distribution Tax Paid	(12,197,882)		(8,131,921)	
Finance Costs Paid	(128,632,594)		(143,080,177)	
Exchange Loss on Repayment of Foreign Currency Loan	(1,350,452)		(7,490,703)	
Proceeds from Long-Term Borrowings	256,249,394		139,281,363	
Repayment of Long-Term Borrowings	(313,381,232)		(278,217,709)	
Increase/(Decrease) in Short-Term Borrowing	50,887,940		(11,026,099)	
Net Cash (used)/from Financing Activities		(220,198,182)		(356,514,278)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		14,496,503		4,462,538
Opening Balance of Cash & Cash Equivalents		20,224,688		15,952,109
Effect of Exchange Rate Change		(1,203)		(225,470)
Effect of Foreign Currency Translation Reserve		(340,213)		35,512
Closing Balance of Cash & Cash Equivalents		34,379,775		20,224,688
Components of Cash and Bank Balance				
Cash in Hand		2,153,337		2,169,290
Balances with Banks on Current Account		2,236,568		10,889,207
Deposit with Banks having maturity less than three months		11,925,000		4,525,000
Deposit with original maturity more than 3 month but less than 12 month		17,672,567		2,264,220
Unpaid Dividend Accounts		392,303		376,972
Cash and Bank Balances (Refer Note No.-16)		34,379,775		20,224,688
Less:-Deposit with original maturity more than 3 month but less than 12 month		17,672,567		2,264,220
Cash and Cash Equivalent in Cash Flow Statement		16,707,208		17,960,468

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 : Raj, Sonapat (HR.)
Date : 29/05/15

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1. Significant Accounting Policies Followed by The Company

Corporate Information

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 in 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 etc.

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, and guidelines issued by the Securities and Exchange Board of India. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention except for certain revalued fixed assets which has been stated at revalued amount.

Aa. Principal of Consolidation

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

difference arising on consolidation is recognised in the Translation reserve.

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

B. Use of Estimates

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

C. Current–Non Current Classification

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

Assets

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

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

Liabilities

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

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

Operating Cycle

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

D. Tangible and Intangible Fixed Assets

- (i) Tangible fixed assets except for certain fixed assets, which have been stated at revalued amounts are valued at the historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and/or impairment loss, if any. Cost

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

of an item of tangible fixed asset comprises its purchase price, import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing cost during the period of construction or installation of fixed assets which take substantial period of time to get ready for its intended use up to the date of commencement of commercial production is added to the cost of respective tangible assets. Profit or loss on disposal on tangible assets is recognised in the Statement of Profit & Loss.

- (ii) Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iii) Intangible assets are shown at the consideration paid for acquisition less accumulated amortization.
- (iv) Own manufactured tangible assets are capitalized at cost including an appropriate proportion of manufacturing overheads based on normal operating capacities.
- (v) Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date.
- (vi) 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. Inventories

- (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 assets acquired during the year is charged on a '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 assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life as specified in Part "C" of Schedule II of the Companies Act, 2013. Where the remaining useful life of an assets is nil the carrying amount as on April 1, 2014 after retaining the residual value, has been recognized in the opening balance of retained earnings.
- (iii) Leasehold land is amortised over the duration of the 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) Advance paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under capital advances. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.
- (viii) From April 1, 2014, On the revalued assets, the difference between the depreciation calculated on the revalued amount & on the original cost is charged to the Statement of Profit & Loss as specified in Schedule II of the Companies Act 2013.

H. Revenue Recognition

- (i) Revenue is recognized to the extent of the probability of the economic benefits flowing to the company, which can be reliably measured.
- (ii) The sale of goods in the course of ordinary activities is recognised when all significant risk & rewards of ownership have transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of sales tax/value added taxes (VAT) and is net of returns. 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 other expenses.
- (iii) Revenue from services is recognized on rendering of services to customers.
- (iv) Inter-unit/warehouse transfer has not been considered as part of

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

"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 accounted when the right to receive dividend is established.
- (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 and Translations

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

- (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. Taxation

- (i) Provision for 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 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

- (iv) Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date are written down or written-up to reflect the amount that is reasonably certain (as the case may be) to be realised.
- (v) Provisions for current taxes are presented in the balance sheet after off-setting advance taxes paid.

P. Borrowing Cost

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

Q. Excise Duty

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

R. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.

In assessing Value in use, the estimated future cash flows is discounted to their present value based on an appropriate discount factor.

S. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of preparing the cash flow statement comprises cash at bank and in hand and short term investments having original maturities of three months or less from the date of purchase.

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 Policies

The Company is primarily in the business of manufacture of various types of Auto Components. The entire operations are governed by the same set of risk and return hence the entire operations represent a single primary segment. The analysis of geographical segments is based on the geographical location of the customers i.e. customers located within India and customers located outside India. The Segment of LED luminaries is not a reportable segment as it does not exceed the quantitative thresholds as laid down in AS-17 " Segment reporting"

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

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning/(loss) per share, the net profit or loss for the year attributable to equity shareholder and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The weighted average number of shares outstanding during the year are adjusted for events of bonus issue and share split.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
2 SHARE CAPITAL		
Authorised		
3,00,00,000 (Prv. Year 3,00,00,000) Equity shares of Rs 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 Rs. 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 Rs 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amount exist currently. The distribution will be in proportion to the number of the equity shares held by the shareholders.

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

	AS AT 31.03.2015		AS AT 31.03.2014	
Name of the Shareholder	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

CAPITAL RESERVE

a) Land Revaluation Reserve			
As per Last Balance Sheet– Total (a)	117,477,278		117,477,278
b) Building Revaluation Reserve			
As Per Last Balance Sheet	20,773,148		21,765,174
Less:– Adjustment on account of depreciation on revalued portion of asset	–		992,026
Total (b)	20,773,148		20,773,148
Total (a+b)		138,250,426	138,250,426

SECURITIES PREMIUM RESERVE

As per Last Balance Sheet		509,972,343	509,972,343
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GENERAL RESERVE

As Per Last Balance Sheet	141,000,000		103,500,000
Add :– Transferred from Surplus in the statement of Profit and Loss	42,500,000		37,500,000
Closing balance		183,500,000	141,000,000
		(63,704)	276,509

TRANSLATION RESERVE

SURPLUS –OPENING BALANCE	1,059,426,978		808,146,364
Add:– Net profit after tax transferred from Statement of Profit and Loss	424,750,781		372,751,852
Amount Available for Appropriation	1,484,177,759		1,180,898,216
Less :– Appropriations			
i) Proposed Dividend	83,735,582		71,773,356
ii) Corporate Dividend Tax	17,046,597		12,197,882
iii) Transitional adjustments related to Fixed Assets as per schedule II of the Act (Note No 38)– net of tax expense	19,357,338		–
iv) Transfer to General Reserve	42,500,000		37,500,000
	162,639,517		121,471,238

SURPLUS –CLOSING BALANCE	1,321,538,242		1,059,426,978
TOTAL	2,153,197,307		1,848,926,256

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

4 LONG TERM BORROWINGS

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.15	AS AT 31.03.14	AS AT 31.03.15	AS AT 31.03.14
(A) SECURED LOANS				
TERM LOANS FROM BANKS				
a) Indian Rupee Loan	207,582,715	356,022,885	154,715,564	154,462,446
b) Foreign Currency Loan	265,118,750	206,774,883	133,965,071	141,436,898
	472,701,465	562,797,768	288,680,635	295,899,344
VEHICLE LOANS				
a) from Banks	41,971,006	10,087,934	17,757,588	10,552,320
b) from Others	—	1,225,220	1,225,220	1,215,034
	41,971,006	11,313,154	18,982,808	11,767,354
(B) UNSECURED LOANS				
from HSIIDC	—	5,454,032	5,454,032	10,908,068
TOTAL	514,672,471	579,564,954	313,117,475	318,574,766

INDIAN RUPPE TERM LOAN FROM BANKS INCLUDE

- From Citibank N.A.:— Loan outstanding as at 31.03.15 Rs 2,54,82,715 (Previous year Rs 4,12,32,715) 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 and secured against First Pari Passu charge on movable fixed assets of Kundli unit and Unit-2 at Hosur along with Axis bank.
- From State Bank of Patiala :— Loan outstanding as on 31.03.15 Rs 9,06,65,564 (Previous Year Rs 13,73,08,170). 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 loan initially carried floating interest rate of 11.75% and 12.75% which currently is 10.75%. 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 Parri passu charge on movable fixed assets of Hosur unit- III (Tamilnadu) with Standard Chartered Bank and First Charge on movable fixed assets of Mysore unit – IV Karnataka and Second charge over the entire fixed assets of unit VI Nalagarh Unit (first charge with Citibank).
- From Axis Bank :— Loan outstanding as on 31.03.15 Rs 16,49,00,000 (Previous year Rs 23,19,44,446) :— The loan is for 4 years and 7 years and has half yearly and quarterly repayment beginning after moratorium period of 6 and 12 months from the drawdown. Interest is monthly payable. The loan initially carried floating interest rate of 11.75% and 12.25% which currently is 10.90%. 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.
- HSBC Bank:— Loan Outstanding as on 31.03.15 Rs 8,12,50,000 (Previous Year 10,00,00,000) 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

FOREIGN CURRENCY TERM LOAN FROM BANKS INCLUDE

- From CITIBANK N.A. :— FCNR Term Loan –1 outstanding as on 31.03.15 Rs 7,50,00,000 (Previous Year 10,00,00,000) has tenor of 5 years with 16 equal quarterly repayments beginning from the end of 15 months from drawdown. Interest is payable on monthly basis. The loan carries fully hedged interest cost of 10.60% p.a. The Loan is secured against exclusive charge on fixed assets financed out of the term loan and first charge of the movable fixed assets of Unit-V situated at Hosur, Tamilnadu.
- From CITIBANK N.A. :— FCNR Term Loan –2 outstanding as on 31.03.15 Rs 20,00,00,000 (Previous Year Nil) 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 First pari-passu charge on the fixed assets of Kundli Unit-1 and Hosur Unit-2 with Working Capital Lenders viz. Citibank and Standard Chartered Bank and term lenders Citibank and 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 31.03.15 Rs 5,96,40,071 (Previous year Rs 14,69,43,031). The loan is for 5 years with 16 equal quarterly repayment beginning from the end of 15 months from the drawdown. Interest rate is 3 month LIBOR PLUS 225 BSP p.a. payable quarterly. The loan is 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.
- From Standard Chartered Bank ECB –2 :— Loan outstanding as on 31.03.15 Rs 6,44,43,750 (Previous year Rs 10,12,68,750). 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 at Tapukara, Rajasthan Unit on Exclusive basis and Specific charge on Plant and machinery at Tapukara, Rajasthan Unit.

VEHICLE LOANS FROM BANKS AND OTHERS

- Vehicle loan from banks and others outstanding as on 31.03.15 are Rs 6,09,53,814 (Previous year Rs 2,30,80,508) secured against hypothecation of the respective vehicles acquired out of proceeds thereof. The Loans carries interest rate between 8% to 12%.

UNSECURED LOAN

Unsecured Loan from HSIIDC is for Enhanced Compensation of land situated at Rai Unit-7 amount to Rs 54,54,032 (previous year Rs 1,63,62,100). The Loan is at fixed interest rate of 12% has tenor of two and Half years, The loan is repayable on half yearly equally installment basis. Interest is payable Half yearly.

	1-2 years	2-3 years	3-4 years	4-5 years
Maturity Profile of Term Loan, Vehicle Loan and Unsecured Loan are as	243,660,264	164,487,567	66,626,501	39,898,139

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
5 LONG TERM PROVISIONS		
Provision for Retirement Benefits		
a) Leave Encashment	20,073,055	11,365,042
b) share of other long term provisions of Joint venture company	(3,781)	49,917
TOTAL	20,069,274	11,414,959
6 SHORT TERM BORROWINGS		
SECURED LOANS		
<u>Cash Credit/Working Capital Loans repayable on demand from Banks</u>		
Indian Rupee Loan	343,404,753	292,516,813
TOTAL	343,404,753	292,516,813

Indian Rupee Loan includes

- From Citibank NA :- Loan outstanding as at 31st March 2015 Rs 34,34,05,205 (Previous Year Rs 29,90,24,616) 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 11.75%. The loan is secured against First Pari Passu Charge with Standard Chartered Bank on all present and future receivables, stocks/inventories and on all fixed assets of the company with Standard Chartered Bank and Citibank FCNR –2 Loan (excluding assets specifically purchased out of term loans from Citibank and other term loan lenders) including equitable mortgage charge on first pari passu basis on Land and Building situated at Kundli,Haryana & Thally Road Hosur,Tamilnadu with Standard Chartered Bank and Citibank FCNR–2 Loan.
- From Standard Chartered Bank :- Loan outstanding as at 31st March 2015 is receivable Rs 452/- (Previous year Receivable Rs 65,07,803/-) 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 11.79%. The loan is secured against First Pari Passu charge with Citibank cash credit loan on Stocks & Book Debts, and Equitable mortgage charge on First Pari Passu basis on land and building situated at Kundli unit Haryana & Thally Road Hosur,Tamilnadu and first pari passu charge over all present and future movable fixed assets of the company with Citibank (excluding assets specifically financed by other term lenders).

7 TRADE PAYABLES			
a) Micro, Small and Medium Enterprises	9,146,231		6,946,789
b) Others	873,063,393		771,497,469
		882,209,624	778,444,258
TOTAL		882,209,624	778,444,258

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."

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
8 OTHER CURRENT LIABILITIES		
a) Current Maturity of Long-term debt (See Note 4)	313,117,475	318,574,766
b) Interest accrued but not due on borrowings	1,806,282	2,667,461
c) Interest accrued and due on borrowings	4,825,717	6,500,121
d) Unpaid Dividend – (Investor Education and Protection Fund will be credited by this amount (as and when due))	392,303	376,972
e) Advances from Customers	81,768,027	65,882,687
f) Security Deposits Received	17,538,069	14,257,623
g) Creditors for Capital Expenditure	53,439,217	29,035,583
h) Liabilities for Expenses	72,040,107	68,337,518
i) Statutory Dues payable	36,680,336	41,136,197
TOTAL	581,607,532	546,768,928
9 SHORT TERM PROVISIONS		
1) Provision for Retirement Benefits		
a) Leave Encashment	3,501,673	2,871,319
b) For Gratuity	2,484,303	–
	5,985,976	2,871,319
2) Other Provisions		
a) Provision for Taxation		
I. Income tax (net of advance tax)	2,814,316	2,746,834
II. Wealth Tax	400,000	270,000
III. Corporate Dividend Tax	17,046,597	12,197,882
	20,260,913	15,214,716
b) Proposed Dividend	83,735,582	71,773,356
c) Warranties	4,925,568	3,570,528
d) Excise Duty	7,408,397	5,047,448
TOTAL	122,316,436	98,477,367

Proposed Dividend

During the year ended 31.03.15, the amount of Rs 7 per share as dividend recognized for distribution to equity shareholders (Previous Year Rs 6.00 per share).

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 31.03.15 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	31.03.15	31.03.14
Opening Balance	3,570,528	1,497,048
Addition	4,925,568	3,570,528
Utilization	2,096,411	2,538,017
Reversal	1,474,117	(1,040,969)
Closing Balance	4,925,568	3,570,528

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

10. FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTIZATION			NET BLOCK	
	As at 01.04.2014	Additions	Deductions/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the Year	Upto 31.03.2015	As at 31.03.2015
1. Tangible Assets								
Land Free hold	305,023,450	7,842,598	–	312,866,048	–	–	–	312,866,048
Land Lease hold	187,728,999	–	4,155,052	183,573,947	8,641,796	2,492,166	11,133,962	172,439,985
Buildings	925,234,968	66,420,029	–	991,654,997	136,311,791	30,854,072	167,165,863	824,489,134
Plant & Equipment	1,995,176,088	268,051,508	–	2,263,227,596	572,628,732	168,463,745	741,092,477	1,522,137,119
Furniture & Fixtures	93,221,854	15,450,133	–	108,671,987	30,354,692	11,319,905	41,674,597	66,997,390
Vehicles	98,477,545	73,836,051	4,658,781	167,654,815	39,890,529	16,961,291	54,904,003	112,750,812
Office Equipment	30,647,058	5,272,423	20,130	35,899,351	9,937,516	12,677,803	22,595,189	13,304,162
Mould, Block & Dies	387,657,599	91,491,521	–	479,149,120	224,025,341	46,922,842	270,948,183	208,200,937
Tools & Equipments	52,799,762	5,760,539	–	58,560,301	35,164,855	5,709,786	40,874,641	17,685,660
Electrical Installations	120,383,942	13,719,965	–	134,103,907	32,696,231	22,625,520	55,321,751	78,782,156
Computers	37,590,609	4,574,439	–	42,165,048	26,391,216	8,427,640	34,818,856	7,346,192
Total	4,233,941,874	552,419,206	8,833,963	4,777,527,117	1,116,042,699	326,454,769	1,440,529,521	3,336,997,596
Previous Year	3,831,772,806	482,340,945	80,171,876	4,233,941,874	916,079,879	216,177,801	1,116,042,699	3,117,899,175
Share of Joint Venture	–	62,394	–	62,394	–	10,114	–	52,280
Total (1)	4,233,941,874	552,481,600	8,833,963	4,777,589,511	1,116,042,699	326,464,883	1,440,539,635	3,337,049,876
2. Intangible Assets								
Computer Software	13,589,186	1,997,531	–	15,586,717	4,087,557	8,626,031	12,713,588	2,873,129
Technical Know-how	3,111,557	–	–	3,111,557	622,311	622,311	1,244,622	1,866,934
Trademarks	32,400	–	–	32,400	6,480	6,480	12,960	19,440
Total	16,733,143	1,997,531	–	18,730,674	4,716,348	9,254,822	13,971,170	4,759,503
Previous Year	12,896,493	3,836,650	–	16,733,143	2,027,590	2,688,758	4,716,348	12,016,794
Share of Joint Venture	485,220	3,200,289	–	3,685,509	24,277	835,584	859,861	2,825,648
Previous Year	–	485,220	–	485,220	–	24,277	24,277	460,943
Total (2)	17,218,363	5,197,820	–	22,416,183	4,740,625	10,090,406	14,831,031	7,585,151
3. Capital Work-in-Progress								
Grand Total (1+2)	4,251,160,237	557,679,420	8,833,963	4,800,005,694	1,120,783,324	336,555,289	1,455,370,666	3,344,635,027
Previous Year	3,844,669,298	486,662,814	80,171,876	4,251,160,236	918,107,469	218,890,837	1,120,783,324	3,130,376,912

NOTES:

	Current Year Rs.	Previous Year Rs.
1. Depreciation & Amortization for the year		
Less: Depreciation withdrawn from Retained Earning (Refer Note-38)	336,555,289	218,890,837
Less: Depreciation on revalued assets withdrawn from building revaluation reserve	29,324,856	–
Depreciation & amortization charged to Statement of Profit & Loss	<u>307,230,433</u>	<u>992,026</u>
Addition to land free hold includes an amount of Rs. 74,23,114 (Previous Year–Rs. 2,72,70,168) paid to HSIIDC against enhanced compensation in the price of land.		
3. Adjustment of Rs. 41,55,052 in land lease hold pertains to variation in foreign exchange on ECB Loan taken for the purpose of purchase of land.		
4. Gross Block of Land free hold includes Rs. 11,74,77,278 and gross block of Buildings includes Rs. 2,97,01,382 on account of revaluation carried out. in the past years based on reports issued by Government approved valuers.		
5. Additions of fixed assets includes Rs. 1,18,67,484 (Previous Year–Rs. 60,84,411) on account of Foreign Exchange Adjustment on ECB Loan as per option exercised under para 46–A of AS–11.		
6. Capital Work in progress includes:		
Particulars	Current Year	Previous Year
i. Fixed assets under construction	28,290,856	248,488
ii. Pre-operative expenses (Refer Note-44)	7,852,836	–
iii. Fixed assets under installation	8,666,570	44,860
iv. Fixed assets in transit	1,440,910	–
Total	<u>46,251,172</u>	<u>293,348</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

	AS AT 31.03.2015	AS AT 31.03.2014
11 NON-CURRENT INVESTMENTS		
A) <u>TRADE INVESTMENTS (At cost) in Equity (unquoted)</u> <u>in Others</u>		
a) M/s Shivalik Solid Waste Management Ltd. 20,000 (P. Y. 20,000) equity shares of Rs 10 each fully paid up	200,000	200,000
TOTAL	200,000	200,000
12 LONG TERM LOANS AND ADVANCES (unsecured but considered good)		
a) Capital Advances	34,710,696	26,224,541
b) Security Deposits	36,176,755	20,244,124
c) Prepaid Expenses	2,888,073	4,038,066
d) Loan to Employees	2,760,747	4,198,854
TOTAL	76,536,271	54,705,585
13 OTHER NON CURRENT ASSETS		
a) Margin Money deposit with original maturity for more than 12 months	1,491,218	587,952
b) Balance with Income tax Dept.	–	456,229
TOTAL	1,491,218	1,044,181
14 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	284,066,532	232,279,055
b) Raw Materials and Components in transit	9,939,656	7,371,495
c) Work in Progress	89,677,129	50,481,837
d) Finished Goods	98,554,941	109,163,122
e) Stock in trade (Mould, Tools and Dies)	6,080,688	2,349,065
f) Stock in trade (Others)	7,433,824	7,186,628
g) Stores and Spares (including Packing Material)	17,406,196	14,533,838
h) Stores and Spares (including Packing Material) in transit	729,413	197,216
	513,888,377	423,562,256
TOTAL	513,888,377	423,562,256
15 TRADE RECEIVABLES (unsecured but considered good)		
Debt Outstanding for a period exceeding Six Months		
a) Considered Good	8,946,721	7,356,986
b) Considered Doubtful	2,158,669	1,803,434
Other Debts :- Considered Good	858,607,050	760,197,007
	869,712,440	769,357,428
Less:- Provision for Doubtful Debts	2,158,669	1,803,434
TOTAL	867,553,771	767,553,993

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		AS AT 31.03.2015	AS AT 31.03.2014
16 CASH AND BANK BALANCES			
1) Cash and Cash Equivalents			
a) Balances with Banks in current account	2,236,568	10,889,207	
b) Deposits with original maturity of less than three months	<u>11,925,000</u>	<u>4,525,000</u>	
		14,161,568	15,414,207
2) Cash on Hand		2,153,337	2,169,290
3) Other bank balances			
a) Unpaid Dividend Account	392,303	376,972	
b) Margin money deposit with original maturity for more than 3 months but less than 12 months	<u>17,672,567</u>	<u>2,264,220</u>	
		18,064,870	2,641,192
TOTAL		<u>34,379,775</u>	<u>20,224,688</u>
17 SHORT TERM LOANS AND ADVANCES			
(unsecured but considered good)			
a) Prepaid Expenses		9,352,040	9,536,555
b) MAT credit entitlement		–	31,457,986
c) Loan to Employees		3,480,083	2,874,416
d) Advances for Goods other than Capital Goods		33,388,812	31,772,713
e) Balance with Customs, Excise Department		65,738,248	61,651,263
f) Balance with Income tax department		76,028	–
g) Balance with Sales Tax Department		3,292,520	2,519,609
h) Security deposits		3,928,283	1,641,384
i) Other Advances recoverable		4,544,475	3,811,696
TOTAL		<u>123,800,489</u>	<u>145,265,623</u>
18 OTHER CURRENT ASSETS			
a) Interest accrued on deposits		1,284,017	901,801
b) Subsidy Receivables		1,462,627	3,029,792
c) Export Incentive Receivables		1,729,364	1,559,657
d) Dues from Debtors other than Goods and Services		–	2,130,269
TOTAL		<u>4,476,008</u>	<u>7,621,519</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
19 GROSS SALE OF PRODUCTS			
a) <u>Finished goods</u>			
Automotive Lamps, Signaling Equipment and Parts	5,924,900,482	5,247,204,577	
Rear View Mirrors and Parts	1,209,886,508	1,011,317,991	
Plastic Moulded Parts	1,090,275,225	1,010,543,533	
Moulds	33,158,863	43,589,828	
Others	377,049,212	228,187,424	
		<u>8,635,270,291</u>	<u>7,540,843,353</u>
b) <u>Traded goods</u>			
Mould and dies	315,749,287	277,632,332	
Others	58,099,086	82,478,690	
		<u>373,848,373</u>	<u>360,111,022</u>
		9,009,118,664	7,900,954,375
20 OPERATING INCOME			
1) Scrap sales		28,710,591	23,312,019
2) Testing charges Received		10,460,908	5,662,346
3) Tool, Mould and dies development charges received		1,353,043	3,259,209
4) Government subsidy received		5,369,696	6,160,988
5) Duty Drawback Received		3,027,103	2,454,527
6) Rebate and Discount Received		2,038,560	2,432,866
7) Difference in foreign exchange		1,288,699	(917,598)
8) Segregation/Rework Charges Received		360,727	455,222
9) Packing and Forwarding		844,872	267,875
TOTAL		53,454,199	43,087,453
21 OTHER INCOME			
1) Profit on sale of fixed assets		—	4,891,813
2) Interest Income		1,968,135	1,194,197
3) Dividend Received		15,000	10,000
4) Sundry Creditors written back		6,771,949	559,609
5) Sundry balances written back		234,131	—
6) Other Non Operating Income		42,750	4,296
TOTAL		9,031,965	6,659,915
22 COST OF RAW MATERIALS AND COMPONENTS CONSUMED			
Opening Stock		232,279,055	227,143,225
Add : Purchases		4,822,076,393	4,106,169,061
Less : Inventories at the end of the year		284,066,532	232,279,055
TOTAL		4,770,288,916	4,101,033,231
<u>Particulars of Raw material and components consumed</u>			
Plastic Powder		1,788,653,101	1,489,465,671
Bulb		513,039,389	441,287,986
Iron sheet and rods		256,334,103	208,936,862
Wiring harness		489,031,753	452,077,857
Others		1,723,230,571	1,509,264,855
		<u>4,770,288,916</u>	<u>4,101,033,231</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
23 PURCHASE OF STOCK IN TRADE			
a) Purchase of Traded Goods		45,459,417	60,270,714
b) Purchase of Traded Moulds, Dies and Tools		193,205,938	166,499,126
TOTAL		238,665,355	226,769,840
<u>Detail of Purchase of Traded Goods</u>			
Bulb		13,473,589	14,484,363
Mould Dies and Tools		193,205,938	166,499,126
Others		31,985,828	45,786,351
		238,665,355	226,769,840
24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE			
Inventories at the end 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
Inventories at the beginning of the year			
a) Finished Goods	109,163,122	100,115,584	
b) Work –in– Progress	50,481,837	120,201,379	
c) Traded Goods – (Mould, Tools and Dies)	2,349,065	796,694	
d) Traded Goods – (Others)	7,186,628	11,429,122	
		169,180,651	232,542,779
		(32,565,930)	63,362,128
<u>Finished Goods</u>			
Automotive Lights, signaling equipment and parts		66,541,388	83,577,826
Rear View Mirror and Parts		18,407,709	15,209,109
Plastic Moulded Parts		11,281,356	9,440,678
Others		2,324,489	935,509
		98,554,941	109,163,122
<u>Work in Progress</u>			
Automotive Lights, signaling equipment and parts		61,906,453	34,987,559
Rear View Mirror and Parts		16,911,183	9,278,491
Plastic Moulded Parts		1,926,994	1,051,380
Others		8,932,499	5,164,407
		89,677,129	50,481,837
25 EMPLOYEES BENEFITS EXPENSES			
Salaries, wages and bonus to employees		897,499,137	773,866,906
Contribution to Provident and other Funds		18,207,501	14,051,754
Staff Welfare Expenses		51,298,313	44,243,829
Gratuity Expenses		10,697,637	6,286,110
Earned Leave to staff		10,855,471	4,922,092
TOTAL		988,558,060	843,370,691

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

		Current Year 2014-15	Previous Year 2013-14
26	FINANCE COSTS		
	Interest Expenses	116,493,340	140,555,243
	Other Borrowing Costs	3,993,307	3,971,317
	TOTAL	120,486,647	144,526,560
27	OTHER EXPENSES		
	<u>Manufacturing Expenses</u>		
1)	Job Charges	4,878,271	4,208,381
2)	Machinery running and Maintenance		
a)	Machinery Repair and service charges	6,142,430	4,808,568
b)	Machinery Spares	60,904,306	53,922,477
3)	Consumption of Stores and Spare parts	113,452,383	102,016,528
4)	Packing Expenses	199,910,465	169,247,809
5)	Power & Fuel	333,307,291	316,052,044
6)	Variation in Excise duty of FG	2,360,949	917,919
7)	Repair – Dies	14,704,681	12,578,615
8)	Factory / Godown Rent	5,208,522	4,988,739
9)	Freight, Cartage & Octroi	65,315,293	58,218,346
10)	Testing Fees	11,245,968	5,502,813
11)	Segregation Charges Paid	1,730,555	703,203
		819,161,114	733,165,442
	<u>Administrative and Selling Expenses</u>		
1)	Advertisement, Sub & Membership Exp.	15,185,896	8,112,371
2)	Payment to Auditors	5,084,600	4,553,602
3)	Donation	1,462,197	1,764,053
4)	Rates and taxes	8,590,423	5,617,149
5)	Insurance	3,721,876	4,152,213
6)	Bad debt written off	1,650,374	1,257,713
7)	Provision for Bad and Doubtful Debt	355,235	894,602
8)	Rent	11,715,339	4,268,886
9)	Repair & Maintenance– Building	3,776,442	3,024,094
10)	Repair & Maintenance– Other	16,326,581	11,867,124
11)	Royalty	5,049,026	5,066,528
12)	Loss on sale of Fixed Assets	1,238,945	–
13)	Selling & Distribution Expenses	150,326,613	132,973,128
14)	Cash Discount on sales	14,709,638	14,781,774
15)	Travelling and Conveyance Expenses	42,129,206	23,944,433
16)	Contribution toward CSR (Note–45)	8,133,000	–
17)	Prior Period Expenses	716,004	693,461
18)	Other Office Expenses	152,948,608	130,095,509
		443,120,002	353,066,641
	TOTAL	1,262,281,116	1,086,232,083

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

Particulars	31.03.2015	31.03.2014
28 Contingent Liabilities		
(A) Claims against the Company/disputed liabilities not acknowledged as debts (Note:-1)		
(i) Income Tax		
(a) Case decided in the Company's favour by CIT (Appeal) in respect of A.Y. 2011-12 for which the department has filed further appeal (See note-2)	61,745,248	62,866,893
(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	644,567
(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	—
(iv) Sales Tax		
(a) Entry Tax for certain inter-state purchase in Rajasthan for which matter is sub-judice in superior Courts.	797,786	689,236
(b) Sales Tax Demand for A.Y. 2010-11 for which company has filed appeal with First Appellate Authority (net of deposit)	2,000,000	—
(B) Other Money for which the Company is contingently liable		
(a) Liability in respect of bill of exchange discounted from bank	275,863,699	218,798,894

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.

Note:-2 The appeal has been preferred by the department against the order of the CIT (Appeal) in relation to disallowances of loss on account of foreign exchange derivative contracts entered for hedging of underlying exports.

Particulars	31.03.2015	31.03.2014
29 Capital & Other Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided, (net of advances)	189,484,358	62,327,836
(ii) Estimated amount of contracts remaining to be executed on traded moulds & others not provided, (net of advances)	63,284,955	76,563,356
(iii) Lease Commitments (non-cancellable in nature) (See Note-32)	19,562,400	3,680,000

Particulars	2014-15	2013-14
30 (a) Auditor's Remuneration		
For Statutory Audit	3,200,000	3,000,000
For Tax Audit	300,000	300,000
For Limited Review	700,000	700,000
For Other Services	700,000	400,000
Total (a)	4,900,000	4,400,000
(b) Cost Auditor's Remuneration		
For Cost Audit Fees	180,000	150,000
For Reimbursement of Travelling and Out-of-Pocket Expenses	4,600	3,602
Total (b)	184,600	153,602
Total (a+b)	5,084,600	4,553,602

31 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-

	31.03.2015	Addition/(Deduction) during the year	31.03.2014
Deferred Tax Liability			
Depreciation & Amortization and other timing differences in block of assets	300,315,754	16,097,567	284,218,187
Less:-Tax Effect of carrying value adjusted against the Retained Earning	9,967,519	—	—
Total (A)	290,348,235	16,097,567	284,218,187
Deferred Tax Assets			
Provision for Bad & Doubtful	747,072	134,084	612,988
Provision for Leave Encashment	8,141,979	3,415,900	4,726,079
Provision for Gratuity	859,768	863,604	(3,836)
Provision for Bonus	2,755,757	221,630	2,534,127
Provision for Warranty	1,704,641	491,018	1,213,623
Welfare Fund	26,565	3,668	22,897
Total (B)	14,235,782	5,129,904	9,105,877
Net Deferred Tax Liability (A-B)	276,112,452	10,967,660	275,112,310
Previous Year	275,112,310	32,973,960	242,138,350

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

32 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 Rs)	
Particulars	2014-15	2013-14
Total of future minimum lease payments under non-cancellable operating lease for following periods:		
Not later than one year	8,909,600	2,760,000
Later than one year and not later than five years	10,652,800	920,000
Total	19,562,400	3,680,000
Lease Rental recognized in Statement of Profit & Loss in respect of cancellable and non-cancellable leases	16,923,862	9,554,935
Lease Rental recognized in Pre-operative Expenditure respect of a lease	50,000	—
Total	16,973,862	9,554,935
33 Borrowing Cost Capitalized		
Borrowing Cost Capitalized to Qualifying Assets	5,610,364	—
34 Exchange Differences on account of Fluctuation in Foreign Currency Rates		
<u>Exchange Differences recognized in the Statement of Profit & Loss</u>		
I. Exchange Gain/(Loss) Relating to Export during the year as a part of "Sales"	1,013,854	2,716,623
II. Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase"	1,164,336	245,806
III. Exchange Gain/(Loss) Relating to Import during the year as a part of "Purchase of Stock-in-Trade"	3,369,741	6,798,549
IV. Exchange Gain/(Loss) on Settlement and Revaluation of other transactions as a part of "Other Operating income"	1,288,699	(917,598)
<u>Exchange Differences recognized in the Fixed Assets</u>		
I. Exchange Gain/(Loss) Gain Relating to Liabilities against Capital Assets settled during the year	707,885	807,302
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 Accounting Standard AS-11)	11,867,484	(6,084,411)
35 Earning Per Share		
Profit available for equity shareholders	424,750,781	372,751,852
Weighted average number of shares	11,962,226	11,962,226
Earning Per share basic and diluted (In Rs.)	35.51	31.16
Face value per equity share (In Rs.)	10	10
36 Government Grant		
Duty Drawback on Export	3,027,103	2,454,527
Investment Subsidy Under Investment Promotion Scheme	5,369,696	6,160,988
37 Segment Reporting		
<u>Business Segments:-</u>		
The Company is primarily engaged in the business of manufacture of various type of auto components and LED luminaries. The segment of the LED luminaries is not reportable segment as it does not exceeds the quantitative thresholds as laid down in AS-17 "Segment reporting". Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting'.		
<u>Geographical Segments:-</u>		
The geographical segment comprises of domestic and overseas market. The following tables shows the distribution of the Company's Consolidated sales by geographical market, regardless of where the goods were produced.		

(Amount in Rs.)

	Sales Revenue by Geographical Market	
	2014-15	2013-14
India	7,863,617,946	6,790,037,158
Outside India	337,600,926	371,564,122
Total	8,201,218,872	7,161,601,280

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

		Trade Receivables by Geographical Market	
		31.03.2015	31.03.2014
India		852,636,833	750,569,652
Outside India		14,916,938	16,984,341
Total		867,553,771	767,553,993

Note:-1. The Company has common assets for producing goods for Domestic market and overseas market. Hence, separate figures for fixed assets can not be furnished.

Note:-2. Sales Revenue by geographical market Outside India includes indirect export.

- 38** Pursuant to the Companies Act 2013 ("The Act"), the Company has revised depreciation rates on certain fixed assets as per the revised useful life specified in Schedule II of the Act. Due to this based on transitional provision as per note 7(b) of the Schedule II, an amount of Rs. 1,93,57,338 (net of deferred tax of Rs. 99,67,518) have been adjusted with the retained earnings. Further, depreciation charge for the year ended 31st March, 2015 is higher by Rs. 7,85,97,492.

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
OP Gupta	Chief Financial Officer
Arvind Kumar Chauhan	Company Secretary
(ii) Relative of Key Management Personnel	
M. Kamoshita	Wife of Key Management Personnel
(iii) Related Parties Controlled by Key Management personnel	
Fiem Auto Private Limited	Entity Controlled by Key Management Personnel
Jagjeevan Kumar Jain (HUF)	Entity Controlled by Key Management Personnel
Fiem Auto & Electrical Industries	Entity Controlled by Key Management Personnel
Fiem Foundation	Entity Controlled by Key Management Personnel

(Amount In Rs.)

Particulars	Transaction Value		Outstanding Amount	
	2014-15	2013-14	31.03.2015	31.03.2014
(i) Key Management Personnel				
Remuneration				
Jagjeevan Kumar Jain	12,480,000	12,480,000	904,417	362,827
Seema Jain	3,600,000	2,400,000	541,807	163,914
Rahul Jain	3,600,000	3,600,000	383,248	218,458
Aanchal Jain	3,000,000	1,200,000	435,488	85,000
JSS Rao	7,200,000	6,600,000	-	397,894
Kashi Ram Yadav	7,344,864	6,744,864	442,330	419,680
Takanabu Kamoshita	2,662,560	2,798,160	201,525	-
OP Gupta	3,960,000	N.A	272,310	N.A
Arvind Kumar Chauhan	3,690,000	N.A	245,250	N.A
Dividend				
Jagjeevan Kumar Jain	17,760,000	11,840,000	-	-
Seema Jain	17,760,000	11,840,000	-	-
Aanchal Jain	4,800,000	3,200,000	-	-
Rahul Jain	9,314,040	6,209,360	-	-
JSS Rao	72	48	-	-
Kashi Ram Yadav	2,028	1,352	-	-
Rent Paid				
Aanchal Jain	5,326,400	-	-	-
Security Deposit Receivables Agst Rent				
Aanchal Jain	3,994,800	-	3,994,800	-
Loan Received				
Jagjeevan Kumar Jain	-	1,250,000	-	-
Sale of Property				
Rahul Jain	-	50,000,000	-	-
(ii) Relative of Key Management Personnel				
Remuneration				
M. Kamoshita	887,520	-	-	-
(iii) Related Parties Controlled by Key Management personnel				
Corporate Social Responsibility Activities				
Contribution to Fiem Foundation	7,533,000	-	-	-
Brand Royalty				
Fiem Auto & Electrical Industries	5,000,000	5,000,000	1,279,500	625,000
Dividend				
Jagjeevan Kumar Jain (HUF)	69,228	46,152	-	-
Fiem Auto Private Limited	506,400	337,600	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs)

40 Post Employment Benefits Plan

Defined Contribution Plans

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

	2014-15	2013-14
Employer's Contribution to Provident Fund	14,202,085	10,509,311
Employer's Contribution to ESI Fund	3,814,236	3,358,447
Employer's Contribution to Wages Welfare Fund	191,180	183,996
Total	18,207,501	14,051,754

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 Rs. 10,00,000/- . Gratuity is payable in accordance with payment of Gratuity Act, 1972. The scheme is funded with Exide Life Insurance Company Limited (earlier was ING Vysya Life Insurance Company Ltd) 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 31.03.15 are as follows:

Particulars	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Net Employees Benefits Expenses Recognized in the Employee Cost				
1. Current Service Cost	13,046,725	6,530,487	8,970,543	4,026,135
2. Interest cost on benefit obligation	2,344,075	2,092,082	1,072,470	850,194
3. Expected return on plan assets	(2,756,593)	(2,097,308)	—	—
4. Actuarial gain/(loss)	(1,936,571)	(239,149)	575,851	(49,076)
5. Net Benefit Expenses	10,697,637	6,286,110	10,618,864	4,827,253
Add: Share of Joint Venture	—	—	236,608	94,839
6. Net Benefit Expenses	10,697,637	6,286,110	10,855,471	4,922,092
Net Liability/(Assets) As Shown in Balance Sheet Date Under "Short Term/Long Term Provisions/Other Advance Recoverable"	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Present value of Defined benefit obligation	44,402,145	30,467,238	23,526,289	13,904,321
2. Fair value of plan assets	41,917,842	30,478,523	—	—
3. Net Liability/(Assets) recognized in the Balance Sheet	2,484,303	(11,286)	23,526,289	13,904,321
Share of Joint Venture	—	—	48,439	332,040
Change in Present Value of the Defined Benefits Obligation	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Opening present value of defined benefit plan				
Current	2,781,203	2,107,534	2,539,279	1,629,628
Non-Current	27,686,035	21,802,097	11,365,042	7,937,907
2. Interest cost	2,344,075	2,092,082	1,072,470	850,194
3. Current service cost	13,046,725	6,530,487	8,970,543	4,026,135
4. Actuarial (gains)/losses on obligation	876,704	(124,682)	575,851	(49,076)
5. Benefits Paid	(2,332,597)	(1,940,280)	(996,896)	(490,467)
6. Closing defined benefit plan	44,402,145	30,467,238	23,526,289	13,904,321
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
Change in Fair value of Plan Assets	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1. Opening fair value of plan assets	30,478,523	22,577,087	—	—
2. Expected return	2,756,593	2,097,308	—	—
3. Contribution made by employer	8,202,048	7,629,941	—	—
4. Actuarial gains/(losses) on obligation	2,813,275	114,467	—	—
5. Benefits Paid	(2,332,597)	(1,940,280)	—	—
6. Closing fair value of plan assets	41,917,842	30,478,523	—	—

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount In Rs.)

Particulars	Gratuity		Leave Encashment	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Actuarial Assumptions				
1. Interest & Discount Rate	8.00%	9.12%	8.00%	9.12%
2. Estimated Rate of Return on Plan Assets	8.25%	8.25%	0.00%	0.00%
3. Attrition Rate	2.00%	1.00%	2.00%	1.00%
4. Retirement Age	58	58	58	58
5. Salary cost increase rate	8.00%	6.00%	8.00%	6.00%

Categories of Plan Assets		Gratuity	
		2014-15	2013-14
Investment with insurer		100%	100%

Experience Adjustment (Gratuity) (Amount In Rs.)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Defined Benefit Obligation	44,402,145	30,467,238	23,909,631	20,886,952	18,482,904
Plan Assets	41,917,842	30,478,523	22,577,087	20,036,442	17,894,857
Surplus/(deficit)	(2,484,303)	11,286	(1,332,545)	(850,509)	(588,047)
Exp. Adj. On Plan Liabilities	876,704	(124,682)	(76,162)	(1,265,459)	—
Exp. Adj. On Plan Assets	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 Foreign Exchange Currency Exposure Outstanding as aon Reporting Date (Fully Hedged)

Particulars	31.03.2015		31.03.2014	
	USD Equivalent	INR Equivalent	USD Equivalent	INR Equivalent
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)	1,409,774	75,000,000	1,879,699	100,000,000
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)	3,236,246	200,000,000	—	—
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)	1,312,500	64,443,750	2,062,500	101,268,750

42 Foreign Exchange Currency Exposure Outstanding as aon Reporting Date (Not Hedged)

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

Foreign Currency	31.03.2015		31.03.2014	
	INR	FC	INR	FC
For Import of Raw Materials, Services & Capital Goods				
USD	11,314,775	180,695	2,538,120	40,927
JPY	334,010	635,000	1,069,500	1,725,000
For Foreign Currency Loan Taken	62,723,979	114,450,338	136,809,003	249,775,679
For Export of Goods & Services				
GBP	1,701,390	18,370	—	—
USD	11,528,701	186,195	13,281,805	216,951
EURO	45,150	600	—	—
Bank Balance				
USD	—	—	4,610,166	73,535
JPY	12,300	21,294	2,593,185	4,350,598

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

43 Details of Research and Development Expenses

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

	(Amount In Rs.)	
	2014-15	2013-14
Capital Expenditure		
Capital Expenditure	3,202,065	1,934,307
Total (A)	3,202,065	1,934,307
Revenue Expenditure		
Raw Material Consumed	63,396	483,745
Employee Benefits	46,925,397	38,649,111
Other Expenses	5,164,510	3,817,180
Finance Cost	167,618	989,766
Depreciation & Amortization	8,465,304	2,459,400
Total (B)	60,786,225	46,399,202
Grand Total (A+B)	63,988,290	48,333,509

44 Expenditure During Construction Period

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

	(Amount In Rs.)	
	2014-15	2013-14
Opening Balance As on 01.04.2014	—	—
Pre-operative Expenses		
Employee Benefits	2,828,759	—
Other Expenses	1,305,429	—
Finance Cost	3,718,648	—
Total	7,852,836	—
Less:- Transferred to Fixed Assets Account	—	—
Closing Balance As on 31.03.2015	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, 2015 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

	(Amount In Rs.)
Particulars	2014-15
Gross amount required to be spent during the year	8,126,913
Amount spent during the year :-	
Contribution to the Fiem Foundation	7,533,000
Amount spent by the company	600,000
	8,133,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

46 Joint Venture Company

The Company has a 50:50 joint venture in Italy with 'Horustech Lighting SRL Italy' namely 'Centro Ricerche Fiem Horustech SRL.' as a design centre. The company has invested a sum of Rs. 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, 2015	50%

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

(Amount In Rs.)		
Particulars	31.03.2015	31.03.2014
Non Current Assets	2,877,928	460,943
Current Assets	1,960,232	3,610,203
Non Current Liabilities	(3,781)	49,917
Current Liabilities	2,160,400	3,751,038
Revenue	7,918,803	1,294,387
Expenses	5,331,630	3,914,374
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.

(Amount In Rs.)				
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit & Loss	
	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 Consolidation 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 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 : 29/05/15



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Twenty Sixth Annual General Meeting of the Members of Fiem Industries Limited will be held on Friday, September 25th, 2015 at 10.00 a.m. at Mithas Motel & Resorts, 92/16, G.T. Karnal Road, Alipur, New Delhi - 110036, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt:
 - (a) The audited financial statements of the Company for the financial year ended March 31st, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) The audited consolidated financial statements of the Company for the financial year ended March 31st, 2015.
2. To declare dividend on Equity Shares of the Company for the financial year 2014-15.
3. To appoint a Director in place of Mrs. Seema Jain (DIN: 00013523), who retires by rotation at this Annual General Meeting and being eligible, has offered herself for re-appointment.
4. To appoint a Director in place of Ms. Aanchal Jain (DIN: 00013350), who retires by rotation at this Annual General Meeting and being eligible, has offered herself for re-appointment.
5. To ratify the continuation of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof), the appointment of M/s Anil S. Gupta & Associates, Chartered Accountants (ICAI Firm Registration No. 004061N), as Statutory Auditors of the Company which has been approved by the members at the 25th Annual General Meeting held on September 29, 2014 for a term of 3 (three) years i.e. from the conclusion of 25th Annual General Meeting until the conclusion of 28th Annual General Meeting, be and is hereby ratified at such remuneration, out-of-pocket and travelling expenses etc. as may be decided by the Board of Directors of the Company,"

SPECIAL BUSINESS

6. To approve the remuneration of the Cost Auditors for the Financial Year 2015-16 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 ("Act") and Rule 14(a)(ii) and other applicable rules of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 2.50 lac plus out of pocket expenses as recommended by Audit & Risk Management Committee and proposed by the Board of Directors while appointing Mr. Krishan Singh Berk, Cost Accountant (Firm Registration No. 102044), to conduct the Cost Audit of the cost records maintained by the Company for the Financial Year 2015-16, be and is hereby approved."

RESOLVED FURTHER THAT Managing Director, Chief Financial Officer and Company Secretary of the Company be and are hereby individually authorized to do all acts, things and deeds and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. To adopt new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5 and 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the draft new set of Articles of Association, prepared in line with Companies Act, 2013 and Rules made thereunder, be and is hereby approved and adopted as the Articles of Association of the Company in substitution and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Managing Director, Chief Financial Officer and Company Secretary of the Company be and are hereby individually authorized on behalf of the Company to do all such acts, deeds, matters and things as may be necessary and expedient for the purpose of giving full effect to this resolution."
8. To approve the re-appointment of Mr. J. K. Jain (DIN: 00013356) as Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable provisions of the Act and in terms of Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. J.K. Jain (DIN 00013356), as Managing Director, with effect from August 7, 2015 for a period of five years, on the following terms and conditions:-

- (a) **Salary:** Rs.10,25,000/- (Rupees Ten Lac Twenty Five thousand) per month.
- (b) **Other Benefits, Perquisites & Allowances-**

In addition to the Salary, he will be entitled to:

 - (i) Leave Travel Assistance, medical facility/ reimbursement, medical insurance, club fees, house servants and other perquisites/ allowances not exceeding Rs. 15,000/- (Rupees Fifteen Thousand) per month in aggregate;
 - (ii) Company provided car with driver facility;
 - (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
 - (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT Mr. J.K. Jain shall not be liable to retire by rotation within the meaning of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the designation of Mr. J.K. Jain shall be 'Chairman & Managing Director' w.e.f. the date when new set of Articles of Association become effective.

RESOLVED FURTHER THAT the above-mentioned remuneration shall be paid as minimum remuneration to Mr. J.K. Jain, notwithstanding that in any financial year during the currency of his tenure, the Company has made no profits or profits are inadequate within the meaning of Schedule V and other applicable provisions of the Companies Act, 2013, and as and when required, the Board of Directors of the Company be and are hereby authorised to take requisite approval from Central Government or other concerned authorities under the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT as and when required, Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorized to file such requisite application, representation, e-forms and documents for any requisite approval of Central Government or such other concerned authorities for seeking their approval and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

9. To approve the re-appointment of Mr. Rahul Jain (DIN: 00013566) as Whole-time Director of the Company and revise his remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable provisions of the Act and in terms of Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to re-appointment of Mr. Rahul Jain (DIN: 00013566) as Whole-time Director of the Company for a period of 5 (five) years with effect from October 1, 2015 on the revised remuneration and terms and conditions as mentioned hereunder:

- (a) **Revised Salary (w.e.f. October 1st, 2015)**

Rs.3,50,000/- (Rupees Three Lac and Fifty Thousand) per month;
- (b) **Other Benefits, Perquisites & Allowance -**

In addition of the salary, he will be entitled to:

 - (i) Health Insurance, Personal Accident Insurance and such other perquisites/ allowances in accordance with the rules of the Company or as decided by the Nomination & Remuneration Committee of the Company;
 - (ii) Company provided car with driver facility;

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- (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
- (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT the revised salary of Rs. 3,50,000/- per month will be effective from October 1st, 2015 and the Board of Directors of the Company be and are hereby authorised to revise the remuneration as they may deem fit and proper, so that remuneration payable shall not exceed the permissible limits specified under Section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Rahul Jain (DIN: 00013566) as Whole-time Director shall be governed by Schedule V read with other applicable provisions of the Companies Act, 2013 or any modification(s) thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rahul Jain (DIN: 00013566) shall be liable to retire by rotation.

RESOLVED FURTHER THAT Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorised to file such requisite application, representation, documents, e-forms as may be required and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

10. To revise the remuneration of Mrs. Seema Jain (DIN: 00013523), Whole-time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provisions of the Act, if any, and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the increase in remuneration of Mrs. Seema Jain (DIN: 00013523), Whole-time Director of the Company w.e.f. April 1st, 2015 as mentioned hereunder:

- (a) **Revised Salary (w.e.f. April 1st, 2015) -**
Rs. 3,50,000/- (Rupees Three Lac and Fifty Thousand) per month.
- (b) **Other Benefits, Perquisites & Allowances-**
In addition to the Salary, she will be entitled to:
 - (i) Health Insurance, Personal Accident Insurance and such other perquisites/ allowances in accordance with the rules of the Company or as decided by the Nomination & Remuneration Committee of the Company;
 - (ii) Company provided car with driver facility;
 - (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
 - (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT the revised salary of Rs. 3,50,000/- per month will be effective from April 1st, 2015 and the Board of Directors of the Company be and are hereby authorised to revise the remuneration as they may deem fit and proper, so that remuneration payable shall not exceed the permissible limits specified under Section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mrs. Seema Jain (DIN: 00013523) as Whole-time Director shall be governed by Schedule V read with other applicable provisions of the Companies Act, 2013 or any modification(s) thereof.

RESOLVED FURTHER THAT Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorised to file such requisite application, representation, documents, e-forms as may be required and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

11. To revise the remuneration of Ms. Aanchal Jain (DIN: 00013350), Whole-time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other

applicable provisions of the Act, if any, and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the increase in remuneration of Ms. Aanchal Jain (DIN: 00013350), Whole-time Director of the Company w.e.f. April 1st, 2015 as mentioned hereunder:

- (a) **Revised Salary (w.e.f. April 1st, 2015) -**
Rs. 3,00,000/- (Rupees Three Lac) per month.
- (b) **Other Benefits, Perquisites & Allowances-**
In addition to the Salary, she will be entitled to:
 - (i) Health Insurance, Personal Accident Insurance and such other perquisites/ allowances in accordance with the rules of the Company or as decided by the Nomination & Remuneration Committee of the Company;
 - (ii) Company provided car with driver facility;
 - (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
 - (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT the revised salary of Rs. 3,00,000/- per month will be effective from April 1, 2015 and the Board of Directors of the Company be and are hereby authorised to revise the remuneration as they may deem fit and proper, so that remuneration payable shall not exceed the permissible limits specified under Section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Ms. Aanchal Jain (DIN: 00013350) as Whole-time Director shall be governed by Schedule V read with other applicable provisions of the Companies Act, 2013 or any modification(s) thereof.

RESOLVED FURTHER THAT Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorised to file such requisite application, representation, documents, e-forms as may be required and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

12. To revise the remuneration of Mr. J.S.S. Rao (DIN: 00014320), Whole-time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provisions of the Act, if any, and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the increase in remuneration of Mr. J.S.S. Rao (DIN: 00014320), Whole-time Director of the Company w.e.f. April 1st, 2015 as mentioned hereunder:

- (a) **Revised Salary (w.e.f. April 1st, 2015) -**
Rs. 7,00,000/- (Rupees Seven Lac) per month.
- (b) **Other Benefits, Perquisites & Allowances-**
In addition to the Salary, he will be entitled to:
 - (i) Health Insurance, Personal Accident Insurance and such other perquisites/ allowances in accordance with the rules of the Company or as decided by the Nomination & Remuneration Committee of the Company;
 - (ii) Company provided car with driver facility;
 - (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
 - (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT the revised salary of Rs. 7,00,000/- per month will be effective from April 1st, 2015 and the Board of Directors of the Company be and are hereby authorised to revise the remuneration as they may deem fit and proper, so that remuneration payable shall not exceed the permissible limits specified under Section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. J.S.S. Rao (DIN: 00014320) as Whole-time Director shall be governed by Schedule V read with other applicable provisions of the Companies Act, 2013 or any modification(s) thereof.



RESOLVED FURTHER THAT Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorised to file such requisite application, representation, documents, e-forms as may be required and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

13. To revise the remuneration of Mr. Kashi Ram Yadav (DIN: 02379958), Whole-time Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and Schedule V of the Companies Act, 2013 ('Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable provisions of the Act, if any, and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the increase in remuneration of Mr. Kashi Ram Yadav (DIN: 02379958), Whole-time Director of the Company w.e.f. April 1st, 2015 as mentioned hereunder:

(a) Revised Salary (w.e.f. April 1st, 2015) -

Rs. 7,00,000/- (Rupees Seven lac) per month.

(b) Other Benefits, Perquisites & Allowances-

In addition to the Salary, he will be entitled to:

- (i) Contribution to Provident Fund, Bonus, Health Insurance, Personal Accident Insurance and such other perquisites/ allowances in accordance with the rules of the Company or as decided by the Nomination & Remuneration Committee of the Company;
- (ii) Company provided car with driver facility;
- (iii) Leave Encashment and Gratuity in accordance with the rules of the Company and as per Payment of Gratuity Act;
- (iv) Telephone / Mobile phone facility;

RESOLVED FURTHER THAT the revised salary of Rs. 7,00,000/- per month will be effective from April 1st, 2015 and the Board of Directors of the Company be and are hereby authorised to revise the remuneration as they may deem fit and proper, so that remuneration payable shall not exceed the permissible limits specified under Section 197 read with Schedule V and any other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Kashi Ram Yadav (DIN: 02379958) as Whole-time Director shall be governed by Schedule V read with other applicable provisions of the Companies Act, 2013 or any modification(s) thereof.

RESOLVED FURTHER THAT Company Secretary and Chief Financial Officer of the Company be and are hereby individually authorised to file such requisite application, representation, documents, e-forms as may be required and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

**By Order of the Board
For Fiem Industries Limited**

-Sd-

**Arvind K. Chauhan
Company Secretary**

Place : Rai, Sonapat (HR.)

Date : 01.08.2015

Registered Office:

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

NOTES:

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of himself/ herself and the proxy need not be a member of the Company. The Instrument appointing proxy must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time of commencement of the Meeting.**

A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. **The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information related to e-voting are given in this Notice. The Company shall also send communication relating to remote e-voting which *inter alia* would contain details about User ID and Password along with the copy of this Notice to the Members, separately.
4. **A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting forms part of this Notice.**
5. Brief details of the Directors, who are seeking appointment/ re-appointment, are annexed hereto as per requirements of Clause 49 of the Listing Agreement.
6. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and in terms of the approval given by the members at the Annual General Meeting of the Company held on 29th September 2014, the current auditors of the Company, M/s Anil S. Gupta & Associates, Chartered Accountants (ICAI Firm Registration No. 004061N) are eligible to hold the office for a period of three years i.e. upto conclusion of 28th Annual General Meeting to be held in 2017, subject to ratification by members at every subsequent Annual General Meeting. The ratification of continuation of M/s Anil S. Gupta & Associates, Chartered Accountants as auditors of the Company along with their remuneration has been put up for the approval of members.
7. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from 19th September, 2015 to 25th September, 2015 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if declared at the Meeting.
8. Subject to the provisions of Section 126 of the Companies Act, 2013 dividend on equity shares, if declared at the Annual General Meeting, will be credited/ dispatched to the shareholders as under:
 - a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as of the end of the day on 18th September 2015; and
 - b) To all those members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company/ Share Transfer Agent (i.e. Link Intime India Pvt Ltd.) on or before the closing hours on 18th September 2015.
9. Dividend will be preferably paid through National Electronic Clearing Services (NECS) wherever the facility is available. Where dividend payments are made through NECS, intimations regarding such remittances would be sent separately to the members. In cases, where the dividend cannot be paid through NECS, the same will be paid by account payee/ not negotiable instruments.
10. To ensure timely delivery of shareholders' communications and also credit of dividend through NECS or dividend warrants/ payment instruments, members are requested to notify change of address, or particulars of their bank account, if changed, along with the 9 digit MICR/ NECS details, to the respective depository participant in case of shares held in demat mode/ share transfer agent of the Company in case of shares held in physical mode.
11. To avoid fraudulent transactions, the identity/ signature of the Members holding shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/ CDSL and that of Members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Link Intime India Pvt Ltd.). Members are requested to keep the same updated.
12. The Company has transferred the unpaid or unclaimed dividends declared for the financial years 2006-07, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2014 (date of last Annual General Meeting) on the website of the Company (www.fiemindustries.com), as also on the website of the Ministry of Corporate Affairs.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA.

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14. In terms of Section 101 and 136 of the Companies Act, 2013 read with the Rules made thereunder, the Listed Companies may send the Notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their Email IDs with their respective depository participants or with the share transfer agent of the Company.
15. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, shares are held in physical form, members are advised to register their e-mail address with Link Intime India Pvt Ltd.
16. **Relevant documents referred to in the accompanying Notice and the Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 5.00 p.m. except holidays, upto the date of the Meeting.**
17. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the Members may please contact their respective depository participant.
18. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
19. Members/ Proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
20. In case of Joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
21. Please note that for security reasons, no article/ baggage will be allowed at the venue of the Meeting.

Voting through electronic means

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this Section of the Notice) and clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 18th September 2015 (End of Day) being the Cut-off date for the purpose of Rule 20(4) (vii) of the Rules fixed for determining voting rights of members, entitled to participate in the remote e-voting process (votes cast by members using an electronic voting system from a place other than the venue of the Meeting), through the e-voting platform provided by NSDL or to vote at the Annual General Meeting by way of Ballot Paper.

The information and other instructions for evoting are as follows:

1. The facility for voting through Ballot Paper shall be available at the Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the Venue of meeting.
2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast vote again.
3. The Company has engaged the service of National Securities Depository Ltd. (NSDL) as the Agency to provide e-voting facility.
4. The Board of Directors of the Company has appointed Ms. Ranjana Gupta, a Practicing Company Secretary, Proprietor, M/s Ranjana Gupta & Associates, New Delhi as Scrutinizer to scrutinise the Voting at the Meeting and remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
5. **Voting rights shall be reckoned on the paid-up value of shares registered in the name of Member / Beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 18th September 2015.**
6. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 18th September, 2015 only shall be entitled to avail the facility of remote e-voting / Voting at the Meeting.**
7. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 18th September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@fiemindustries.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.
8. In case of any queries, you may refer the Frequently Asked Questions (FAQs)

for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990.

9. **The remote e-voting facility will be available during the following period:**
Commencement of remote e-voting: From 10.00 a.m. (IST) on 21st September, 2015
End of remote e-voting: Up to 5.00 p.m. (IST) on 24th September, 2015
The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled by NSDL upon expiry of aforesaid period.
10. The Scrutinizer, after scrutinizing the votes cast at the Meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.fiemindustries.com and on the website of NSDL. The results shall simultaneously be communicated to the Stock Exchanges.
11. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 25th September, 2015.
12. This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.
13. **Instructions and other information relating to remote e-voting:**
- 13.1 Members whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing them of their UserID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the evoting process :
 - a. Open email and open the PDF file titled 'Fiem Industries evoting.pdf', using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that this password is an initial password.
 - b. Launch internet browser and type out the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder – Login.
 - d. Enter the user ID and password (the initial password noted in step (a) above). Click on Login.
 - e. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 digits / characters or combination thereof. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - f. The homepage of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.
 - g. Select 'EVEN' (E-Voting Event Number) of Fiem Industries Limited.
 - h. Now you are ready for remote e-voting as the Cast Vote page opens.
 - i. Cast your vote by selecting the option of your choice and click on 'submit'. Remember to 'Confirm' when prompted.
 - j. On confirmation, the message 'Vote cast successfully' will be displayed.
 - k. Once you have voted on a resolution, you will not be allowed to modify your vote.
 - l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board resolution / authorization letter etc., together with attested specimen signature of the authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer via email, to csranjana@ranjanagupta.in and/ or investor@fiemindustries.com, with a copy marked to evoting@nsdl.co.in.
- 13.2 For Members whose email IDs are not registered with the Company / Depository Participant(s) and who receive the physical Ballot Forms and Notice of AGM, the following instructions may be noted:
 - a. The initial password is provided at the bottom of the Ballot Form.
 - b. Please follow all the steps from (b) to (l) mentioned above, in order to successfully cast your vote.
- 13.3 If you are already registered with NSDL for remote e-voting then you have to use existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot user details/Password' option available on www.evoting.nsdl.com or contact NSDL at Toll Free No.: 1800222990.



- 13.4 Your login ID and password can be used by you exclusively for e-Voting on the resolutions placed by the companies in which you are the shareholder.
- 13.5 You can also update your mobile number and E-mail ID in the user profile details of the folio, which may be used for sending future communication(s).
14. At the AGM, after discussion on the resolutions on which voting is to be held, the Chairman shall allow voting with the assistance of scrutinizer, by use of 'Ballot Paper' for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

ITEM NO. 6

The Board of Directors in their meeting held on 29th May, 2015 on the recommendation of the Audit & Risk Management Committee has approved the appointment and remuneration of Mr. Krishan Singh Berk, Cost Accountant (Member No. 2724 Firm Registration No. 102044), as the Cost Auditor to conduct the audit of the cost accounting records of the Company for the financial year 2015-16, at a remuneration of Rs. 2.50 Lac (Rupees Two lakhs Fifty Thousand) plus out of pocket expenses and taxes. In terms of the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor needs to be ratified by the Members of the Company.

Mr. Berk has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. He is having a vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous year(s) under the provisions of the Companies Act, 1956.

None of the Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board of Directors commends the Resolution set out in item no. 6 of the Notice by way of Ordinary Resolution.

ITEM NO. 7

The existing Articles of Association of the Company are as per Companies Act, 1956. Upon enactment of the Companies Act, 2013, the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act. The Board of Directors at its meeting held on 1st August, 2015 decided to have new Articles of Association as per the Companies Act, 2013. As clause wise change would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in substitution and to the exclusion of the existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for change in the Articles of Association of the Company.

The Members attention is invited to salient provisions in the new draft Articles of Association of the Company viz:

- (a) Existing definitions have been aligned with the Act;
- (b) new provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to Manager and Company Secretary;
- (c) enabling provisions relating to appointment of a single person as Chairperson and Managing Director or Chief Executive Officer;
- (d) existing articles have been streamlined and aligned with the Act;

The new draft Articles of Association is being uploaded on the Company's website for perusal by the Shareholders and will also be available at the Registered Office of the Company. Further, if any member wants a hard copy of the same, he can obtain the same by writing to the Company.

None of the Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board commends the Resolution as set out at **Item No. 7** of the Notice by the approval of shareholders as Special Resolution.

ITEM NO. 8

As the Members are aware, the Company, at its Annual General Meeting held on 29th September 2012, re-appointed Mr. J. K. Jain, as Chairman & Managing Director of the Company for a further period of three years with effect from August 7, 2012 and also approved his remuneration. Subject to the approval of the members, the Board of Directors on the recommendation from Nomination & Remuneration Committee of the Company, in its meeting held on August 1, 2015 have approved the re-appointment of Mr. J. K. Jain as Managing Director of the Company with effect from August 7, 2015, for a further period of five years from the expiry of his current tenure at the same remuneration as he was receiving before re-appointment. This re-appointment was done subject to approval of the Members in general meeting.

Mr. J. K. Jain is the founder promoter of the Company and under his dynamic leadership, the Company has been able to grow exponentially. Today the company has eight state of the art manufacturing facilities spreading in north and south India. Ninth Unit is set up in Ahmedabad, Gujarat for supply of parts to new plant of Honda Motorcycles and

Scooters India (HMSI). Because of his farsighted vision, passion, entrepreneurship and untiring zeal to work, the Company has been able to write the success story during all these years, despite challenging economic environment.

Venturing into LED Luminaire business is brain child of Mr. J. K. Jain. Because of his farsighted vision he saw this next opportunity very early and started working ahead of time to convert this opportunity into next growth driver for the Company. Since inception he has relentlessly provided his guidance and leadership for growth of the Company. He is having more than four decades of experience in manufacturing of automotive lighting and signaling equipments and one of the pioneers in the Industry.

Mr. J. K. Jain had conveyed his willingness to the Nomination & Remuneration Committee to not to revise his remuneration on his re-appointment. Nomination & Remuneration Committee in its meeting held on August 1, 2015 recommended the re-appointment of Mr. J.K. Jain for another period of five (5) years on the same remuneration. Board of Directors in their meeting held on August 1, 2015 re-appointed him for another period of five (5) years on same remuneration, subject to approval of the members of the Company.

In resolution for re-appointment his designation is Managing Director and provision is made for designation of Chairman & Managing Director on approval and adoption of new set of Articles of Association. New set of Articles of Association are having the provisions as required under section 203 of the Companies Act, 2013 for simultaneous appointment of Chairman and Managing Director of same person.

Mr. J.K. Jain, hold 29,60,000 (24.74%) shares in his name. The whole promoter group hold 83,68,278 shares (69.96%) shares in the Company.

Mr. J.K. Jain is husband of Mrs. Seema Jain, Whole-time Director and father of Mr. Rahul Jain, Whole-time Director and Ms. Aanchal Jain, Whole-time Director, hence related to these Directors. Therefore all of them deemed to be concerned or interested in this resolution. For other transaction with the Company please refer the notes to accounts 'Related Party Transaction'.

Except above, none of the other Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board commends the passing of the Ordinary Resolution as set out in the Item no. 8 of the Notice.

ITEM NO. 9

As the Members are aware, the Company at its Annual General Meeting held on 29th September 2012, appointed Mr. Rahul Jain, as Whole-time Director of the Company for a period of three years with effect from October 1, 2012 and also approved his remuneration. Subject to the approval of the members, the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company, in its meeting held on August 1, 2015 has approved the re-appointment and revised remuneration of Mr. Rahul Jain as Whole-time Director of the Company with effect from October 1, 2015, for a further period of five years from the expiry of his current tenure subject to the approval of the Members of the Company.

Mr. Rahul Jain is looking after multifarious activities in the Company spanning over Manufacturing Operations, Business Development, Corporate Planning, Strategic Affairs and Customer interaction. Mr. Rahul Jain is at the Board of the Company for more than 10 years now. He is involved in all functions and operations of the Company. He has extensively travelled abroad and visited the facilities of a number of big Automotive Companies in Foreign Countries to acquire learning from new and latest practices and technology. He is a well-educated and young blood and capable of taking forward the success story of the Company. He has developed himself with extensive working and learning in the Company. He is having the excellent leadership skills and always believes in details. He is having the vision of taking the growth of the Company in next level. In its meeting held on August 1, 2015, Nomination & Remuneration Committee recommended his re-appointment for a period of five (5) years from the expiry of his current tenure. Mr. Rahul Jain as Whole-time Director is designated as Director (Corporate Planning) and Committee revised his remuneration to Rs. 3,50,000/- per month with effect from the date of his re-appointment i.e. 1st October, 2015. On recommendation of Nomination & Remuneration Committee, the Board of Directors re-appointed him for another term of five (5) years at revised remuneration of Rs. 3,50,000/- per month, subject to approval of the members of the Company.

Mr. Rahul Jain, hold 15,52,340 (12.98%) shares in his name. Mr. Rahul Jain is one of the Promoter of the Company. The whole promoter group hold 83,68,278 (69.96%) shares in the Company.

Mr. Rahul Jain, Whole-time Director is son of Mr. J.K. Jain, Chairman & Managing Director and Mrs. Seema Jain, Whole-time Director and brother of Ms. Aanchal Jain, Whole-time Director, hence related to these Directors. Therefore all of them deemed to be concerned or interested in this resolution. For other transaction with the Company, please refer the notes to accounts 'Related Party Transaction'.

Except above, none of the other Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said resolution.

The Board commends the passing of the Ordinary Resolution as set out in the Item no. 9 of the Notice.

ANNUAL REPORT 2014-15

ITEM NO. 10, 11, 12 & 13

The matter of increase in remuneration of all Whole-time Directors and KMPs was considered by the Nomination & Remuneration Committee in its meeting held on 1st August, 2015 as per Remuneration Policy of the Company. The Committee considered that due to increase in the operations of the Company like starting of LED Business, capacity addition at Rai Plant, setting-up of new plant at Ahmedabad etc., the work as well as responsibilities of all Whole-time Directors and KMPs have increased significantly. Committee also considered the fact that because of untiring efforts of the Management, company has been able to grow well ahead of Industry and successfully procuring tender business of LED Luminaries. The Committee also considered other factors like industry practices and policy of company to retain and remunerate the talent pool of the Company keeping in view the growth objectives of the Company. After deliberations, Committee recommended to Board for a suitable increase in the remuneration of the Management as follows: Rs. 1,00,000/- per month in the remuneration of each of Mr. J.S.S. Rao and Mr. Kashi Ram Yadav. Rs. 50,000/- per month in the remuneration of each of Mrs. Seema Jain, Mr. Rahul Jain and Ms. Aanchal Jain. The revised remuneration will be effective from 1st April, 2015, except for Mr. Rahul Jain, for whom the revised remuneration will be effective w.e.f 1st October, 2015 i.e. the date of his re-appointment. Accepting the recommendation of the Nomination & Remuneration Committee, the Board approved the proposed revised remuneration of Whole-time Directors as mentioned above in their meeting held on 1st August, 2015. The approval of Board is subject to approval of the members of the Company. The details of existing remuneration of Directors are given in Corporate Governance Report.

The shareholding of each Whole-time Directors is as under:

Name of Director	Designation	No. of Shares	Percentage
Mr. J.K. Jain	CMD	29,60,000	24.74%
Mrs. Seema Jain	Whole-time Director	29,60,000	24.74%
Mr. Rahul Jain	Whole-time Director	8,00,000	6.69%
Ms. Aanchal Jain	Whole-time Director	15,52,340	12.98%
Mr. J.S.S. Rao	Whole-time Director	338	-
Mr. Kashi Ram Yadav	Whole-time Director	12	-

The above Directors may deem to be interested to the extent of their shareholding benefits. Further, Mr. J.K. Jain, Mrs. Seema Jain, Ms. Aanchal Jain and Mr. Rahul Jain are relatives of each other and all of these are promoters of the Company with 69.96% shareholding. For other transaction with the Company, please refer the notes to accounts 'Related Party Transaction'.

Except above, none of the other Directors and Key Managerial Personnel and their relatives are, in any way, whether financially or otherwise, concerned or interested in the said Resolutions.

The Board commends the passing of the Ordinary Resolutions as set out in the **Item No. 10, 11, 12 and 13** of the Notice.

By Order of the Board
For Fiem Industries Limited

-Sd-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonapat (HR.)

Date : 01.08.2015

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. J. K. Jain	Mrs. Seema Jain	Ms. Aanchal Jain	Mr. Rahul Jain
Category/ Designation	Chairman & Managing Director	Whole-time Director	Whole-time Director	Whole-time Director
Date of Birth	09.05.1952	28.08.1954	01.12.1981	14.11.1986
Date of First Appointment	06.02.1989	06.02.1989	02.12.1999	14.11.2004
Number of Shares held	29,60,000	29,60,000	8,00,000	15,52,340
Expertise in specific functional areas	Entrepreneur with around 40 years' experience in Automotive Lighting Industry.	More than 25 years' experience in Accounts and Finance functions of the Company.	Rich experience of more than 10 years in Human Resources Management and skill development.	Multifarious experience in the Company in Manufacturing Operations, Business Development, Corporate Planning, Strategic Affairs and customer interaction.
Other Directorship(s)	Fiem Auto Private Limited	Fiem Auto Private Limited	NIL	NIL
Committee Positions in other Public Companies	NIL	NIL	NIL	NIL

Inter-se Relationship between Directors as required to be disclosed under Clause 49 of the Listing Agreement:

Mr. J. K. Jain, Chairman & Managing Director, is husband of Mrs. Seema Jain, Whole-time Director and father of Mr. Rahul Jain, Whole-time Director and Ms. Aanchal Jain, Whole-time Director, hence all are related to each other. Further, all of these are promoters of the Company with 69.96 % shareholding.

Except above, none of the Directors are related to any other Director of the Company.

By Order of the Board
For Fiem Industries Limited

-Sd-
Arvind K. Chauhan
Company Secretary

Place : Rai, Sonapat (HR.)

Date : 01.08.2015

FIEM INDUSTRIES LIMITED

(CIN: L36999DL1989PLC034928)

Registered Office: D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi - 110015, India

Email: investor@fiemindustries.com Website: www.fiemindustries.com

Phone: +91-11-25927820, 25927919 Fax: +91-11-25927740



26th Annual General Meeting

ATTENDANCE SLIP

Please fill Attendance Slip and hand it over the registration counter

DP Id* & Client ID/ Folio No.	
No. of Shares held	Name and Address of the Shareholder :

I hereby record my presence at the 26th Annual General Meeting of the Company, held on the **Friday, 25th September, 2015** at **10.00 am** at Mithas Motel & Resorts, 92/16, G.T. Karnal Road, Alipur, New Delhi – 110036

* Applicable for investors holding shares in electronic form.

SIGNATURE OF SHAREHOLDER / PROXY

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

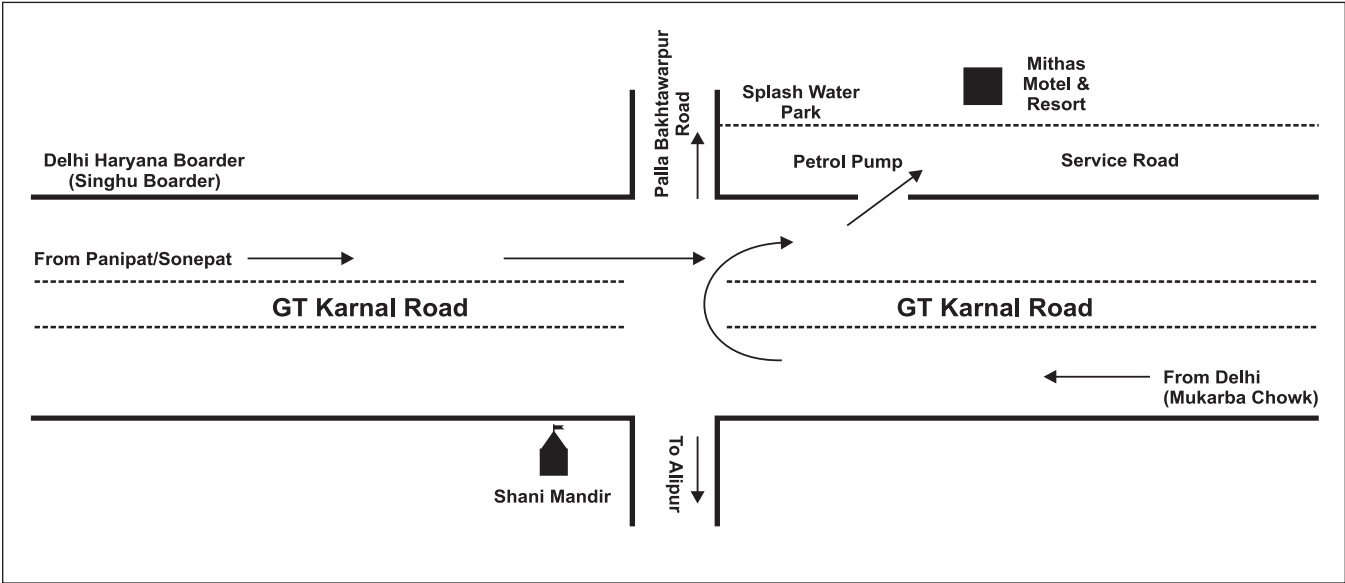
CIN : L36999DL1989PLC034928
Name of the Company : FIEM INDUSTRIES LTD.
Registered Office : D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi - 110015, India
Name of the member(s) : _____
Registered address : _____
E-mail ID : _____
Folio No/ Client ID/ DP ID : _____

I/ We, being the member(s), holding _____ Shares of the above named company, hereby appoint:

1)	Name : _____	Address : _____	
	E-mail : _____	Signature : _____	or failing him
2)	Name : _____	Address : _____	
	E-mail : _____	Signature : _____	or failing him
3)	Name : _____	Address : _____	
	E-mail : _____	Signature : _____	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26th Annual General Meeting of the Company, to be held on the **Friday, 25th September, 2015** at **10.00 am** at Mithas Motel & Resorts, 92/16, G.T. Karnal Road, Alipur, New Delhi – 110036 and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP TO THE VENUE OF AGM



**I wish my above proxy to vote in the manner as indicated in the box below:

Item No.	Description	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To consider and adopt: a) Audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and b) Audited consolidated financial statements of the Company for the financial year ended March 31, 2015.		
2.	To declare dividend for the Finanical Year 2014-15.		
3.	To re-appoint Mrs. Seema Jain (DIN: 00013523), Director of the Company who retire by rotation.		
4.	To re-appoint Ms. Aanchal Jain (DIN: 00013350), Director of the Company who retire by rotation.		
5.	To ratify the continuation of of M/s Anil S. Gupta & Associates, Chartered Accountants, as Auditors and fixing their remuneration.		
6.	To approve the remuneration of the Cost Auditors for the Financial Year 2015-16		
7.	To adopt new set of Articles of Association of the Company containing regulations in line with the Companies Act, 2013		
8.	To approve the re-appointment of Mr. J. K. Jain (DIN 00013356) as Managing Director of the Company		
9.	To approve the re-appointment of Mr. Rahul Jain (DIN 00013566) as Whole-time Director of the Company		
10.	To revise the remuneration of Mrs. Seema Jain (DIN 00013523), Whole-time Director of the Company		
11.	To revise the remuneration of Ms. Aanchal Jain (DIN 00013350), Whole-time Director of the Company		
12.	To revise the remuneration of Mr. J.S.S. Rao (DIN 00014320), Whole-time Director of the Company		
13.	To revise the remuneration of Mr. Kashi Ram Yadav (DIN 02379958), Whole-time Director of the Company		

Signed this _____ day of _____ 2015.

Signature of Proxy holder(s)

Signature of shareholder

Notes:

- 1) **This form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- 2) A proxy need not be a member of the Company.
- 3) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
- **4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Affix
Revenue
Stamp of
Rs. 1

MANUFACTURING FACILITIES



Corporate Office & Unit-VII
at Rai, Sonapat (Haryana)



Unit-I, Kundli (Haryana)



Unit-II, Hosur (Tamil Nadu)



Unit-III, Hosur (Tamil Nadu)



Unit-IV, Mysore (Karnataka)



Unit-V, Hosur (Tamil Nadu)



Unit-VI, Nalagarh (HP)



Unit-VIII, Tapukara (Rajasthan)



Unit-IX, Ahmedabad (Gujarat)

Unit	Location	Products
Unit1	Kundli, Sonapat, Haryana	Rear View Mirrors, Automotive Lights
Unit2	Hosur, Tamil Nadu	Automotive Lights, Reflex Reflectors
Unit3	Hosur, Tamil Nadu	Sheet Metal Parts
Unit4	Mysore, Karnataka	Rear Fender Assembly
Unit5	Hosur, Tamil Nadu	Rear View Mirrors, Automotive Lights
Unit6	Nalagarh, Himachal Pradesh	Rear View Mirrors, Automotive Lights, Plastic Parts
Unit7	Rai, Sonapat, Haryana	Automotive Lights, LED Luminaires & IPIS
Unit8	Tapukara, Rajasthan	Plastic Injection Moulded Parts, LED Luminaires
Unit9	Ahmedabad, Gujarat	Automotive Lights, Plastic Parts

Automotive Lighting & Signalling Equipments and Rear View Mirrors



FIEM INDUSTRIES LTD.

(CIN: L36999DL1989PLC034928)

Registered Office: D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi - 110015, India

Email: investor@fiemindustries.com

Phone: +91-11-25927820, 25927919 Fax: +91-11-25927740

Unit - VII & Corporate Office: Plot No. 1915, Rai Industrial Estate, Phase-V, Sonapat - 131029 (Haryana) India

Tel.: +91-130-2367905/906/907/909/910 E-mail : fiemunit7@fiemindustries.com

Sales & Marketing Office: Aria Towers, 1st Floor, Commercial Block,

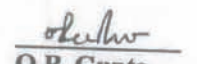
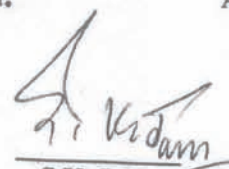
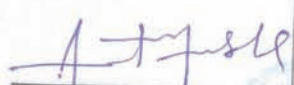
JW Marriott Hotel, Aerocity, New Delhi-110037

Tel.: +91-11-48450000

Website: www.fiemindustries.com

Form A

Format of covering letter of the annual audit report to be filed with stock exchanges

1.	Name of Company	Fiem Industries Ltd.
2.	Annual Financial Statements for the year ended	31 st March, 2015
3.	Type of Audit Observation	Un-qualified / matter of Emphasis
4.	Frequency of observation	Whether appeared first time ... / repetitive / since how long period ... - <u>Not Applicable</u>
5. Signed by: For Fiem Industries Ltd.  J.K. Jain, Chairman & Managing Director  O.P. Gupta, Chief Financial Officer  S.K. Jain, Audit Committee Chairman Anil S. Gupta & Associates Chartered Accountants  Anil Kumar Gupta Proprietor (Memb. No. 83159)		

Date: 01/08/2015

