LIGHT UP THE WORLD

# FIEM INDUSTRIES LIMITED

## ANNUAL REPORT 2023-24

# FUTURE READY






















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Scan this QR code to view the Annual Report

Disclaimer:

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

# NEW TECHNOLOGY



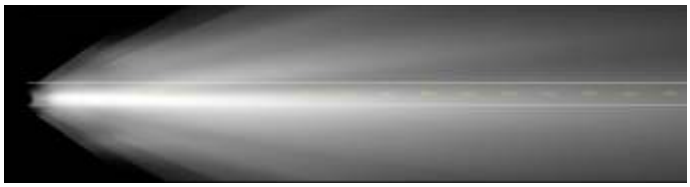

## FUTURE READY: Illuminating the Path to Innovation and Growth

Our Company is FUTURE READY to forge new strides of growth by introducing niche products with cutting-edge technology in automotive lighting for passenger cars and two-wheelers. Empowered by our robust in-house R&D, Design and Development capabilities, with strategically located state-of-the-art Manufacturing Facilities, we are poised to lead the future of mobility. With a steadfast commitment to operational excellence and frugality, we deliver superior products that embody innovation, efficiency, and quality, ensuring we remain at the forefront of the automotive lighting industry.

# FUTURE TECHNOLOGY

## Laser Boost Headlamp





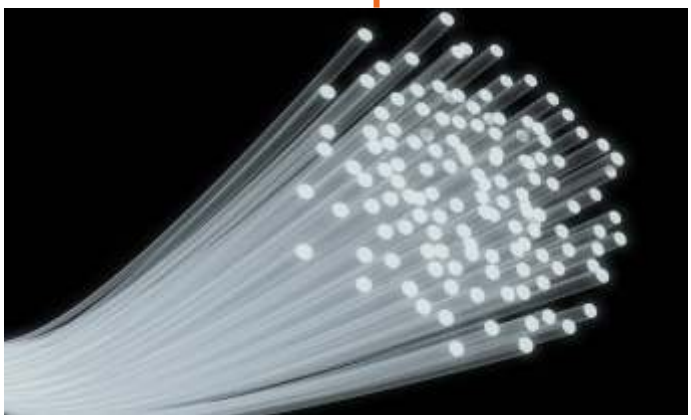
## Laser Infrared Night Vision

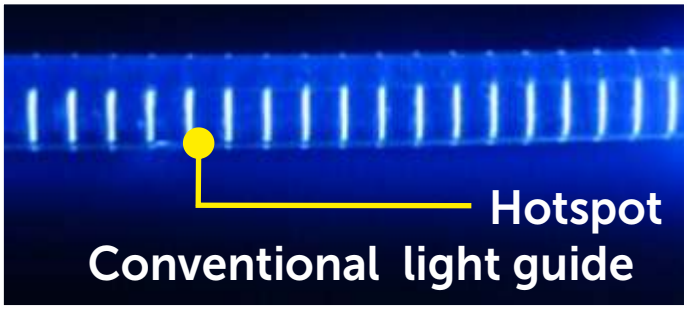


FIEM is developing Special Fog Lamp equipped with the following New Technology:

- High Beam Booster: Laser SMD
- Infrared Module: For Detection of Animal / Person / Obstacle in case of Foggy Condition / Low Light Areas

## Extruded Fiber Optics






High homogeneity for the Ambient/Mood lighting for car interiors

## Ambient Lighting

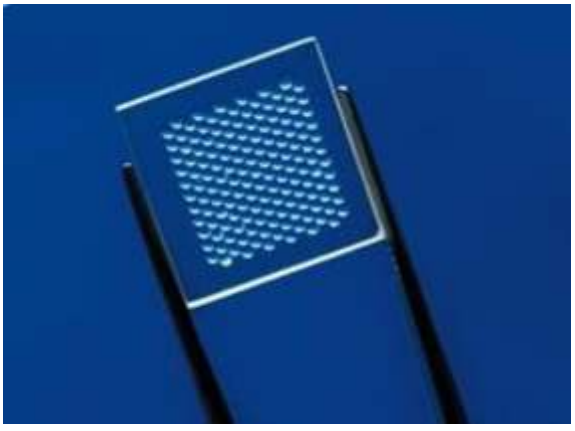


## Laser Ambient Lighting



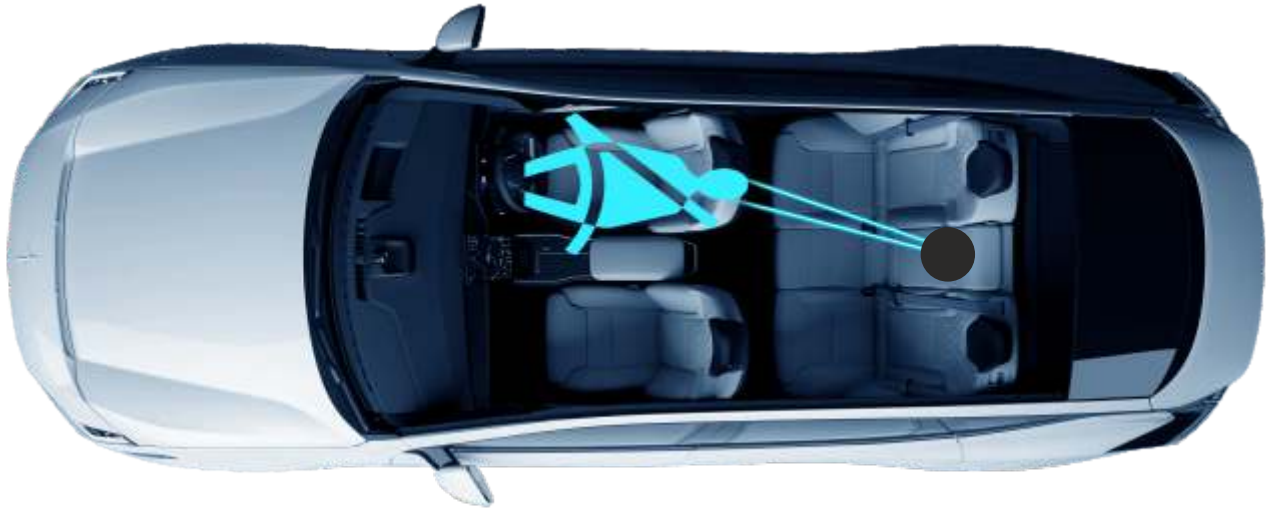
- Eye Safe Laser
- Engine fired Phosphor Fiber

# Micro Lens Array Technology is Revolutionising Automotive Lighting



**Features of MLA Technology:**

- Illuminating, communicating, and engaging capabilities.
- Ability to produce detailed and sharp images or patterns.
- Contributes to enhanced safety.



## Projection on Glass

**Examples of Micro Lens Array Technology driven images and patterns.**







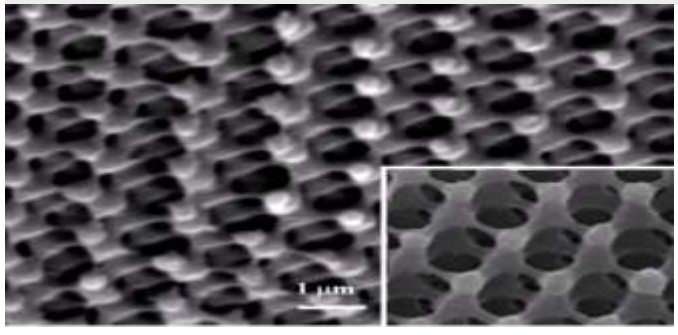
# NEW TECHNOLOGIES

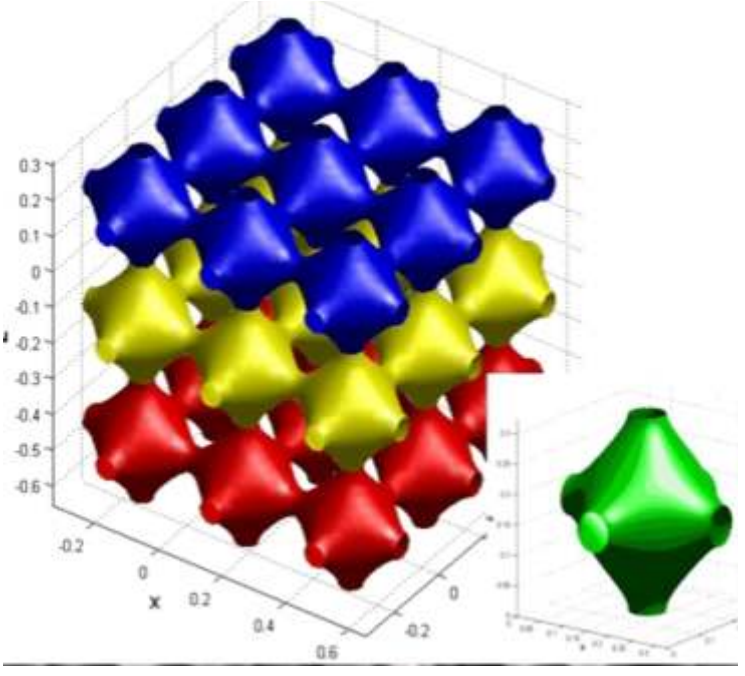
## Metamaterial are going to prove game changer in Automotive Sector

### Metamaterials

**The word meta is a Greek word 'meta' means beyond.**

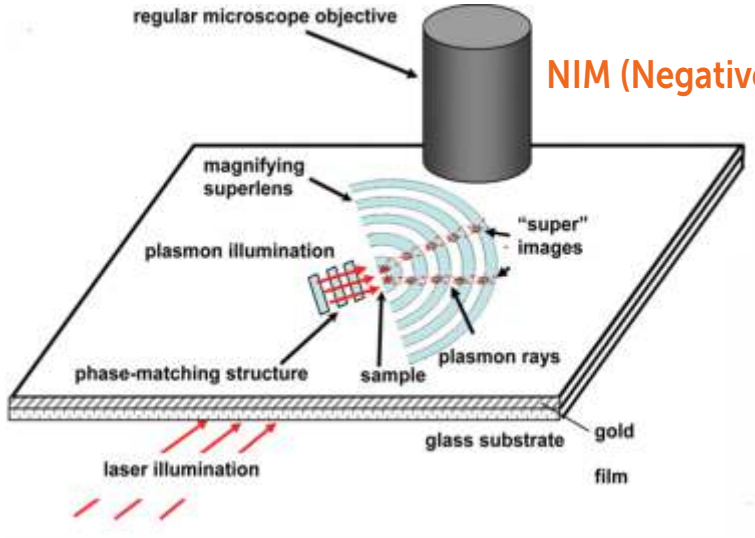
- A periodic material that derives its properties from its structure rather than its components.
- Designed to achieve advantageous and unusual electromagnetic properties.
- Tunable dielectric properties offer excellent flexibility in material design.
- Provide optical properties on length scales below the wavelength of light.



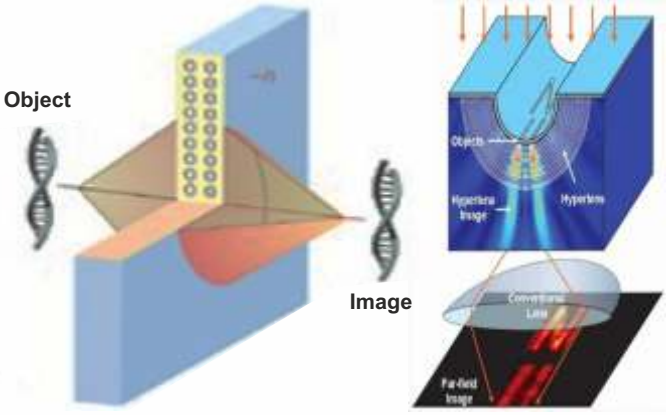



### Application of metamaterials are emerging in the following fields:

- Integration of LiDAR (Light Direction and Ranging) in Headlamps of Vehicles for intelligent lighting systems.
- Superlens for diffraction free imaging.
- Hyperlens for High Magnification.
- Cloaking.
- Optics (terahertz and infrared) for intelligent lighting
- Sensing




### NIM (Negative-Index Material) for different Applications




**Superlens for diffraction free imaging**

**Magnifying Hyperlens**

Xiang Zhang and Zhaowei Liu nature materials | VOL 7 | JUNE 2008 pp435-441 and references therein.

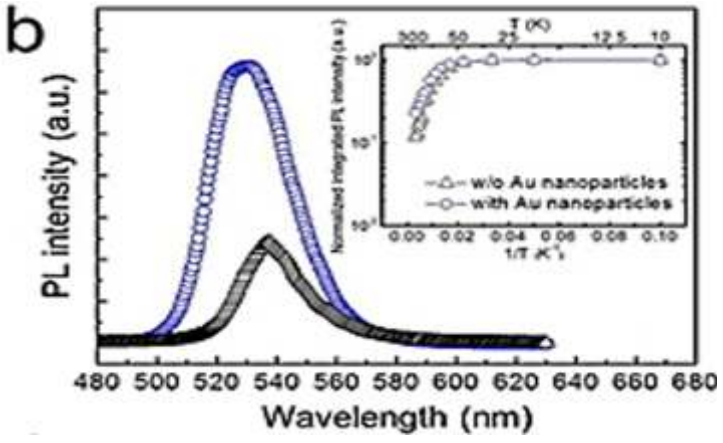
## Plasmonics

**Collective excitations of electrons at the surface of metal Nanoparticles and at Nanparticle-Dielectric interfaces (surface plasmon polaritons)**

The applications are as follows:

- High efficiency LEDs
- Infrared to Visible up-conversion
- Plasmonic lasers
- Plasmonics for solar cells
- Nanoscale optical antennas
- Plasmonic integrated circuits

PL spectra of InGaN/GaN Qws with and without Au NPs




## Laser Lighting System

**High Power Laser-Driven Ce3+-Doped Yttrium Aluminum Garnet Phosphor Incorporated Sapphire Disc for Outstanding White Light Conversion Efficiency (A collaborative project between CSIR-NPL and Fiem Industries Limited)**

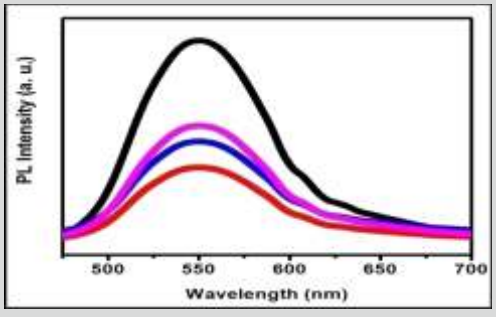



Figure: For the comparative study, the PL spectra of laser induced white light using PISD, Xenon lamp induced white light using PISD, Yellow phosphor .



Recently designed glass and ceramic based phosphors which have higher efficiency to convert blue laser light into white light.

# RESEARCH & DEVELOPMENT

## R&D Centres



Fiem Research And Technology S.r.l. Italy (Wholly-Owned Subsidiary)



R&D Centre & Regd. Office, Mansarover garden, Delhi



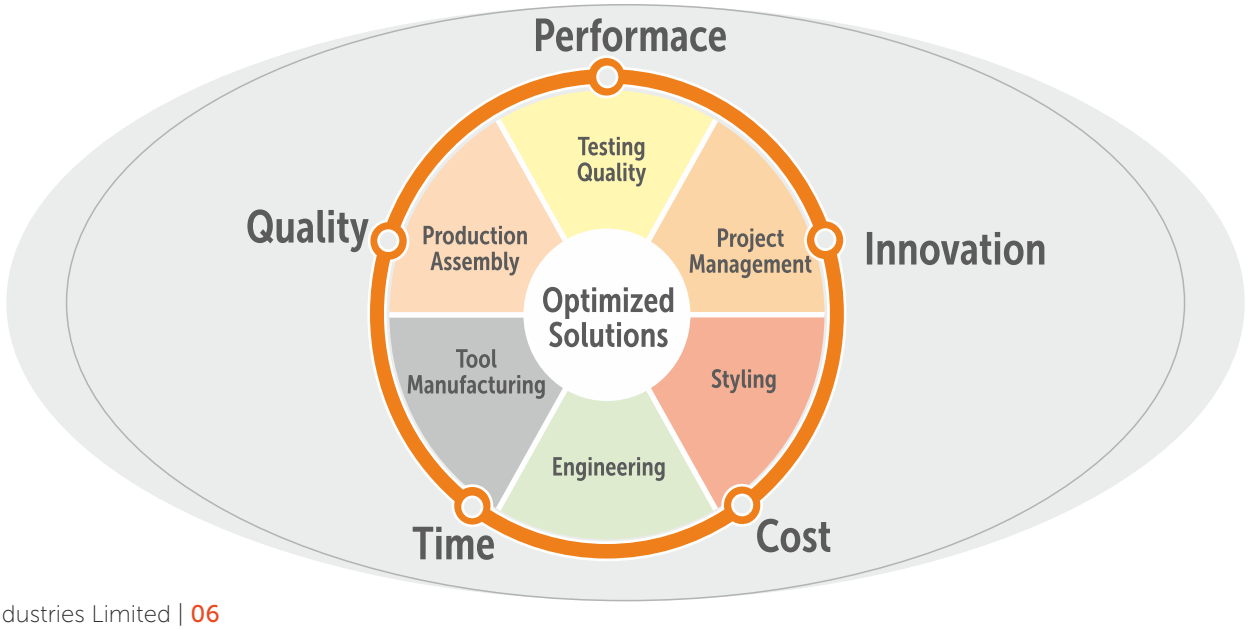
Design Centre Chinchwad, Pune



Fiem Industries Japan Co. Ltd., Japan (Wholly-Owned Subsidiary)

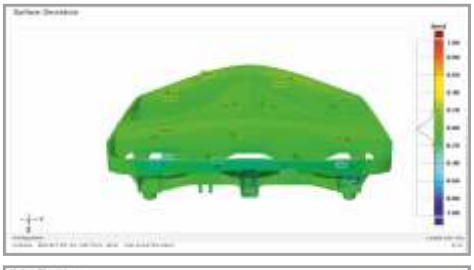


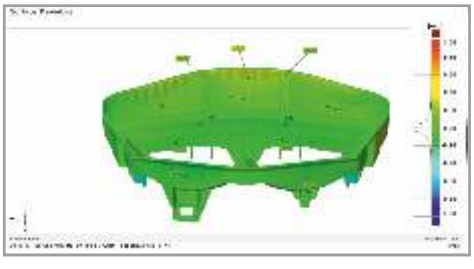
A Glimpse of R&D Centre at Rai, Haryana











## Our Strengths

- Excellent Optical, Mechanical, Electronic, Thermal integration capabilities.
- Future technology implementation with strong R&D focus.
- Provide customized service with flexibility in Design & Development with Best Quality.



# WORLD CLASS TESTING FACILITIES




**Fully Equipped Photometric Lab with LMT Germany Goniophotometer**



We have a world class **NABL accredited Photometric Laboratory** with other Testing Facilities at Rai, Haryana.







WATER SPRAY CHAMBER




ENVIRONMENT CHAMBER



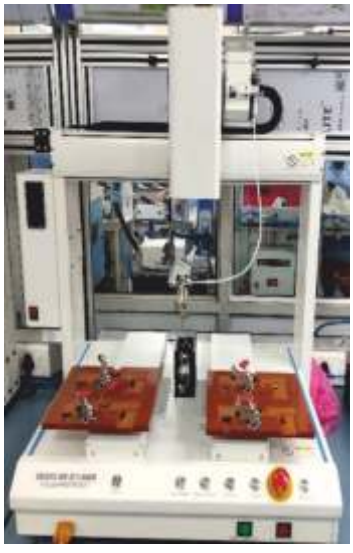
CASS / SALT TEST CHAMBER

# STATE OF THE ART - ELECTRONIC FACILITIES (SMT)





PCB Vision Testing



Robotic Soldering




DePanneling of PCBs



ICT ( In Circuit Testing)

# FIRST FULL LED HEAD LAMP FOR A TOP NOTCH CAR



**It** has been a phenomenal achievement in our journey into Passenger Car Lighting! Securing the order for a Full LED Headlamp from a prestigious European car maker based on the unparalleled value proposition we offered them is a testament to our excellence. We completed the Design & Development in record time and already submitted proto samples, leveraging the extraordinary prowess of our in-house Design and Development teams. This achievement has become a hallmark of FIEM, showcasing our ability to provide exceptional value and demonstrate our capabilities. The Headlamp boasts cutting-edge LED technology with Projectors and intricate tri-function LED Light guides. This groundbreaking Headlamp will blaze the trail for FIEM to further penetrate the Passenger Car Market and progressively gain market share. Our story of success is just a beginning!



# Chairman's Message



# Dear Shareholders,

As we close another successful fiscal year, I am proud to reflect on the remarkable progress Fiem Industries has achieved during 2023-24. On behalf of the Board of Directors and the entire Fiem team, I extend my deepest gratitude for your support and trust in the Company.

## OPERATIONAL PERFORMANCE

The fiscal year 2024 has been marked by significant advancements and steady growth for Fiem Industries. Our financial performance showcases our relentless pursuit of operational excellence and customer-focused strategies. For FY24, our net revenue soared past an important milestone of Rs. 2000 Crore, reflecting a robust growth. This achievement underscores our capability to leverage emerging market opportunities, particularly in the EV 2-Wheeler sector, and deliver superior products consistently. Our EBDITA and Net profit have also reached a new high of Rs. 268 Crore and Rs. 166 Crore, respectively.

During the year, we faced an unfortunate fire incident at our Rai factory, resulting in significant damage to plant machinery and part of the building. However, due to the right safety measures and the swift actions of our management and employees, we were able to save a substantial portion of our assets. Most importantly, there were no injuries or loss of life. Our facilities are fully insured, mitigating any financial impact. I extend my heartfelt gratitude to our employees and OEM customers for their quick response and tireless efforts in restoring normal operations. Remarkably, we were able to resume operations within just three days.

## INDUSTRY

The automotive industry in India has demonstrated significant growth in FY24, emerging as a cornerstone of the country's economic progress. The sector has rebounded strongly from the pandemic-induced slowdown, with the overall automotive market grew by approximately 10% year-over-year. Within this landscape, the two-wheeler industry continues to be a significant driver, contributing to nearly 77% of the total automotive sales volumes in India. In FY24, two-wheeler volumes reached around 22 million units.

**Electric mobility has become a pivotal focus, with the electric two-wheeler segment expanding rapidly. During FY24, sales of electric two-wheelers have reached nearly 1 million units, showing a good growth of 32% over last year. This surge is fueled by government incentives under the FAME II scheme, improved charging infrastructure and increasing consumer awareness of sustainable transportation.**



Additionally, the industry's growth is bolstered by rising disposable incomes, urbanization, and enhanced road infrastructure, which collectively support higher demand for personal mobility solutions. Consequently, India's automotive industry, particularly the two-wheeler segment, is poised for continued growth and innovation, reinforcing its position as a global automotive hub.

## FUTURE OUTLOOK

**I am delighted to inform you that during the year, your Company has made a very significant breakthrough in the Passenger Car segment. We have been selected as a supplier for full LED Head lamp for a high-end European Car and have completed Design and Development in record time. We have also made significant progress with Passenger Car OEMs in India. This is a first big step towards our journey in the Passenger car segment.**

The automotive industry is witnessing a transformative phase marked by the introduction of cutting-edge models that integrate advanced technologies, catering to diverse consumer preferences and needs. This surge includes the rising popularity of electric variants and the introduction of hybrid models, driven by their cost-effectiveness, environmental benefits, and support from favorable government policies. These innovations are poised to revolutionize the market

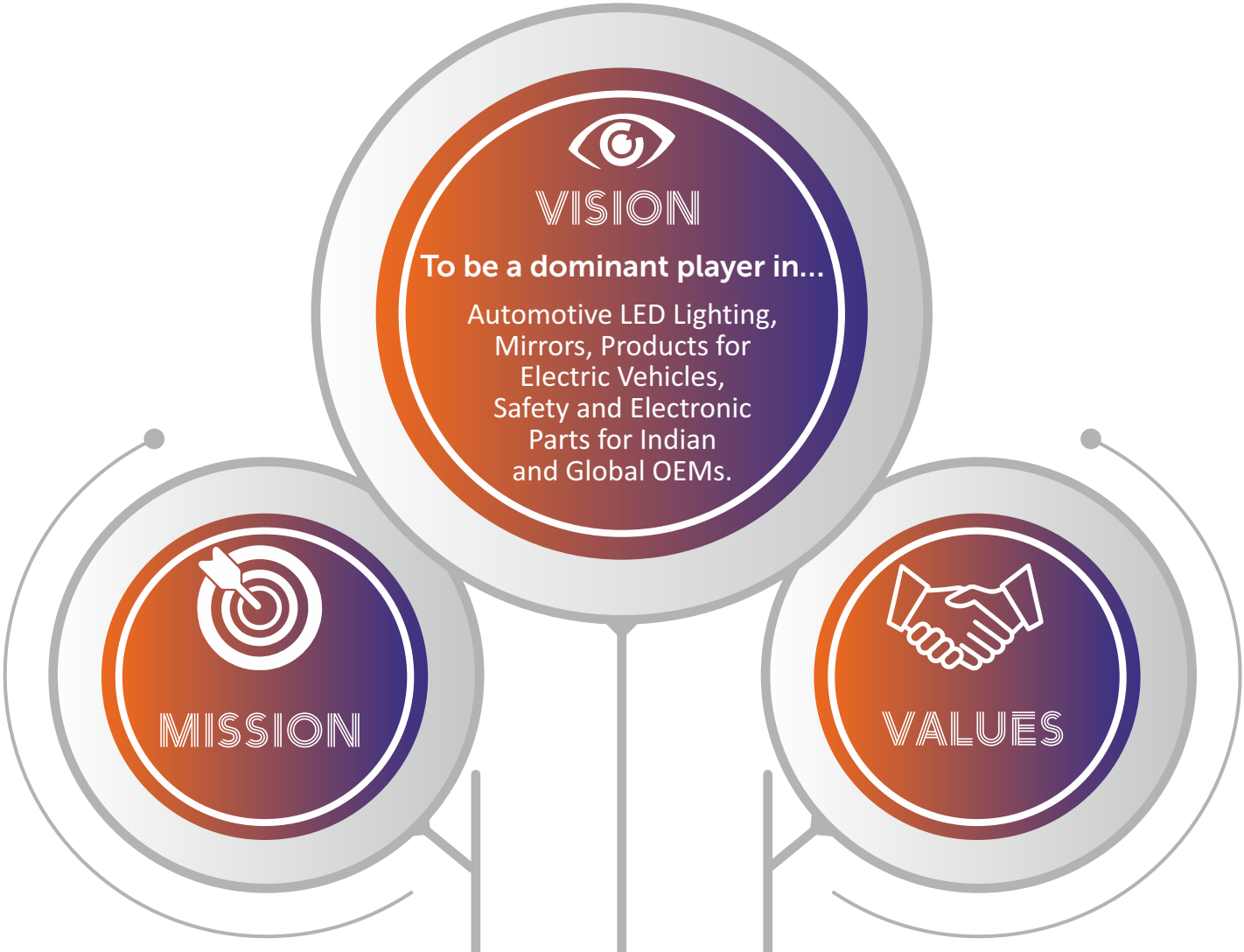
Your company is strategically positioned to capitalize on this evolving market. With 9 state-of-the-art Manufacturing Facilities, located in major auto-hubs in India; and 3 R&D and Design Centres located in India, Italy, and Japan, powered with deep-rooted OEM partnerships, we possess the expertise and capabilities to seize this market opportunity and achieve sustainable growth.

In closing, I extend my heartfelt thanks to all stakeholders—our shareholders, collaborators, employees, and esteemed customers—for their unwavering support, confidence, and shared belief in our vision. Together, we will forge ahead, pioneering new frontiers and achieving even greater heights of success.

Thank you for your continued trust in Fiem Industries Limited.

Warm regards,
**J.K. Jain**
**Chairman & Managing Director**






We are committed to give our Customers, Total Satisfaction in terms of Quality, Cost and On time delivery.

We shall pursue Continual Improvement in Product Quality by upgrading the Technology and Training to employees.

We aim to be the market leader in all our products through Global Competitiveness.

We aim to continuously enhancing the value of stakeholders.

Customer Focused Approach

Strive for Quality, Technology & Innovation

Continuous Improvement

Respect for Individual and Company Ethics

# HUB MOTOR ASSEMBLY & MOTOR CONTROL UNIT



MOTOR CONTROL UNIT

MOTOR CONTROL UNIT

State-of-the-art

Innovative technology

Low torque ripple

Good conductor utilization

Increased power density



## HUB MOTOR

The hub motor (also called wheel motor, wheel hub drive, wheel hub motor, or in-wheel motor) is characterized by the integration of power, transmission, and braking devices into the wheel hub, thus greatly simplifying the mechanical part of electric vehicles.

**FIEM is localising Hub Motors to Support EV Manufacturers.**

# Our Global Presence




## FIEM GROUP OF COMPANIES

**Wholly Owned Subsidiaries**

- FIEM RESEARCH AND TECHNOLOGY S.r.l., ITALY
- FIEM INDUSTRIES JAPAN CO., LTD., JAPAN

**Technical Assistant Agreement**

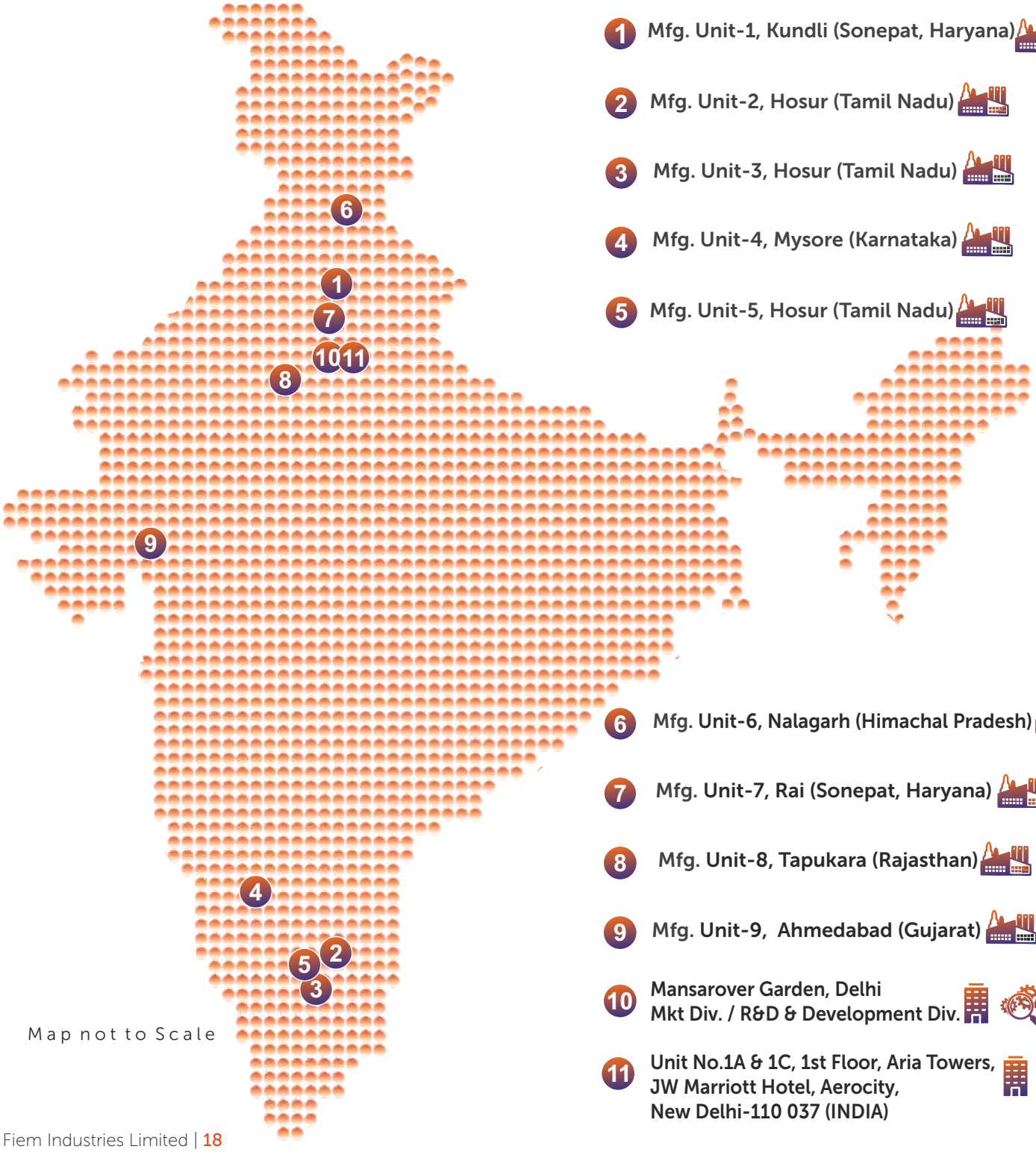
- TOYODENSO Co., Ltd., Japan & Toyota Tsusho Corp.
- AISAN INDUSTRY CO., LTD. (JAPAN)

**JV Company**

- FIEM KYOWA (HK) MOULD COMPANY LTD., HONGKONG

# Our Pan-India Footprint

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




Map not to Scale

1. Mfg. Unit-1, Kundli (Sonepat, Haryana)
2. Mfg. Unit-2, Hosur (Tamil Nadu)
3. Mfg. Unit-3, Hosur (Tamil Nadu)
4. Mfg. Unit-4, Mysore (Karnataka)
5. Mfg. Unit-5, Hosur (Tamil Nadu)
6. Mfg. Unit-6, Nalagarh (Himachal Pradesh)
7. Mfg. Unit-7, Rai (Sonepat, Haryana)
8. Mfg. Unit-8, Tapukara (Rajasthan)
9. Mfg. Unit-9, Ahmedabad (Gujarat)
10. Mansarover Garden, Delhi
    Mkt Div. / R&D & Development Div.
11. Unit No.1A & 1C, 1st Floor, Aria Towers,
    JW Marriott Hotel, Aerocity,
    New Delhi-110 037 (INDIA)

# All Manufacturing Facilities at Strategic Locations



Mfg. Unit-7, Rai (Haryana)




Mfg. Unit-1, Kundli (Sonepat, Haryana)




Mfg. Unit-2, Hosur (Tamil Nadu)



Mfg. Unit-3, Hosur (Tamil Nadu)



Mfg. Unit-4, Mysore (Karnataka)




Mfg. Unit-5, Hosur (Tamil Nadu)



Mfg. Unit-6, Nalagarh (Himachal Pradesh)



Mfg. Unit-8, Tapukara (Rajasthan)




Mfg. Unit-9, Ahmedabad (Gujarat)

| Sr. | Unit No. | Location | Quality, Environment & Safety System Certifications | | | |
|---|---|---|---|---|---|---|
| | | | QMS | | EMS | SAFETY |
| 1 | Mfg. Unit-1 | Kundli, Haryana | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 2 | Mfg. Unit-2 | Hosur, Tamilnadu | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 3 | Mfg. Unit-3 | Hosur, Tamilnadu | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 4 | Mfg. Unit-4 | Mysore, Karnatka | - | IATF 16949:2016 | - | - |
| 5 | Mfg. Unit-5 | Hosur, Tamilnadu | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 6 | Mfg. Unit-6 | Nalagarh, H.P. | - | IATF 16949:2016 | - | - |
| 7 | Mfg. Unit-7 | Rai, Haryana | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 8 | Mfg. Unit-8 | Tapukara, Rajasthan | ISO 9001:2015 | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |
| 9 | Mfg. Unit-9 | Ahmedabad, Gujarat | - | IATF 16949:2016 | ISO 14001:2015 | ISO 45001:2018 |

# Our Valued OEM Customers.

## 2-WHEELER (DOMESTIC OEMs)

HONDA, TVS, YAMAHA, SUZUKI, ROYAL ENFIELD, PIAGGIO, Hero, Kawasaki, Mahindra 2 Wheelers

## 2-WHEELER (ELECTRIC VEHICLE OEMs)

OLA, REVOLT, TORK MOTORCYCLES, BOUNCE, gogoro, OKINAWA SCOOTERS, Simple Energy, ULTRAVIOLETTE AUTOMOTIVE, AMPERE, POLARITY, HEROelectric, ELECTROTHERM, BSA MOTORS, Quantum, INDUS, ULTRAMOTOR

## 2-WHEELER (GLOBAL OEMs)

HONDA, YAMAHA, SUZUKI, HARLEY-DAVIDSON, PIAGGIO, GLOBALTVS

## 4-WHEELER (DOMESTIC OEMs)

HONDA, VW, SKODA AUTO, DAIMLER, TATA Marcopolo, TATA, HYUNDAI, JCB, TEREX, Mahindra SWARAJ, JBM, Ashok Leyland | NISSAN, Ashok Leyland, POLARIS EICHER, Kubota, ESCORTS Kubota, SONALIKA INTERNATIONAL, hmt, swaraj mazda, INDO FARM TRACTORS & MOTORS LTD, JCBL, VST SHAKTI

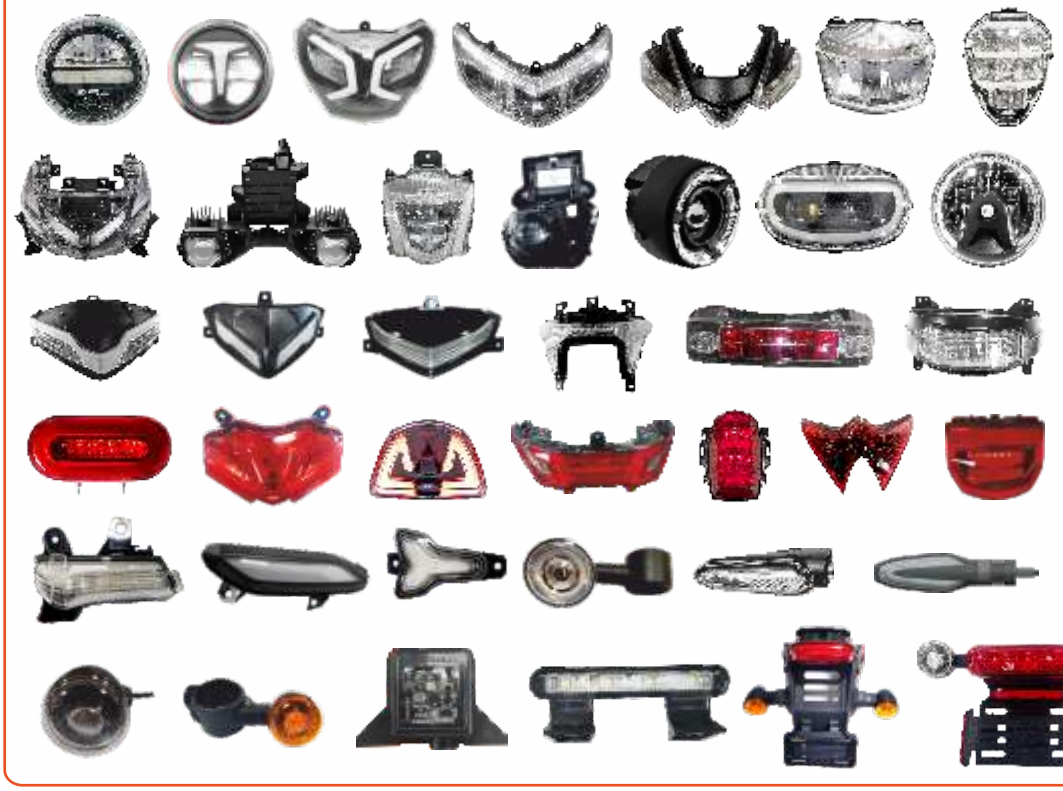
## 4-WHEELER (GLOBAL OEMs)

ASPOCK SYSTEMS, Kubota, Sparex

# Diversified Product Portfolio

**The Company is a leading manufacturer of Automotive Lighting and Signaling Equipment, Rear View Mirrors and Plastic Moulded Parts. Over the years our Automotive LED Lighting Portfolio is increasing.**

## AUTOMOTIVE LIGHTING





HUB MOTOR



MOTOR CONTROL UNIT

## REAR VIEW MIRRORS



## PLASTIC PARTS



## OTHERS

Sheet Metal Parts





Canister

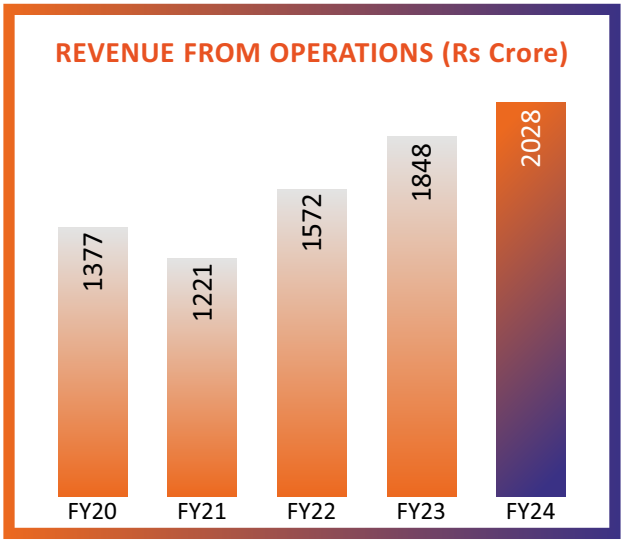


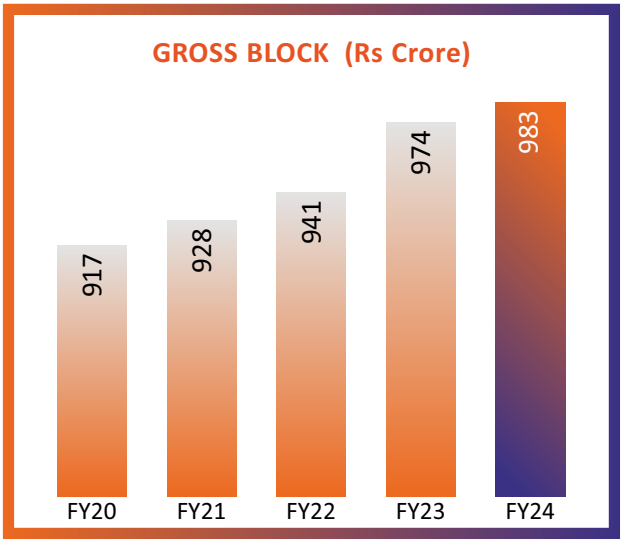
Bank (Lean) Angle Sensor

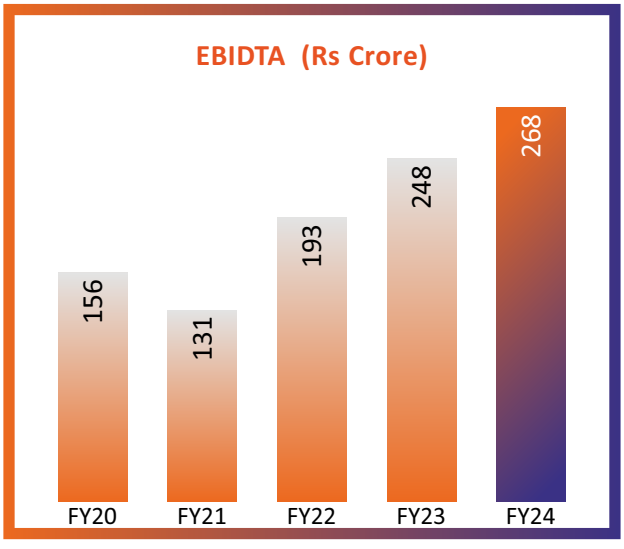


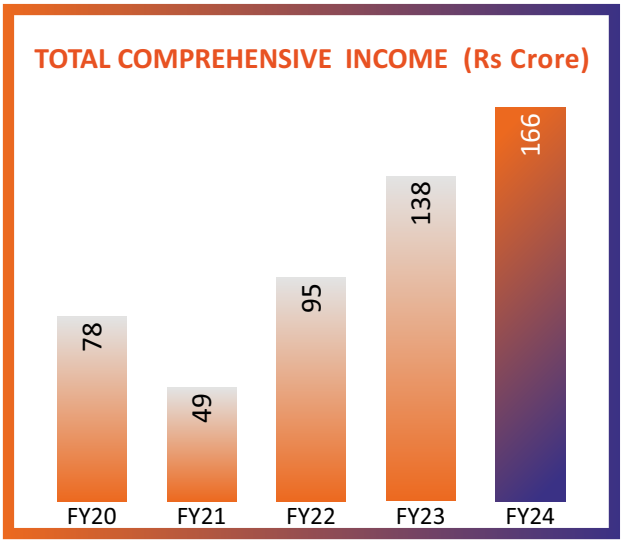


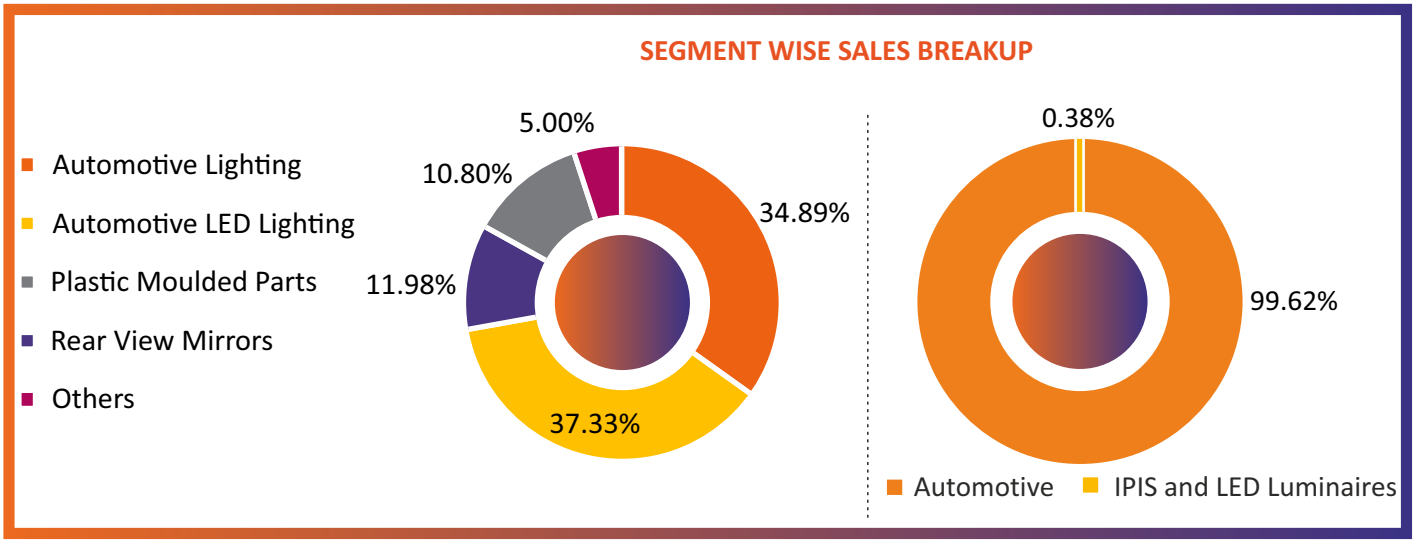
# 5 Years' Financial Performance Snap-shots



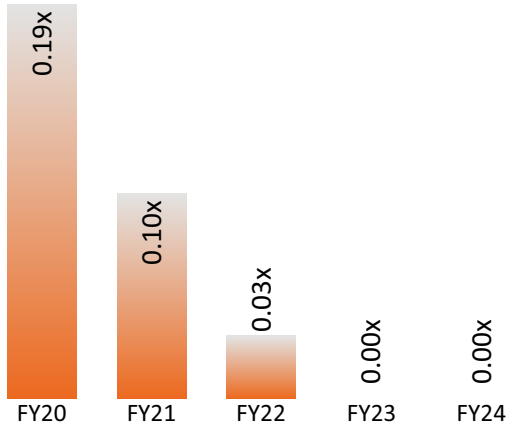



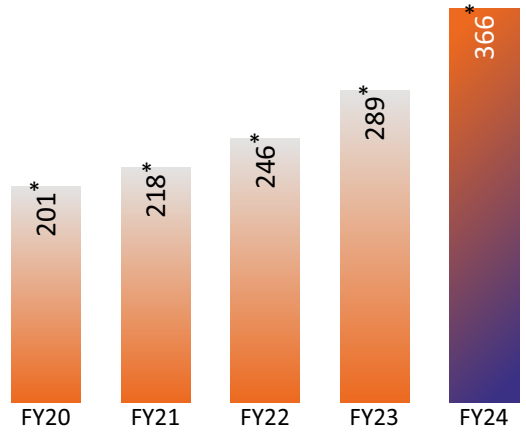



## GROSS DEBT / EQUITY RATIO

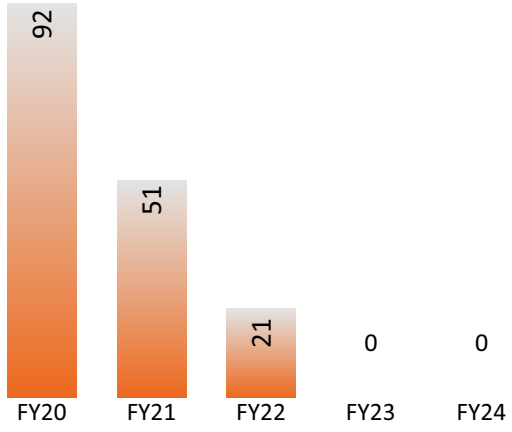



## BOOK VALUE PER SHARE (Rs.)

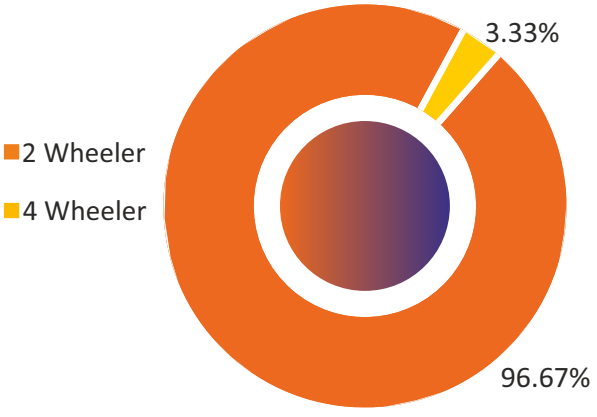



*Restated on post bonus share capital bais

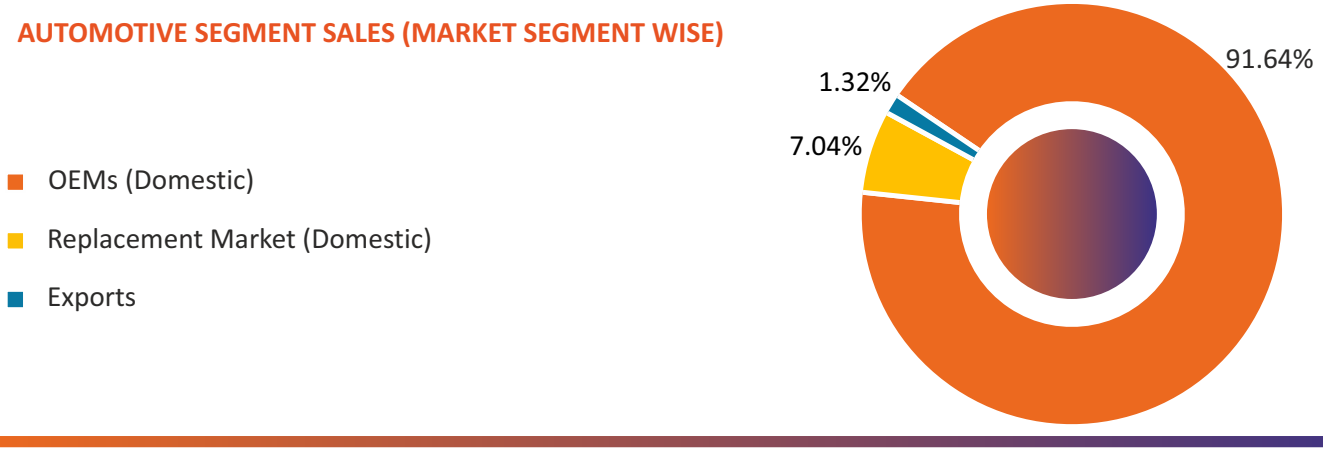
## LONG TERM LOAN (Rs Crore)




## AUTOMOTIVE SEGMENT SALES (VEHICLE SEGMENT WISE)




## AUTOMOTIVE SEGMENT SALES (MARKET SEGMENT WISE)



# Strategic Collaborations for Diversification in New Technology Products

## Bank (lean) Angle Sensor

Technical Assistance Agreement With

TOYODENSO JAPAN

## Canister

Technical Assistance Agreement With

Aisan JAPAN











**Supply to HMSI**

**Features**

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

**Concept**

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

**Supply to TVS & YAMAHA**

Evaporated fuel vapor is absorbed in Canister during parking.

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




**J.K. Jain**
Chairman & Managing Director

**Seema Jain**
Whole-time Director

At our Company, Corporate Social Responsibility (CSR) is a way of giving back to society in a meaningful and impactful manner. By engaging in structured and purposeful interventions, we can effectively serve the underprivileged. Through our CSR initiatives, we strive to address pressing social challenges where we can make a significant contribution. Our focus areas include healthcare, women empowerment, support for underprivileged, marginalized, and vulnerable populations, and raising awareness against drug addiction.

We recognize that CSR is an ongoing journey, and we continually seek innovative ways to make a meaningful difference. By collaborating with public representatives, administration, NGOs, and other stakeholders, we aim to create a positive impact that extends far beyond our organization.

One of our flagship CSR programs is promoting awareness for Menstrual Hygiene Management (MHM). Under this initiative, in collaboration with public representatives, administration, NGOs, and other stakeholders, we successfully established 13 sanitary pad projects to date. By leveraging the strengths of each partner, this program has achieved significant success.

Through these sustained efforts, we aspire to build a legacy of positive change and contribute to the holistic development of our society. Together, we work towards a future where everyone has the opportunity to lead a healthy, empowered, and dignified life.

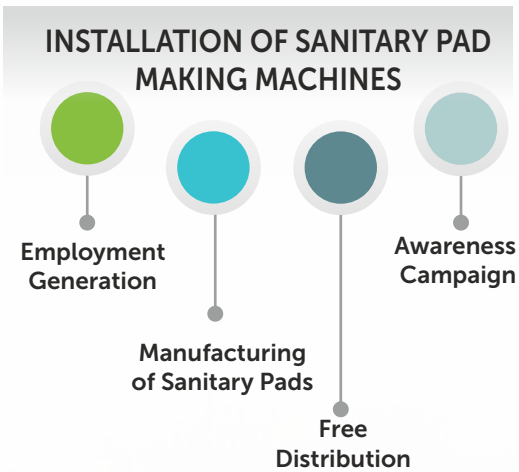
# WOMEN EMPOWERMENT

## Menstrual Hygiene Management and Healthcare

One of our key CSR focus areas is promoting women's empowerment and addressing critical issues such as Menstrual Hygiene Management (MHM) and healthcare. We recognize the unique challenges faced by women and the importance of creating an inclusive and supportive environment for their well-being. By implementing comprehensive programs that provide access to affordable and hygienic menstrual products, education on menstrual health, and improved sanitation facilities, we contribute to the overall health, dignity, and empowerment of women and girls.

### Project objectives:

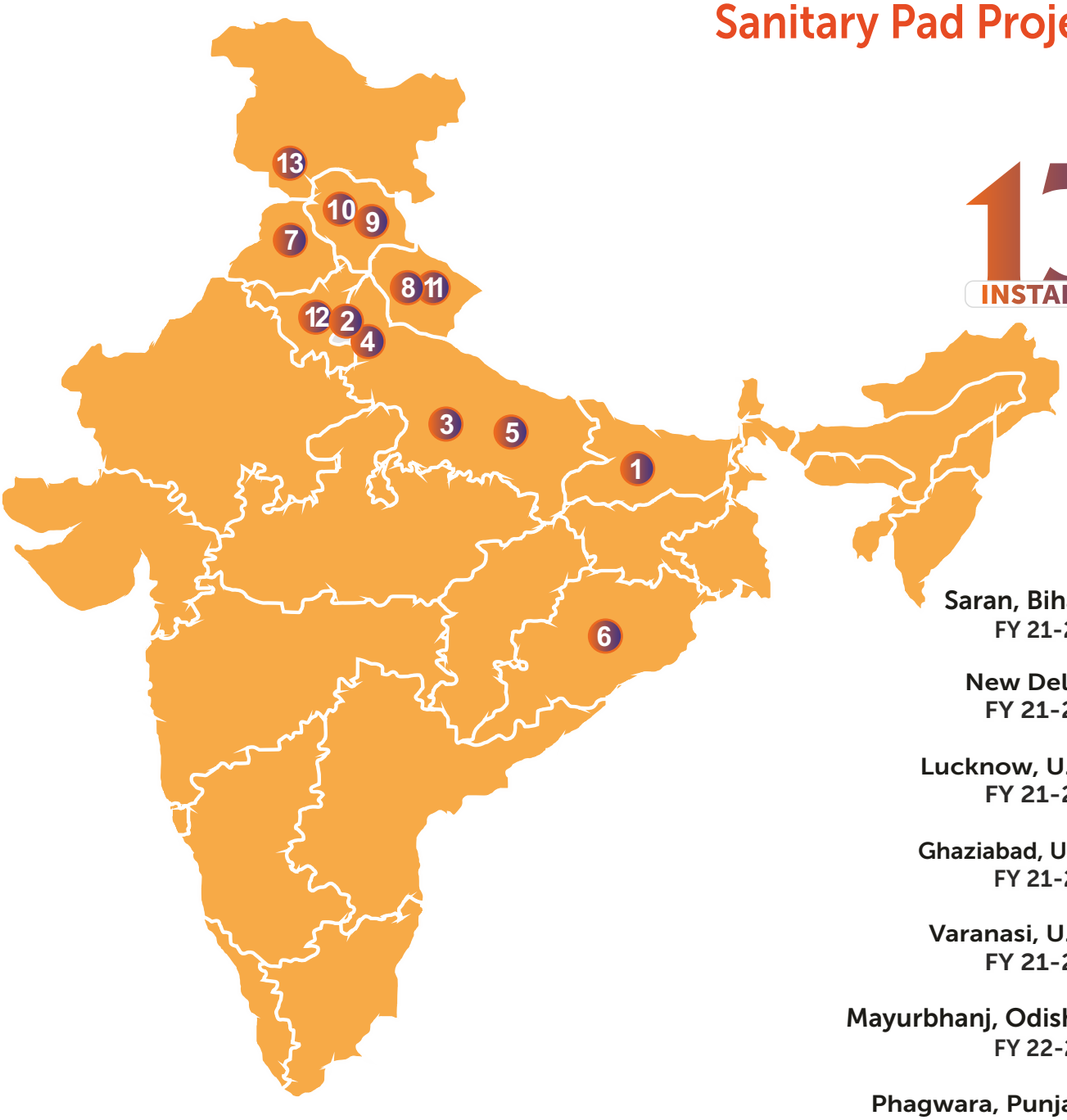
- To establish Sanitary Pad Projects in collaboration with public representatives, local administration, NGOs, and SHGs to ensure economical operation & maintenance, and free distribution of sanitary pads through community engagement.
- To raise awareness among adolescent girls and women about Menstrual Hygiene Management (MHM).
- To install vending machines to promote Menstrual Hygiene Management in community spaces such as schools and primary health centres, especially in vulnerable areas.
- To facilitate women employment, as this Program has been designed "for the Women and by the Women".






# Sanitary Pad Projects

**13**
**INSTALLED**




Saran, Bihar
FY 21-22 — 1

New Delhi
FY 21-22 — 2

Lucknow, U.P.
FY 21-22 — 3

Ghaziabad, U.P.
FY 21-22 — 4

Varanasi, U.P.
FY 21-22 — 5

Mayurbhanj, Odisha
FY 22-23 — 6

Phagwara, Punjab
FY 22-23 — 7

Dehradun, Uttarakhand
FY 22-23 — 8

Hamirpur, Himachal Pradesh
FY 22-23 — 9

Solan, Himachal Pradesh
FY 22-23 — 10

Kotdwar, Uttarakahnd
FY 23-24 — 11

Faridabad, Haryana
FY 23-24 — 12

Anantnag, J & K
FY 23-24 — 13

# Sanitary Pad Projects

In this noble cause, while we provide the Sanitary Pad Machines and Raw Materials, and also support in operating manpower costs, alongside we partner with public representatives, NGOs, and local administration. This collaboration is essential for securing operating spaces and ensuring the long-term operation, management, and public distribution of Sanitary Pads. This approach makes the initiative cost-efficient and self-sustainable.








# Manufacturing of Sanitary Pads

A Project "For the Women and by the Women", providing opportunity for women employment and to be part of a collaborative team for a social cause.





# Employment Generation

CSR is an amazing tool that can be used to boost employment. This project also helping to generate employment for women.







# Awareness Campaign

Through this collaborative model, we are making a significant impact with minimal CSR expenditure, reaching thousands of marginalized women and adolescent girls to raise awareness about MHM and cleanliness.









# Free Distribution of Sanitary Pads Social /School Level







# Free Distribution of Sanitary Pads-Door to Door















# SWAVALAMBAN

## Empowering Women and Fostering Sustainable Livelihoods



During our Mission on Menstrual Hygiene Management (MHM) awareness campaign, we established Sanitary Pad Projects across various states. While interacting with women, particularly in rural areas, we noticed their keen interest in starting small businesses. To support these women, we launched the Swavlamban Project, providing Sewing Machines, Paper Plate Making Machines, and Millet/Muri Roasting Machines. These resources support the livelihood of up to 4-5 individuals, promoting self-reliance and improving their families' financial stability.



# INSTALLATION OF MILLETS ROASTING MACHINE






**Swavlamban** focuses on women's empowerment and sustainable livelihoods. By equipping women with sewing machines, we enable them to learn tailoring, start small businesses, and offer services within their communities. This initiative goes beyond skill development, fostering economic independence and entrepreneurship.



# PITHU-FIEM

LIGHT UP THE WORLD

**A CSR initiative of FIEM INDUSTRIES LTD. Implementation by SUPPORT OUR HEROES (NGO)**

## FREE DISTRIBUTION OF RATION KIT FOR NON—PENSIONER EX—SERVICEMEN / THEIR WIDOWS

Targeted Locations (Hilly / Remote Areas): Manipur, Nagaland, Assam etc.

Project PITHU was started by NGO, 'Support Our Heroes' to help Ex-servicemen and their widows who are old i.e. over 65 years of age and do not have any source of income.

Fiem Industries got inspired by this Project and took up one of its own CSR Project, as PITHU-FIEM. Under this Project, the NGO delivers ration kits to needy non-pensioner Ex-servicemen or their widows. Ration kits comprise of essentials such as pulses, rice, flour, mustard oil, salt, spices, sugar, tea etc.

The Project duration was kept as 25 months, starting from March 1, 2022 to March 31, 2024. The initial Project outlay was budgeted Rs. 10.59 Lakh. The amount disbursed monthly/periodic basis as per requisition of the Implementing Agency depending upon the beneficiaries' requests.

This is categorized as 'On-going Project'. During the Year, the initial allocated budget was exhausted, hence an additional amount of Rs. 3.36 Lakh was allocated. The total amount spent on the Project is 13.95 Lakh. The Project was completed and closed in March 2024.












# MEDICARE SUPPORT

This year, we enhanced our Medicare Support Initiative by providing five ambulances, including one dedicated to animal services. The utility of these ambulances in rural and remote areas cannot be overstated. In many of these regions, medical facilities are not readily accessible, and residents must travel to the nearest towns or cities for emergency care. This can be a daunting challenge, particularly in critical situations where timely medical intervention is crucial.

The ambulances we provide offer a lifeline to these communities. They ensure that patients receive prompt transportation to healthcare facilities during emergencies, significantly improving their chances of survival and recovery. Additionally, these ambulances support NGOs in their healthcare missions, enabling them to reach and serve the most vulnerable populations effectively.









# COMPREHENSIVE EYE CARE CAMPS

**Comprehensive Eye Care Camps conducted in Kutch District of Gujarat in association with Kutch Vikas Trust (NGO) : The Project had covered 13 villages from the Kutch District of Gujarat State and 13 eye care camps organised.**

**2846 People benefitted and 274 cataract operations conducted**

In a heartfelt effort to extend compassionate eye care to underserved communities, we partnered with a dedicated NGO, Kutch Vikas Trust (KVT) to organize impactful Eye Care Camps in the rural area of Kutch District, Gujarat. Almost every year, the Company takes one CSR Project with KVT and provides financial support for this Project, benefitting 1000's villagers in far-flung areas of Kutch District in Gujarat.

Cataract is one of the major eye issues in the region of Kutch due to the factors of environment, economy, accessibility and lack of awareness of the problem. Through these camps, KVT provides comprehensive eye examinations, distributes free prescription glasses, facilitates referrals for further treatment when necessary, and undertakes Cataract operations.





आज़ादी का
अमृत महोत्सव

# Har Ghar Tiranga



# Board of Directors



**Mr. J.K. Jain**
Chairman & Managing Director



**Mrs. Seema Jain**
Whole-time Director



**Mr. Rahul Jain**
Joint Managing Director



**Ms. Aanchal Jain**
Whole-time Director



**Mr. Rajesh Sharma**
Joint Managing Director



**Mr. Vineet Sahni**
CEO & Director



**Mr. Kashi Ram Yadav**
Whole-time Director



**Mr. Mohan Bir Sahni**
Independent Director



**Mr. S.K. Jain**
Independent Director



**Mr. Pawan Kumar Jain**
Independent Director



**Mr. V.K. Malhotra**
Independent Director



**Mr. Jawahar Thakur**
Independent Director



**Mr. Ashok Kumar Sharma**
Independent Director



**Ms. Shobha Khatri**
Independent Director

# General Information

## Board of Directors

**Mr. J.K. Jain** – Chairman & Managing Director
**Mrs. Seema Jain** – Whole-time Director
**Mr. Rahul Jain** – Joint Managing Director *(Re-designated as JMD w.e.f. 07.11.2023)*
**Mr. Rajesh Sharma** – Joint Managing Director *(Re-designated as JMD w.e.f. 07.11.2023)*
**Mr. Vineet Sahni** – CEO & Director
**Ms. Aanchal Jain** – Whole-time Director
**Mr. Kashi Ram Yadav** – Whole-time Director
**Mr. S.K. Jain** – Independent Director
**Mr. Mohan Bir Sahni** – Independent Director
**Mr. V. K. Malhotra** – Independent Director
**Mr. Jawahar Thakur** – Independent Director
**Mr. Ashok Kumar Sharma** – Independent Director
**Ms. Shobha Khatri** – Independent Director
**Mr. Iqbal Singh** – Independent Director (*Resigned w.e.f. 04.09.2023)*
**Mr. Pawan Kumar Jain** – Independent Director *(Appointed w.e.f. 08.11.2023)*

## Chief Financial Officer

**Mr. O.P. Gupta**

## Company Secretary & Compliance Officer

**Mr. Arvind K. Chauhan**

## Audit Committee

**Mr. S. K. Jain** – Chairman
**Mr. V. K. Malhotra** – Member
**Mr. Iqbal Singh** – Member *(upto 04.09.2023)*
**Mr. Jawahar Thakur** – Member *(w.e.f. 11.09.2023)*

## Nomination & Remuneration Committee

**Mr. S. K. Jain** – Chairman
**Mr. V. K. Malhotra** – Member
**Mr. Iqbal Singh** – Member *(upto 04.09.2023)*
**Ms. Shobha Khatri** – Member *(w.e.f. 11.09.2023)*

## 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

## Risk Management Committee

**Mr. Rajesh Sharma** – Chairman
**Ms. Shobha Khatri** – Member
**Mr. Ashok Kumar Sharma** – Member

## Bonus Shares Committee

**Mr. J.K. Jain** – Chairman
**Mr. Rahul Jain** – Member
**Mr. Ashok Kumar Sharma** – Member
*Committee Constituted on 15.01.2024 and Dissolved on 21.05.2024*

## Statutory Auditors

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

| Registered Office | Corporate Office & Unit VII | Registrar & Share Transfer Agent |
|---|---|---|
| D–5, Mansarover Garden,<br>New Delhi–110015 (INDIA)<br>Tel: +91–11–25101002/03/04/05<br>CIN: L36999DL1989PLC034928<br>Email:investor@fiemindustries.com<br>Website: www.fiemindustries.com | Unit 1A & 1C, 1st Floor,<br>Aria Commercial Tower,<br>JW Marriott Hotel, Aerocity,<br>New Delhi-110037<br>Tel: +91-9821795327/28/29/30<br>Email: fiemaerocity@fiemindustries.com<br>Website: www.fiemindustries.com | Link Intime India Pvt. Ltd.<br>Noble Heights, 1st Floor, Plot No. 2<br>C-1 Block ISC, Near Savitri Market<br>Janakpuri, New Delhi – 110058<br>Ph: 011–41410592/93/94<br>Fax No: 011–41410591 |

| Plant Locations | |
|---|---|
| Unit I | 32 Mile Stone, G. T. Road, Kundli, Distt. Sonepat - 131028, Haryana |
| Unit II | 219/2B, Thally Road, Kallukondapalli, Hosur - 635114, Tamil Nadu |
| Unit III | Kelamngalam, Achittapalli Post, Hosur - 635110, Tamil Nadu |
| Unit IV | 133, KIADB Industrial Area, Kadakola Post, Mysore - 571311, Karnataka |
| Unit V | Kelamangalam, Achittapalli Post, Hosur - 635110, Tamil Nadu |
| Unit VI | Village Bhatian, Tehsil -Nalagarh - 174101, Himachal Pradesh |
| Unit VII | Plot No. 1915, Rai Industrial Estate, Phase -V, Distt. Sonepat - 131029, Haryana. |
| Unit VIII | Plot No. SP1-C, Industrial Area Tapukara, Distt. Alwar - 301707, Rajasthan. |
| Unit IX | Village Karsanpura, Taluka-Mandal, Distt. Ahmedabad - 382140, Gujarat |

# Director's Report

*Dear Members,*

The Directors of your Company have the pleasure in presenting the 35th Annual Report of the Company, along with standalone and consolidated audited financial statements for the financial year ended March 31, 2024. The standalone and consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs, as amended from time to time.

## Financial Results: Standalone & Consolidated

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

| SN | Name of Entities | Country of Incorporation | WOS/JV |
|---|---|---|---|
| 1. | Fiem Research and Technology S.r.l (FRT) | Italy | WOS |
| 2. | Fiem Industries Japan Co., Ltd. | Japan | WOS |
| 3. | Fiem Kyowa (HK) Mould Company Limited | Hong Kong | 50:50 JV |
| 4. | Centro Ricerche Fiem Horustech S.r.l | Italy | 50:50 JV |

**The key financial highlights of standalone and consolidated financials of your Company are as under:**

**(Rs in Lakh)**

| SN | Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| **1** | **Income from Operations** | | | | |
| | a) Net Sales | 201436.78 | 183404.26 | 201528.53 | 183404.26 |
| | b) Other Operating Income | 1347.24 | 1394.05 | 1349.53 | 1401.73 |
| | **Total Income from operations (Net)** | **202784.02** | **184798.31** | **202878.06** | **184805.99** |
| **2** | **Total Expenses (Excluding dep and finance cost)** | **175987.78** | **160013.74** | **176009.62** | **159942.43** |
| **3** | **Profit from operations before other income, finance costs, depreciation and exceptional items (1-2)** | **26796.24** | **24784.57** | **26868.44** | **24863.56** |
| **4** | Add :- Other income | 1596.59 | 1080.28 | 1596.72 | 1080.34 |
| **5** | **Profit from ordinary activities before finance costs, depreciation and exceptional items (3+4)** | **28392.83** | **25864.85** | **28465.16** | **25943.90** |
| **6** | Less :- Finance costs | 293.83 | 743.07 | 293.83 | 743.07 |
| | Less :- Depreciation | 5807.99 | 6295.69 | 5865.21 | 6339.02 |
| **7** | **Profit from ordinary activities after finance costs, depreciation but before exceptional items (5-6)** | **22291.01** | **18826.09** | **22306.12** | **18861.81** |
| **8** | Exceptional Items | - | - | - | - |
| **9** | **Profit/(Loss) from Ordinary Activities Before Tax (7-8)** | **22291.01** | **18826.09** | **22306.12** | **18861.81** |
| **10** | Tax expense | 5706.69 | 4863.37 | 5724.19 | 4874.13 |
| **11** | **Net Profit/(Loss) from Ordinary Activities After Tax (9-10)** | **16584.32** | **13962.72** | **16581.93** | **13987.68** |
| **12** | **Share of profit/(loss) of associates** | **-** | **-** | **(11.42)** | **(4.50)** |
| **13** | **Profit after tax for the year after share of profit/loss of associate** | **16584.32** | **13962.72** | **16570.51** | **13983.18** |
| **14** | **Other comprehensive income/(loss) (net of tax)** | **(37.46)** | **(127.96)** | **(37.46)** | **(127.96)** |
| **15** | **Total other comprehensive income (net of tax)** | **16546.86** | **13834.76** | **16533.05** | **13855.22** |
| **16** | **Weighted Earnings Per Share (EPS) (in Rs.)**<br>*** Earnings per share is calculated after considering the impact of issuance of bonus shares** | 63.01 | 53.05 | 62.96 | 53.13 |

## State of the Company's affairs and Business Review

**a) Financial Review:**

The automotive industry in India has demonstrated significant growth in FY 2023-24, with an overall growth of 10% year-over-year in total production volume. The two-wheeler industry continues to be a significant driver with 10% plus growth and contributing to nearly 77% of the total automotive sales volumes in India. In FY24, two-wheeler volumes reached around 22 million units.

In line with industry performance, the Company's financial performance highlights are as under:

- The company has reached a big milestone by posting its highest-ever sales of Rs. 2014.37 Crore in FY 2023-24 as compared to Rs. 1834.04 Crore in FY2022-23, registering a growth of 9.83%
- During FY 2023-24, EBIDTA stood at Rs 267.97 Crore, as compared to Rs. 247.85 Crore during FY 2022-23.
- PAT of the Company stood at Rs. 165.84 Crore as compared to Rs. 139.63 Crore during FY23, which is higher by 18.77%.
- During the year, the Company has made a capex of Rs. 85.86 Crore in different Units of the Company.

With a strong focus, we continued our growth in EV segment and strive to increase our market share with conventional as well as new age EV OEMs.

**b) Fire at Rai Plant:**

During the year under review, we faced an unfortunate fire incident at our Rai factory on June 13, 2023, resulting in significant damage to our plant machinery, equipments etc. and part of the building. However, due to the right safety measures and the swift actions, we were able to save a substantial portion of our assets. Fortunately, there were no injuries or loss of life during this incident. Post fire, we swiftly acted and partially resumed the operations within 3 days. Steadily, operations were resumed at pre-fire level in few weeks by using the vacant places for assembly.

The work of re-instatement of assets is undergoing at full swing and insurance claim is also under process.

**c) Change in Share Capital: Bonus Issue:**

During the year under review, the shareholders of the Company through postal ballot process (Notice dated January 15, 2024 and result declared on February 16, 2024) passed the resolution and approved the issuance of Bonus Shares in the ratio of 1:1 i.e. one (1) New Equity Share of Rs.10 each for every One (1) existing Equity Shares of Rs. 10 each.

Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 new Equity Shares of Rs. 10 each as fully paid-up Bonus Shares on February 29, 2024, thereby increasing the paid-up Equity Share Capital from 1,31,59,830 Equity Shares of Rs. 10 each to 2,63,19,660 Equity Shares of Rs. 10 each.

The process of allotment of Bonus shares, listing of the same on stock exchanges (NSE & BSE) and all other requisite compliance has been completed within the stipulated time. Therefore, as on March 31, 2024 the paid-up capital of the Company doubled to 2,63,19,660 Equity Shares of Rs. 10 each in comparison to 1,31,59,830 Equity Shares of Rs. 10 each as on March 31, 2023.

## Dividend

The company has been consistently declaring higher dividends every year since listing. In line with the same, the Board in its meeting held on May 21, 2024, had recommended a Final Dividend at the rate of 200% i.e. Rs. 20/- per equity share of Rs. 10/- each for the financial year ended on March 31, 2024. The Final Dividend payout is subject to approval of members at the ensuing Annual General Meeting of the Company. The Final Dividend, if approved by the members would involve a cash outflow of **Rs 5263.93 lakh.**

## Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board of Directors had approved and adopted a Dividend Distribution Policy in its meeting held on 30th June, 2021.

The Dividend Distribution Policy is available on the Company's website at link: **https://fiemindustries.com/dividend-distribution-policy/**

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

**1. Annual Return**

Company has placed a copy of the Annual Return on website of the Company, which can be seen at following link: **https://fiemindustries.com/annual-returns/**

**2. Number of meetings of the Board**

Meetings of the Board are held on regular intervals to discuss and decide on various business policies, strategies, operational, financial and other matters. Due to business exigencies, the Board also approve some proposals through resolution passed by circulation from time to time.

During the financial year 2023-24, six (6) Board Meetings and one separate meeting of Independent Directors of the Company were held.

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

**3. Directors' Responsibility Statement**

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

a) in the preparation of the Annual Accounts for the year ended March 31, 2024, the applicable accounting standards (IndAs) have been followed along with proper explanation relating to material departures, if any.

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company as at end of Financial Year ended March 31, 2024 and of the Profit and Loss of the Company for that period.

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including review of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24.

**4. Independent Directors' Declaration**

The Company has received necessary declaration from each of Independent Director of the Company under Section 149(7) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations.

**5. Directors' Appointment Criteria and Remuneration Policy etc.**

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

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

**6. Auditors & Auditor's Reports**

**(a) Statutory Auditors**

Pursuant to Section 139 of the Companies Act, 2013, M/s Anil S Gupta & Associates, Chartered Accountants (Firm Registration No. 004061N), a partnership firm (Audit Firm) were appointed as Statutory Auditors of the Company at 33rd AGM of the Company held on August 24, 2022, for a term of 5 (five) years, starting from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2027.

**(b) Statutory Auditor's Reports**

The Auditor's Reports given by M/s Anil S Gupta & Associates, Chartered Accountants, Statutory Auditors on the financial statements of the Company, both standalone and consolidated, for the financial year 2023-24 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Reports. Further, during the year under review, the Auditors has not reported any matter of offence of fraud under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

**(c) Secretarial Auditor**

In terms of Section 204 of the Companies Act, 2013 the Audit Committee recommended and the Board of Directors in their meeting held on May 21, 2024 has appointed M/s Ranjana Gupta & Associates, a firm of Company Secretaries in Practice (C.P. No. 9920) as the Secretarial Auditors of the Company to conduct the secretarial audit for the financial year 2024-25. The Company has received their consent for appointment.

**(d) Secretarial Audit Report**

The Secretarial Audit under section 204 of Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as in compliance of Regulation 24A of the Listing Regulations was conducted by M/s Ranjana Gupta & Associates, Company Secretaries (C.P. No. 9920) for the financial year 2023-24. The Report in Form No, MR-3 given by the Secretarial Auditors is annexed as **Annexure-II** and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report for the year under review; hence no explanation by Directors is warranted.

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

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

### (e) Cost Auditor

In terms of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, on the recommendation of the Audit Committee, the Board of Directors in their meeting held on May 21, 2024 has appointed M/s Jay Narain & Co., Cost Accountants, Reg. No.-004576 (Proprietor, Mr. Jay Narain, Memb. No.-26054) as the Cost Auditor to conduct Cost Audit for the Financial Year 2024-25 at a remuneration of Rs. 3,10,000/-.

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

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

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

Details of the loans given, guarantees or securities provided (if any) and investments made by the Company along with their purposes, have been disclosed in the financial statements. Please refer to **Note No.41** in the standalone financial statement.

## 8. Contracts and Arrangements with Related Parties

All contracts/ arrangement/ transactions entered with Related Parties during the year under review were on arm's length basis and in the ordinary course of business. Due approvals from Audit Committee were taken under the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder read with applicable Listing Regulations. As all the transactions with Related Parties during the year under review were on arm's length basis and in the ordinary course of business, so no approval from Board was applicable.

During the year under review, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered 'material' in accordance with Related Party Transactions Policy of the Company. Hence, no approval from shareholder required for any related party transaction during the year under review.

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

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

Members may refer **Note No.41** to the financial statements which sets out related party disclosures pursuant to Ind AS. Your Company has formulated a policy on related party transactions. The policy is available on Company's website at **https://www.fiemindustries.com**

This policy provides the governing framework for review and approval of related party transactions. The web-link of the same has been provided in the Corporate Governance Report.

## 9. Transfer to Reserves

Your Company has transferred **Rs.1700 Lakh** 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

No material change and/or commitment affecting the financial position of your Company has occurred between April 1, 2024 and the date of signing of this report.

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

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

## 12. Risk Management

Risk management is an important function considering the dynamic business environment in which Company operates. Risk management is an area of continuous focus across all functions and operations, so that risk mitigation can be implemented on immediate basis to minimize adverse effect of any emerging risk.

Company has framed a "Risk Management Policy" comprises the risk management framework and the same has been approved by the Board of Directors. The framework covers various categories of risks including market risk, credit risk, liquidity risk, cyber security risks, foreign currency exchange rate risk, interest rate risk, commodity price risk, natural calamities etc. and measures and controls that have been implemented to manage & prevent such risks and continuous improvement of systems and processes for risk management.

Company's risk management framework consider both external and internal risks to devise effective mitigation strategies. Risk identification, analysis, mitigation and monitoring are undertaken periodically by the Management and overseen by the Risk Management Committee. Post-assessment mitigation plans are developed, and reported periodically to the Risk Management Committee (RMC) of the Board. RMC continues to monitor the risk management framework. Several senior management team members are actively involved in the process.

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

## 13. Corporate Social Responsibility (CSR)

During the year, Company's CSR focus has remained on Women Empowerment, Menstrual Hygiene Management (MHM) awareness by way of extending the financial support for Sanitary Pad Projects set-up in previous years and setting up new Sanitary Pad Projects.

Other 'Health Care' Projects undertaken during the year were, organizing Eye Operation Camps for poor and underprivileged in Kutch area of Gujarat with the help of implementation partner-Kutch Vikas Trust, Medicare Support Project-II by way of providing Ambulances and other medical aids to NGO and dispensaries etc. Our CSR initiatives are based on the premise of helping the underprivileged and we also undertaken the 'Swavlamban-II' Project under which we provided Millet / Muri Roasting Machines, Sewing Machines and Paper Plate making machines to underprivileged to support their livelihood.

Further, Company has whole-hearted participated in 'Har Ghar Tiranga' campaign organized before Independence Day.

Company also continued its 'On-going' Project-Armed Forces Veterans Support (PITHU-FIEM) during FY 2023-24 and in addition to original allocated budget of Rs. 10.59 Lakh in FY 2021-22 further allocated Rs. 3.36 Lakh during the financial year and this Project stand completed at the end of FY 2023-24.

**Following is the list of major CSR Projects undertaken by the Company during the year:**

- Sanitary Pad Project-Ghaziabad, U.P. (Extn)
- Sanitary Pad Project- Varanasi, U.P. (Extn)
- Sanitary Pad Project-Delhi (Extn)
- Sanitary Pad Project-Lucknow, U.P. (Extn)
- Sanitary Pad Project-Dehradun, U.K.(Extn)
- Sanitary Pad Project-Hamirpur, H.P. (Extn)
- Sanitary Pad Project- Mayurbhanj, Orissa (Extn)
- Sanitary Pad Project-Phagwara, Punjab (Extn)
- Sanitary Pad Project-Solan, HP (Extn)
- Sanitary Pad Project-Kotdwar, UK (New)
- Sanitary Pad Project-Faridabad, Haryana (New)
- Sanitary Pad Project-Anantnag, J&K (New)
- Medicare Support Project-II
- Eye Operation Camp (KVT)
- Har Ghar Tiranga Campaign
- Project Swavlamban-II
- Armed Forces Veterans Support (PITHU-FIEM)

Further, salient features and brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the CSR initiatives undertaken by the Company during the year are set out in **Annexure - IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended. For details regarding the CSR Committee, please refer the Corporate Governance Report, which forms part of Annual Report.

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

Performance Evaluation is aimed to use constructively as a mechanism to improve Board's effectiveness, maximize strengths and tackle weaknesses of Board members. It involves questionnaires to be filled by every Director about his own performance (self-assessment), performance of Board as whole, performance of Chairman and performance of respective Committee(s) where he/she is a Member. At the time of individual performance evaluation of the respective director, he himself remains outside the evaluation process.

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

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

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

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

During FY 2023-24, there were 2 JV Companies (JVC) and 2 Wholly-owned subsidiaries (WOS) as listed in initial paragraph of this report. The highlights of performance of each of these companies are as under:

**a) Fiem Kyowa (HK) Mould Company Limited:**

This JV Company was formed in Hong Kong as 50:50 joint venture company with Kyowa Co., Ltd. of Japan. The purpose of setting up of JV was to engage in the business of high class moulds / tools for Automotive and other applications. The Company has started its operations during FY 2018-19. There is no major investment in this company and this company is providing support for mould development for OEMs. The contribution / or impact on performance of Fiem Industries is very small.

**The Financial highlights of Fiem Kyowa (HK) Mould Company is as under:**

(Rs. in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|---|---|---|
| % of shareholding | 50% | 50% |
| Total Income | 25.23 | 29.95 |
| Total Expenses | 28.23 | 32.95 |
| Profit or (loss) after tax | (3.00) | (3.00) |
| Total comprehensive income | (3.00) | (3.00) |

**b) Centro Ricerche Fiem HorustecH S.r.l. (CRFH) (Joint Venture in Italy):**

The Company was set-up in Italy as a 50:50 JV with Horustech Lighting of Italy, which is a Designing Company. The purpose of setting up of JV was to strengthen R&D and Designing capabilities of the Company. However, due to some financial problems in Horustech group companies, the management of both companies i.e. Horustech Lighting and Fiem Industries Limited had mutually decided to move ahead to liquidate the CRFH in October, 2019. Currently this company is under liquidation. There is no major investment in this company and this company was providing Design Services to

Fiem Industries and other customers. The contribution or impact on performance of Fiem Industries is nil or negligible.

**The Financial highlights of CRFH is as under:**

(Rs. in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|---|---|---|
| % of shareholding | 50% | 50% |
| Total Income | - | - |
| Total Expenses | 8.41 | 1.50 |
| Profit or (loss) after tax | (8.41) | (1.50) |
| Total comprehensive income | (8.41) | (1.50) |

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

This WOS was set-up in Japan as an extended arm of the Company for liaison with Japanese customers like Honda, Suzuki and Yamaha etc., support in Designing, R&D and new business development. While the parent Company (Fiem) was getting full support in above areas in earlier years, post COVID, the activity remain negligible. However, FY 2023-24 onwards, the activities have resumed well and progressing at good scale now. The financials of the subsidiary are as under:

**Financial Highlights of Fiem Industries Japan Co. Ltd. (Japan):**

(Rs. in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|---|---|---|
| % of shareholding | 100% | 100% |
| Revenue | 102.27 | - |
| Total Income | 102.27 | 7.68 |
| Total expenses | 153.64 | 12.64 |
| **Profit/(Loss) before taxation** | **(51.38)** | **(4.96)** |
| Provision for taxation | 0.41 | 0.43 |
| **Profit/ (Loss) after taxation** | **(51.79)** | **(5.40)** |

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

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

**Financial Highlights of Fiem Research and Technology S.r.l (Italy)**

(Rs. in Lakh)

| Particulars | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **% of shareholding** | 100% | 100% |
| Revenue | 1131.18 | 763.79 |
| Total expenses | 1064.69 | 723.11 |
| **Profit/(Loss) before taxation** | **66.49** | **40.68** |
| Provision for taxation | 17.09 | 10.33 |
| **Profit/ (Loss) after taxation** | **49.40** | **30.36** |

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

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

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

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

**iii. Change in Directors and Key Managerial Personnel:**

- Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mrs. Seema Jain and Mr. Kashi Ram Yadav, Whole-time Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment and they are not disqualified under Section 164 of the Companies Act, 2013. The details of Directors being proposed for re-appointment as required under the Listing Regulations are provided in the Notice convening the ensuing Annual General Meeting of the Company. The Board recommend the shareholders for re-appointment of above Directors.
- Mr. Iqbal Singh, Independent Director (DIN: 00014256) has resigned from Directorship of the Company effective from close of business hours on September 4, 2023.
- On recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at their Meeting held on November 7, 2023 appointed Mr. Pawan Kumar Jain as Additional Director (Independent Director) w.e.f November 8, 2023, subject to approval / regularisation by the shareholders. The shareholders through postal ballot process (Notice dated November 7, 2023 and result declared on December 22, 2023) passed the Special Resolution and approved the appointment of Mr. Pawan Kumar Jain as Independent Director w.e.f. November 8, 2023 for a consecutive term of 5 years.
- On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on November 7, 2023, re-designated Mr. Rahul Jain (DIN: 00013566), and Mr. Rajesh Sharma (DIN:08650703), as Joint Managing Directors of the Company, with effect from November 7, 2023, in the category of whole-time director. The shareholders through postal ballot process (Notice dated November 7, 2023 and result declared on December 22, 2023) passed the requisite resolutions and approved the re-designation of Mr. Rajesh Sharma and Mr. Rahul Jain as Joint Managing Directors in the category of whole-time director.
- On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 21, 2024, re-appointed Mr. Rajesh Sharma (DIN:08650703), as 'Joint Managing Director' of the Company, with effect from January 1, 2025, in the category of whole-time director to hold the office for a period of 5 years, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

- On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 21, 2024, recommended to shareholders for re-appointment of Ms. Shobha Khatri (DIN: 08650727), as 'Woman Independent Director' of the Company, with effect from January 1, 2025, to hold the office for 2nd term of 5 consecutive years, at the ensuing Annual General Meeting of the Company.
- The Board of Directors at their Meeting held on May 21, 2024, took note of the information about the completion of 2nd term of following Independent Directors effective from conclusion of ensuing AGM (35th AGM):
  - Mr. Subodh Kumar Jain (DIN:00165755),
  - Mr. Mohan Bir Sahni (DIN:00906251)
  - Mr. Vinod Kumar Malhotra (DIN:03544095),
  - Mr. Jawahar Thakur (07650035),
  - Mr. Ashok Kumar Sharma (07610447).

  All Board Members thanked each of the above Independent Directors for their guidance and support throughout their tenure and collectively acknowledged their valuable contribution in the Board and Committees.
- On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 21, 2024, recommended to shareholders the candidature of following candidates for their appointments as Independent Directors of the Company for 1st term of 5 consecutive years, at the ensuing 35th Annual General Meeting:
  - Mr. Sanjiv Rai Mehra (DIN: 03074093),
  - Mr. Pradeep Bhagat (DIN:00056330),
  - Mr. Satinder Manocha (DIN:00738572),
  - Mr. Rakesh Chand Jain (DIN:10638945)'
  - Mrs. Rita Arora (DIN:10638873).
- The requisite details of Directors being proposed for appointment / re-appointment are provided in the Notice convening the ensuing Annual General Meeting of the Company. Board of Directors recommend the shareholders to re-appoint / appoint the respective Director, as proposed in the respective resolution contained in the Notice of AGM.
- The Company has received notices in writing, under Section 160 of the Act from members of the Company proposing the candidature of Ms. Shobha Khatri, Mr. Sanjiv Rai Mehra, Mr. Pradeep Bhagat, Mr. Satinder Manocha, Mr. Rakesh Chand Jain and Mrs. Rita Arora for their appointments as Independent Directors of the Company at ensuing 35th Annual General Meeting.
- During the year, Mr. J.K. Jain, Chairman & Managing Director, Mr. Vineet Sahni, Chief Executive Officer & Director Mr. O.P. Gupta, Chief Financial Officer and Mr. Arvind K. Chauhan, Company Secretary remained Key Managerial Personnel of the Company within the meaning of Section 203 of the Act.
- During the financial year 2023-24, no company become Subsidiary, Joint venture Company or Associate of the Company. The details of subsidiary and joint venture companies already provided in the preceding paragraphs.

**iv) Details relating to Deposits:**

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

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

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

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

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

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

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

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

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

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

- As per provisions of Section 177(8) of the Act, composition of the Audit Committee has been disclosed under Corporate Governance Report. The Board, during the year under review, had accepted all the recommendation made to it by the Audit Committee.
- **Establishment of vigil mechanism as per provision of Section 177(10) of the Act:** Company has already in place a vigil mechanism namely, 'Whistle Blower Policy'. The details of the same are reported under Corporate Governance Report.

- The details about the ratio of remuneration of each director to the median remuneration of the employees of the Company pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided in **Annexure-V,** forming part of this Report.
- The statement containing names and other details of top 10 employees, in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided in **Annexure-VI,** forming part of this Report.
- Disclosure as required under Section 62(1)(b) of the Act read with Sub-rule 9 of Rule 12 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable, as during the year no shares were issued under ESOS / ESOP or under sweat equity scheme.
- Disclosure as required under Section 43(a)(ii) of the Act read with Sub-rule 4 of Rule 4 of the Companies (Share and Capital Debentures) Rules, 2014, are not applicable as during the year no equity shares with differential rights as to dividend, voting or otherwise were issued.
- Neither the Managing Director nor any Whole-time Director (including JMDs and CEO) of the Company receive any remuneration or commission from any of its subsidiaries, hence no such disclosure applicable.
- The Company duly complied the applicable Secretarial Standards (SS) i.e. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings, respectively.

## Corporate Governance Report and Management Discussion & Analysis Report

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

## Business Responsibility and Sustainability Report

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

## Consolidated Financial Statements

In accordance with the Companies Act, 2013 ("the Act") read with IndAS, the audited consolidated financial statements are provided in the Annual Report. The accounts of Wholly-owned Subsidiary companies and JV Companies are consolidated with the accounts of the Company.

## Acknowledgement

The Board of Directors wishes to express appreciation to valued OEM customers, as their trust and partnership have been pivotal in enabling us to achieve our strategic goals and maintain our competitive edge in the industry.

We also extend our deepest gratitude to our valued investors for their continued confidence and trust in the Company's management.

Furthermore, the Board commends the relentless efforts and dedication of all employees. The Board also wishes to place on record the appreciation of all other stakeholders, including vendors, dealers, banks, business partners, and governments, for their unwavering support and collaboration.

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# ANNEXURE–I

# REMUNERATION POLICY

## 1. Background

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

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

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

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

## 2. Legal Framework

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

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

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

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

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

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

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

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

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

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

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

## 3. Objectives & Scope

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

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

## 4. Definitions

4.1. "Nomination & Remuneration Committee (NRC) means such Committee constituted by the Board of Directors of the Company under provisions of section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 8. Policy Review

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

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

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# ANNEXURE–II
# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

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

To,
**The Members,**
**Fiem Industries Limited**
(CIN: L36999DL1989PLC034928)
D-5, Mansarover Garden
New Delhi-110015

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

Based on our verification of the Company's books, documents, minute books, forms, and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye–laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable for Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act'):**
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
      (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
      (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We further report that, during the Audit Period there were no events/ actions in pursuance of:
   (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   (b) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
   (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
3. We have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable as mentioned above.

**We further report that-**

5. The Company is engaged in manufacturing of Automotive Lighting and Signaling Equipment, Rear View Mirror, Plastic Moulded Parts and other Auto Components. Company also manufactures LED Luminaries/ LED Products for general lighting applications and LED Integrated Passenger Information System for buses and railways etc. Company has manufacturing facilities, depots and offices in different States of the Country. During the course of Business operations, various Labour, Industrial, Environmental, Local/ State Laws as well as Laws specific to the Industry (such as Indian Motor Vehicle Act, 1988 and Rules made thereunder, as amended) apply to the Company. We have examined the compliance management system of the Company for ensuring the compliances of these laws. In our opinion and to the best of our information and explanations given to us, the compliance management system is adequate to ensure compliance of above referred applicable laws.
6. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

7. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
8. Adequate notice was given to all the Directors for Board and Committee Meetings. Notice, Agenda and detailed notes on agenda were sent at least 7 days in advance other than a meeting which was held on shorter notice in compliance with the provisions of the Act, read with Secretarial Standard-1 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
9. Decisions by the Board and Committees are carried out unanimously and therefore, no dissenting views were required to be captured and recorded as part of the minutes.
10. There are adequate systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
11. We further report that during the audit period following events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.:

    The Company has allotted 1,31,59,830 (One Crore Thirty One Lakhs Fifty Nine Thousand Eight Hundred Thirty only) Equity Shares of Rs. 10/- (Rupees Ten) each as fully paid up bonus shares in the proportion of 1:1 i.e. One (1) new equity share of Rs. 10/- (Rupees Ten) each for every One (1) existing equity share of Rs. 10/- (Rupees Ten) each.

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

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

**Place: New Delhi**
**Date : 18th May, 2024**
**UDIN: F008613F000399575**

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

## ANNEXURE-A

**The Members,**
**Fiem Industries Limited**
(CIN: L36999DL1989PLC034928)
D-5, Mansarover Garden
New Delhi-110015

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

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

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

c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

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

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

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

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

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

**Place: New Delhi**
**Date : 18th May, 2024**
**UDIN: F008613F000399575**

# ANNEXURE-III

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

## (A) CONSERVATION OF ENERGY

**(1) Steps Taken or Impact on Conservation of Energy:**

The Company has consistently placed a strong emphasis on optimizing energy consumption across all factories and office locations. By continuously upgrading and replacing equipment, the Company ensures that energy efficiency remains a core operational goal. Following detailed analyses, we have implemented several measures to minimize energy consumption through the optimal utilization of energy-consuming equipment. During the year under review, various initiatives were undertaken across all plants to enhance energy conservation and efficiency. Key measures include:

**a) Continuing the Energy-Saving KAIZEN Initiatives from Previous Years:**

**(i) Automated Lighting Control:**

Photocell sensors (photo eyes) were installed for street lights, enabling automated and efficient lighting management, and reducing unnecessary energy usage during daylight hours.

**(ii) UPS Optimization:**

Non-essential UPS systems are switched to offline mode on Sundays, significantly reducing energy consumption during periods of low activity.

**(iii) Compressor Efficiency:**

The operating pressure of compressors was reduced from 10 kg/cm$^2$ to 7 kg/cm$^2$ for three units, resulting in substantial energy savings without compromising operational effectiveness.

**(iv) Servo Motor Integration:**

All new injection molding machines were procured with energy-efficient servo motors, ensuring long-term reductions in power consumption and enhanced performance.

**(v) AC Scheduling:**

Timers were installed on AC machines to control activation and deactivation during non-production hours, preventing unnecessary energy usage.

**(vi) Temperature Regulation:**

AC temperatures were locked at 25°C to prevent continuous compressor loading, effectively optimizing energy use while maintaining a comfortable working environment.

**(vii) Sensor-Activated Lighting:**

Air shower lights were equipped with sensors to avoid continuous illumination, thereby saving energy during periods of inactivity.

**(viii) Interlocked Air Curtains:**

Air curtain operation was interlocked with pneumatic sliding doors, leading to significant electrical energy savings by ensuring they operate only when necessary.

**(ix) Air Recycling in Hopper Dryers:**

Implemented air recycling in the injection molding machine hopper dryer ventilator, resulting in notable energy savings by reusing air.

**(x) Automatic Door Closers:**

Installed automatic door closers in assembly areas to reduce cooling loss, effectively saving energy and decreasing air conditioner running time.

**(xi) Air Leakage Reduction:**

Reduced air leakage by using thread-free air pipelines in assembly areas, thus decreasing compressor loading time and overall energy consumption.

**(xii) Motor Replacement:**

Induction motors were replaced with servo motors in some injection molding machines, resulting in significant long-term power savings and improved efficiency.

**(xiii) Thermal Insulation:**

Installed thermo jackets on injection molding machines to enhance thermal efficiency and reduce energy loss.

**(xiv) Scheduled AC Operation:**

Timers were installed in ACs at certain locations to stop operation during lunch and tea breaks, ensuring energy is not wasted during these periods.

**(xv) DG Set Conversion:**

DG sets were converted to PNG with Retro Emission Control Devices (RECD) in the Rai, Kundli, and Tapukara Units, promoting cleaner energy use and reducing overall environmental impact.

These measures collectively contribute to a significant reduction in our energy consumption, aligning with our commitment to sustainability and operational excellence. Through continuous improvement and innovation,

the Company remains dedicated to leading in energy conservation and environmental stewardship.

**b)** Company continued its focus on behaviour awareness, by imparting trainings and organising workshops on energy saving themes as well as putting boards and quotes highlighting conservation of natural resources, reducing wastage, care for energy saving cause in every walk of life.

**c)** Supplier's visit and audit, suppliers encouraged to follow green practices as an important pre-requisite to the Company purchasing strategy.

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

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

Company is exploring alternate source of energy like roof top solar plants in factories to maximize the utilization of alternate source of energy. However, presently alternate source of energy is very low.

**(3) The Capital Investment on Energy Conservation Equipment:**

The energy conservation measures are majorly in the form of change / upgradation of existing equipment and practices improvement and no big capital investment on these measures, except in some cases of plant upgradation or new plant installation. During the year under review capital investment made on energy saving equipment was not significant.

## (B) TECHNOLOGY ABSORPTION

**(1) Efforts made towards Technology Absorption:**

In response to evolving industry dynamics, the Company is strategically focusing on integrating lean design and manufacturing principles. This approach optimizes production processes and enables quicker adaptation to technological advancements in LED lighting. As LEDs continue to dominate new developments across all automotive segments, our commitment to advancing LED lamp technology remains pivotal. We are actively investing in research and development to innovating and effectively absorb new technologies.

Aligning with the industry's growth trajectory, Fiem is committed to enhancing its manufacturing capabilities to meet the growing demand for high-quality, cost-effective automotive lighting solutions. By staying at the forefront of LED technology and leveraging lean manufacturing practices, we are poised to capitalize on opportunities presented by the evolving automotive landscape and ensuring sustainable growth and innovation.

**(i)** Automobile signature lamps necessitate a sophisticated optical assembly featuring high-quality diffusers and guides to achieve uniform light dispersion with 360-degree LEDs.

**(ii)** Exploring new lighting forms using micro-optical elements offer OEMs a range of signature possibilities, granting them greater creative freedom to realize their visions.

**(iii)** Pulse width modulation control units developed to power vehicle headlamps, providing refined and responsive performance tailored for on-road conditions.

**(iv)** Extensive vehicle-side electrical simulation for all lamp functionalities, including light pattern checks, have been implemented in EOL (End of Line).

**(v)** Two-wheeler lamps are more focused on trademark and specialized lighting, and molding equipment have been improved to electronic injection to handle thick lighting components like multi-profile thick light bars, PES lenses, and collimators.

**(2) Benefits as the aftermath of the above efforts, namely product improvement, cost reduction, product development, import substitution etc. are:**

**(i)** Optimized reflectors have been developed to accommodate new technology LEDs for tail and stop functions, offering an ultra-smooth appearance.

**(ii)** Micro optics provide various lit-up and aesthetic freedoms for signature lamps, giving the product a specific identity.

**(iii)** Adaptive headlamps seamlessly integrated with both the user interface and the vehicle, help adapting effortlessly to the current technological landscape.

**(iv)** Integrating vehicle-side simulations in EOL reduce failures at higher gradients, enhancing product quality.

**(v)** Thick-element lenses elevate aesthetic appeal and optimize light output, providing designers with enhanced flexibility to craft intricate designs.

**(3) Following are the information on Imported technology during last 3 years reckoned from beginning of the financial year 2023-24**

**a) the details of technology imported:**

**b) the year of import:**

**c) Whether the technology has been fully absorbed:**

**d) If not fully absorbed, areas, where absorption has not taken place, and the reasons thereof:**

In general, the Company keeps on importing latest machines to keep pace with the latest manufacturing and technology development worldwide. This helps developing in-house technology and up gradation of technology. Company had imported LED SMT machines and automatic assembly lines with latest technology in yester years and also keeps on importing robots and machines with latest technology for various processes. The technology gets self-absorbed during production as improvement is a continuous process.

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

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

**(4) RESEARCH & DEVELOPMENT (R&D)**

Our emphasis on modern technology drives our R&D efforts to develop affordable, eco-friendly lighting solutions for two-wheelers. We are dedicated to pioneering advancements in compact, cost-effective illumination options that meet market demands for safe and intuitive driving. Through robust R&D capabilities, we continuously innovate, to introduce new products and technologies that enhance quality and earn recognition from our valued OEM customers.

The Company has set up its in-house R&D Unit at Rai Plant, recognized by the Government of India, Ministry of Science and Technology, Department of Science and Industrial Research. Fiem has also established 'Fiem Research & Technology' (FRT) in Turin, Italy, to become a dominant player in automotive lamps, specifically for advanced concept derivation and innovation.

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

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

**(i)** Comprehensive body lighting concepts for the front and rear positions, featuring uniformly distributed light in all directions to elevate the premium aesthetic.

**(ii)** A CAN-based headlamp featuring multiple themes that enhance safety features, pushing two-wheeler lighting requirements to higher levels.

**(iii)** Replacing thick projector lenses with medium-thick lenses and high-beam reflectors to accommodate miniature stacked headlamps.

**(iv)** Implementing horizontally fired LEDs through integral optics into thick optical elements, extending functionality to tail and stop lights.

**(v)** Utilizing a standalone 6-channel linear LED driver for sequential compact blinkers in premium segment motorcycles.

**(vi)** Successfully integrating DRL and position functions into a single window using the multiple MFR concept.

**(vii)** Designing cross-functional LED rear combination lamps that cater to both horizontal and vertical orientations, particularly for cargo vehicles with minimal back-up function LEDs.

**(viii)** Employing light pad technology to enable corner-fired LEDs and combining them with thick lenses for smooth and uniform light flow in signaling.

**(ix)** Developing and implementing compact sequential blinkers with dark theme technology for the premium segment.

**(x)** Designing and developing a high-performance Class-D LED MFR headlamp with minimal reflector opening and by small packaging.

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

The company's extensive internal R&D capabilities and deep expertise in LED technology have empowered it to introduce a diverse range of LED lamps tailored for two-wheelers. Recognized as a preferred supplier by leading two-wheeler OEMs, the company delivers advanced LED automotive lighting solutions encompassing headlights, daytime running lights, taillights, and directional indicator lights. This achievement underscores its commitment to innovation and excellence in meeting the evolving demands of the automotive industry.

**(i)** Combining thick blades with increased optical fragments and an MFR optical source to effectively disperse higher light within controlled boundaries, achieving all-directional light for a super aesthetic view.

**(ii)** Enhancing customer experience with more graphical interface, integrating advanced safety features and engaging animations as compelling selling points.

**(iii)** Streamlining the molding process by removing the bulky projector lens, allowing stacked headlamp modules for greater flexibility in design creativity.

**(iv)** Horizontally fired thick lenses enhance perceived brightness and intensity of tail and stop lights, providing a more pronounced visual impact.

**(v)** Adoption of six-channel linear LED drivers prove cost-effective and compact, offering improved efficiency and easier integration. Better thermal management ensures optimal performance and longevity of the lamp.

**(vi)** Balancing reduced packaging with increased brightness enhances both aesthetic appeal and road safety, reflecting current automotive trends.

**(vii)** Integral functioning lamps contribute significantly to the vehicle aesthetics and dynamics and offer advantages both in cost and packaging efficiency.

**(viii)** Cross-functional lighting enhances the modularity of lamps, enabling the development of cost-effective lighting solutions tailored to various vehicle requirements.

**(ix)** Light pad technology ensures uniform light distribution from the source, achieving a cost effective solution for homogeneous and three-dimensional illumination effect.

**(x)** Micro lenses play crucial role in puddle lamps, providing additional exterior lighting that aids in parking and enhance vehicle visibility.

**(xi)** Dark theme sequential blinkers seamlessly integrate with the vehicle's design during unlit conditions, serving both practical and aesthetic purposes effectively.

**(c) Future Plan of Action:**

**(i)** Thin blade headlamp using specially shaped LED sources for high and low beam functions, where the light bars can be modularized.

**(ii)** Adopting high thermal conductivity polymers, optimize lighting system performance, replacing bulky metal heat sinks with a compact design ideal for small light profiles and projector headlamps.

**(iii)** Red diffuser lens to eliminate the traditional two-part construction, minimizing costs in signature functions and improving homogeneity.

**(iv)** Studying the use of COB (chip on board) LED packages for high-power headlamps in the near future.

**(v)** Further enhancement of semi-adaptive cost-effective electronic architecture solutions for the mid-range lighting segment.

**(vi)** Research on miniature cost-effective headlamps for two-wheelers has been initiated, and plans are on anvil to implement miniature logo lamps.

**(vii)** Introducing bending lights for two-wheelers that will work in tandem with low beam function providing additional light over corners.

**(viii)** Researching usage of silicon transparent lenses for automotive signaling devices.

**(ix)** Striving to introduce dual functions by using multi-color automotive LEDs in a single lamp to reduce costs.

**d) Expenditure on R&D:**

Company has built its R&D capabilities over a long time and now it possess one of the best R&D and Design capabilities in the industry. Further, the Company has also incurred expenses on its overseas Design Centre in Italy and Development activities within and outside India. The following expenses have been made by the company on R&D:

**Amount in Rs. Lakh**

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Capital Expenditure: | 454.66 | 255.20 |
| Recurring/Revenue Expenditure: | 2334.31 | 1875.42 |
| **Total** | **2788.97** | **2130.62** |

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year was **Rs. 2,968.95** Lakh and the Foreign Exchange outgo during the year in terms of actual outflows was **Rs. 36,150.50** Lakh.

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

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# ANNEXURE-IV

# ANNUAL REPORT ON CSR ACTIVITIES (FY 2023-24)

**1. Brief outline on CSR Policy of the Company:**

Continuing the previous CSR theme, Company remained focussed on 'Health Care' and 'Women Empowerment' as a major area of intervention under Corporate Social Responsibility (CSR) Policy and simultaneously worked on other projects to support poor and underprivileged. Under 'Health Care' and 'Women Empowerment', Company provided raw materials, running & maintenance support to the Sanitary Pad Projects established during previous years. Further during the year 3 new Sanitary Pad Projects established in different states. This is very successful and impactful project of the Company for spreading awareness about the Menstrual Hygiene Management (MHM). Company intend to continue to do more under this cause by way of setting-up Sanitary Pad Projects across various states.

Company also undertook various activities under Medicare Support Project by providing Ambulances and other equipments to NGOs and health care centres.

Further, to support underprivileged, Company also undertook the Swavlamban Project-II. Under this project, Company provided sewing machines to poor women for livelihood, Millet making machines and other livelihood support.

Other 'Health Care' projects include Eye Operation Camps for poor and underprivileged in Kutch area of Gujarat with the help of implementation partner, Shri Kutchh Vikas Trust.

Second year in a row, Company whole-hearted participated in 'Har Ghar Tiranga' campaign organized across its factories and offices on occasion of Independence Day i.e. August 15, 2023 under the Project, Har Ghar Tiranga-II.

**Following major CSR Projects undertaken by the Company during the year:**

- Providing raw materials, running & maintenance support to the Sanitary Pad Projects established during previous years.
- Setting-up new Sanitary Pad Projects in different states with following underlying theme:
  - o Women Empowerment, / Mahaila Samman
  - o Menstrual Hygiene Management (MHM) awareness.
- Medicare Support Project-II: Providing Ambulances and other needful material to NGOs and Health care centres.
- Project Swavlamban-II: Providing Sewing Machines, Paper Plate Making Machine, Millet Roaster Machines etc. for learning, training & and livelihood support to poor & needy especially women.
- Eye Operation Camp in Kutch, Gujarat (KVT)

Company also continued following 'on-going' CSR Projects, which was started in previous year (2021-22) and completed during March, 2024:

- Armed Forces Veterans Support (PITHU-FIEM)- ration support to non-pensioner retired para military veterans / families.

**2. Composition of CSR Committee:**

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

| | | |
|---|---|---|
| **3.** | **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.** | CSR Policy Web link: **https://fiemindustries.com/csr-policy/** CSR Project & Committee web link: **https://fiemindustries.com/csr-projects-csr-committee/** |
| **4** | **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.** | .....Not Applicable..... |

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

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

| | | | | |
|---|---|---|---|---|
| 6. | Average net profit of the company as per section 135(5) | : | 130,82,91,820 |
| 7. | (a) 2% of average net profit of the company as per section 135(5) | : | 2,61,65,836 |
| | (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | : | Nil |
| | (c) Amount required to be set off for the financial year, if any: | : | Nil |
| | (d) Total CSR obligation for the financial year (7a+7b-7c): | : | 2,61,65,836 |

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

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of Transfer |
| 2,62,44,207 | Nil | NA | N.A. | N.A. | N.A |

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SN | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Project Duration | Amount allocated for the project (in Rs.). | Amount spent in the current F.Y. (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of implementation Direct (Yes/No) | Mode of implementation – Through Implementing Agency. | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| 1 | PITHU-FIEM | (iv) Measures for the benefit of Armed forces Veterans. | No | Manipur | Churachandpur | 25 Months | 3,36,750 | 3,36,750 | Nil | No | Support Our Heroes | CSR00022217 |

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

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| SN | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing agency. | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | Sanitary Pad Project – Dehradun (extn.) | (i) Healthcare / (iii) empowering women | No | Uttrakhand | Dehradun | 626945 | No | Swami Vivekanand Health Mission Society | CSR00013441 |
| 2 | Sanitary Pad Project – Delhi (extn.) | (i) Healthcare / (iii) empowering women | Yes | Delhi | Delhi | 1225926 | Yes | Direct | NA |
| 3 | Sanitary Pad Project – Ghaziabad (extn.) | (i) Healthcare / (iii) empowering women | No | Uttar Pradesh | Ghaziabad | 1260984 | No | SEWA BHARTI, Meerut Prant | CSR00017322 |
| 4 | Sanitary Pad Project – Hamirpur (extn.) | (i) Healthcare / (iii) empowering women | No | Himachal Pradesh | Hamirpur | 933192 | No | Act To Transform Foundation | CSR00003834 |
| 5 | Sanitary Pad Project – Lucknow (extn.) | (i) Healthcare / (iii) empowering women | No | Uttar Pradesh | Lucknow | 887503 | No | Awahan the New Voice | CSR00001504 |
| 6 | Sanitary Pad Project – Mayurbhanj (extn.) | (i) Healthcare / (iii) empowering women | No | Orissa | Mayurbhanj | 1261523 | No | Utkal Bipanna Sahayata Samiti | CSR00003291 |

CONTINUED ON NEXT PAGES...

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| SN | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing agency. | |
| | | | | State | District | | | Name | CSR Registration Number |
| 7 | Sanitary Pad Project – Phagwara (extn.) | (i) Healthcare / (iii) empowering women | No | Punjab | Kapurthala | 759484 | No | Hindustan Welfare Blood Donar Club | CSR00025901 |
| 8 | Sanitary Pad Project – Solan (extn.) | (i) Healthcare / (iii) empowering women | Yes | Himachal Pradesh | Solan | 632975 | No | Sewa Bharti Himachal Pradesh Shimla | CSR00031927 |
| 9 | Sanitary Pad Project – Varanasi (extn.) | (i) Healthcare / (iii) empowering women | No | Uttar Pradesh | Varanasi | 459498 | No | Sewa Bharti Samiti | CSR00013843 |
| 10 | Sanitary Pad Project – Kotdwar (New) | (i) Healthcare / (iii) empowering women | No | Uttrakhand | Kotdwar | 976815 | No | Society for Upliftment of Villagers and Development of Himalyan Areas | CR00000399 |
| 11 | Sanitary Pad Project – Faridabad (New) | (i) Healthcare / (iii) empowering women | No | Haryana | Faridabad | 974101 | No | Mahaveer International Welfare Association | CSR00008800 |
| 12 | Sanitary Pad Project – Anantnag (New) | (i) Healthcare / (iii) empowering women | No | J&K | Anantnag | 911207 | No | AL Khalil Welfare Organisation (AKWO) | CSR00059352 |
| 13 | Medicare Support-II (Ambulance) | (i) Healthcare | No | Bihar | Nalanda | 766572 | No | Gram Niyozan Kendra | CSR00011116 |
| 14 | Medicare Support-II (Ambulance) | (i) Healthcare | No | Jharkhand | Ranchi | 877298 | No | Bhartiya Jan Sewa Parishad | CSR00066995 |
| 15 | Medicare Support-II (Ambulance) | (i) Healthcare | No | Jharkhand | Ranchi | 835791 | No | Creative International (NGO) | CSR00034979 |
| 16 | Medicare Support-II (Ambulance) | (iv) Animal Welfare | No | Haryana | Faridabad | 736890 | No | People for Animals Trust | CSR00007721 |
| 17 | Medicare Support-II (Ambulance) | (i) Healthcare | No | Uttrakhand | Kotdwar | 832785 | No | Society for Upliftment of Villagers and Development of Himalyan Areas | CR00000399 |
| 18 | Medicare Support-II (Ambulance) | (i) Healthcare | No | Uttar Pradesh | Lucknow | 2014473 | No | Sankalp Foundation | CSR00049365 |
| 19 | Disaster Relief & Support | (xii) disaster management, including relief | No | Himachal Pradesh | Sirmour | 1817678 | Direct | NA | NA |
| 20 | E-Clinic | (i) Healthcare | No | Bihar | Purnia | 448000 | No | Vishwamaya Charitable Trust | CSR0004549 |
| 21 | Eye Care Camps for Poor & Needy | (i) Healthcare | No | Gujarat | Kutch | 1361000 | No | Shri Kutchh Vikas Trust | CSR00014712 |
| 22 | Har Ghar Tiranga-II | (ii) Promoting education | Yes | Haryana | Sonipat | 315000 | Direct | NA | NA |
| 23 | Medicare Support-II (General) | (i) Healthcare | Yes | Delhi | Delhi | 607381 | Direct | NA | NA |
| 24 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Uttar Pradesh | Azamgarh | 407150 | Direct | NA | NA |
| 25 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Himachal Pradesh | Bilaspur | 171690 | No | Chetna Himachal Pradesh | CSR00032512 |

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| SN | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation Through implementing agency. | |
| | | | | State | District | | | Name | CSR Registration Number |
| 26 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | Yes | Delhi | Delhi | 266936 | Direct | NA | NA |
| 27 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Uttar Pradesh | Ghaziabad | 222686 | Direct | NA | NA |
| 28 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Himachal Pradesh | Hamirpur | 595730 | No | Act To Transform Foundation | CSR00003834 |
| 29 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Uttrakhand | Kotdwar | 278580 | No | Society for Upliftment of Villagers and Development of Himalyan Areas | CR00000399 |
| 30 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Himachal Pradesh | Kullu | 133468 | Direct | NA | NA |
| 31 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Uttar Pradesh | Lucknow | 877558 | Direct | NA | NA |
| 32 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Orissa | Mayurbhanj | 359310 | No | Utkal Bipanna Sahayata Samiti | CSR00003291 |
| 33 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Bihar | Patna | 132468 | Yes | Gram Niyozan Kendra | CSR00011116 |
| 34 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Karnataka | Raichur | 171690 | Yes | Sri Dharma Chara Seva Trust | CSR00056226 |
| 35 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Jharkhand | Ranchi | 149370 | Yes | Creative International (NGO) | CSR00034979 |
| 36 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | No | Bihar | Siwan | 341380 | Yes | Gram Niyozan Kendra | CSR00011116 |
| 37 | Swavlamban II | (ii) promoting education (i) Eradicating poverty and malnutrition | Yes | Himachal Pradesh | Sirmour | 276420 | Yes | Sewa Bharti Himachal Pradesh Shimla | CSR00031927 |
| **Total** | | | | | | **25907457** | | | |

| | | | |
|---|---|---|---|
| **(d)** | **Amount spent in Administrative Overheads** | : | Nil |
| **(e)** | **Amount spent on Impact Assessment, if applicable** | : | Nil |
| **(f)** | **Total amount spent for the Financial Year (8b+8c+8d+8e)** | : | 2,62,44,207 |

**(g) Excess amount for set off, if any**

| S.N. | Particular | Amount (In Rs.) |
|---|---|---|
| (i) | 2% of average net profit of the company as per section 135(5) | 2,61,65,836 |
| (ii) | Total amount spent for the Financial Year | 2,62,44,207 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 78,371 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

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

| S.N. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(5), if any. | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount | Date of transfer | |
| 1. | 2022-23 | Nil | NA | NA | NA | NA | NA |
| 2. | *2021-22 | 10,59,000 | 1,40,254 | NA | NA | NA | NA |
| 3. | 2020-21 | Nil | NA | NA | NA | NA | NA |
| | **TOTAL** | **10,59,000** | **1,40,254** | **NA** | **NA** | **NA** | **NIL** |

*** Note:** originally Rs. 14,32,536 transferred to Unspent CSR Account u/s 135(6) on 27/04/2022 against 3 "On-going Projects" of FY 2021-22. Out of it Rs. 12,92,282 spent during FY 2022-23 on all 3 Projects, leaving a Balance of Rs. 1,40,254 remaining to be spent in FY2023-24 for one Project PITHU-FIEM. Hence, Rs. 1,40,254 spent for "Ongoing Project" PITHU-FIEM. Additional amount of Rs. 3,36,750 also allocated from FY 2023-24 budget to this Project which was also spent during FY 2023-24 itself and this Project now completed.

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| S.N. | Project ID | Name of the Project. | Financial Year in which the project was commenced. | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed/ Ongoing. |
| 1. | FY31.03.2022_1 | PITHU-FIEM | 2021-22 | 25 Months | 13,95,750 | 4,77,004 | 13,95,750 | Completed |
| | **TOTAL** | | | | **13,95,750** | **4,77,004** | **13,95,750** | |

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

| Sr. | Particulars | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|---|
| | | Medicare Support Project-II (Ambulance) | Medicare Support Project-II (Ambulance) | Medicare Support Project-II (Ambulance) | Medicare Support Project-II (Ambulance) | Medicare Support Project-II (Ambulance) | Medicare Support Project-II (Ambulance) |
| (a) | Date of creation or acquisition of the capital asset(s) | 05/03/2024 | 07/02/2024 | 29/02/2024 | 28/04/2023 | 15/02/2024 | 25/02/2024 |
| (b) | Amount of CSR spent for creation or acquisition of capital asset (Rs.) | 20,14,773/- | 8,77,298/- | 8,32,785/- | 7,66,572/- | 8,35,791/- | 7,36,890/- |
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | **Sankalp Foundation** **Add:** 54-B, Kurmanchal Nagar, Lucknow-226016 | **Bhartiya Jan Sewa Parishad** **Add:** Kumar Nivas, Bright Lane, Kokar, Ranchi, Jharkhand-834001 | **Society for Upliftment of Villagers and Development of Himalyan Areas** **Add:** Vill-Bayela, PO-Chanthariya, Dawarhat, UR01, UR-263653 | **Gram Niyojan Kendra** **Add:** Village - Basti, P.O. - Harnuat, Distt. Nalanda, Bihar-803110 | **Creative International (NGO)** **Add:** Building No. C/34, Ashok Nagar, Road No.1,Doranda, Ranchi, Jharkhand-834002 | **People for Animals Trust** **Add:** 1262, Sector-55, Ballabgarh, Faridabad-121004 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| (d) | **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).** | **Ambulance**<br>**Force Motors**<br>C/o: Sankalp Foundation<br>**Add:** 54-B, Kurmanchal Nagar, Lucknow-226016 | **Ambulance**<br>**Maruti Suzuki-EECO.**<br>C/o: Bhartiya Jan Sewa Parishad<br>**Add:** Kumar Nivas, Bright Lane, Kokar, Ranchi, Jharkhand-834001 | **Ambulance**<br>**Maruti Suzuki-EECO.**<br>C/o Society for Upliftment of Villagers and Development of Himalyan Areas<br>**Add:** Vill - Bayela, PO-Chanthariya, Dawarhat, UR01, UR-263653 | **Ambulance**<br>**Maruti Suzuki-EECO.**<br>C/o: Gram Niyojan Kendra<br>**Add:** Village-Basti Harnaut, Nalanda, Bihar-803110 | **Ambulance**<br>**Maruti Suzuki-EECO.**<br>C/o: Creative International (NGO)<br>**Add:** Building No. C/34, Ashok Nagar, Road No.1, Doranda, Ranchi, Jharkhand-834002 | **Ambulance**<br>**Maruti Suzuki-EECO.**<br>C/o: People for Animals Trust<br>**Add:** 1262, Sector-55, Ballabgarh, Faridabad-121004 |

CONTINUED BELOW...

| Sr. | Particulars | (7)<br>Sanitary Pad Project – Kotdwar | (8)<br>Sanitary Pad Project – Anantnag | (9)<br>Sanitary Pad Project – Anantnag |
|---|---|---|---|---|
| (a) | **Date of creation or acquisition of the capital asset(s)** | 29/02/2024 | 27/03/2024 | 25/01/2024 |
| (b) | **Amount of CSR spent for creation or acquisition of capital asset (Rs.)** | 6,49,000/- | 6,49,000/- | 6,49,000/- |
| (c) | **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** | **Society for Upliftment of Villagers and Development of Himalyan Areas**<br>**Add:** Vill – Bayela, PO – Chanthariya, Dawarhat, UR01, UR-263653 | **Al Khalil Welfare Organisaton (AKWO) Foundation Trust**<br>**Add:** III Floor, Town Plaza Building, Kulgam, Near DC Office, Anantnag, J&K-192231 | **Mahaveer International Welfare Association**<br>**Add:** 614, Sector-15, Faridabad, Haryana- 121007 |
| (d) | **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).** | **Automatic Sanitary Napkin Machine with Accessories.**<br>**Add:** C/o Society for Upliftment of Villagers and Development of Himalyan Areas Add: Vill – Bayela, PO – Chanthariya, Dawarhat, UR01, UR-263653 | **Automatic Sanitary Napkin Machine with Accessories.**<br>C/o Al Khalil Welfare Organisaton (AKWO) Foundation Trust<br>**Add:** III Floor, Town Plaza Building, Kulgam, Near DC Office, Anantnag, J&K- 192231 | **Automatic Sanitary Napkin Machine with Accessories.**<br>C/o Mahavir International Welfare Association<br>**Add:** A/3, Central Green, NIT Faridabad, Haryana -121001 |

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

N.A.

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

**Sd/-**
**Jagjeevan Kumar Jain**
Chairman & Managing Director
(DIN: 00013356)

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# ANNEXURE–V

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

| SN | Requirements | Disclosures |
|---|---|---|
| I. | The ratio of the remuneration of Managing Director and each Whole-time Director to the median remuneration of the employees for the financial year | Please refer below **'Table-A'.** |
| II. | The percentage increase in remuneration of Managing Director each Whole-time Director, Chief Financial Officer and Company Secretary in the financial year | Please refer below **'Table-A'.** |
| III. | The percentage increase in the median remuneration of employees in the financial year | Please refer below 'Table-A'. |
| IV. | The number of permanent employees on the rolls of the Company | There were **2425** direct employees on the rolls of the Company at the end of Financial Year 2023-24. |
| V. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentile increase/decrease during the year 2023-24 in the salaries of employees (excluding managerial persons) was **13.39% (increase).** Average percentile increase / decrease during the year 2023-24 in managerial remuneration was **50.27% (increase).** For other information, please refer below **'Table-A'.**<br><br>**Justification Note:** The above increase in Managerial Remuneration is already approved by the shareholders in the last AGM (34th AGM) held on July 28, 2023, based on detailed explanation and justification provided in the explanatory statement of Notice of 34th AGM. |
| VI. | Affirmation that the remuneration is as per the remuneration policy of the Company | Yes, it is confirmed that the remuneration is as per the Remuneration Policy of the Company. |

**TABLE-A**

| SN | Name & Designation of Directors and KMPs | Remuneration FY 2023-24 (Rs.) | % increase/ decrease | Ratio of Remuneration with Median Remuneration of all employees |
|---|---|---|---|---|
| | **Median Remuneration of Employees** | 2,94,180 | 14.02% | - |
| 1 | Mr. J.K. Jain, Chairman & Managing Director | 24,000,000 | 92.31% | 81.58 |
| 2 | Mrs. Seema Jain, Whole-time Director | 12,000,000 | 66.67% | 40.79 |
| 3 | Mr. Rahul Jain, Joint Managing Director | 12,000,000 | 53.85% | 40.79 |
| 4 | Mr. Rajesh Sharma, Joint Managing Director | 22,200,000 | 57.45% | 75.46 |
| 5 | Mr. Vineet Sahni, CEO & Director | 33,000,000 | NA | 112.18 |
| 6 | Ms. Aanchal Jain, Whole-time Director | 12,000,000 | 100% | 40.79 |
| 7 | Mr. K. R. Yadav, Whole-time Director | 12,144,864 | 10.96% | 41.28 |
| 8 | Mr. O.P. Gupta, Chief Financial Officer | 7,440,000 | 5.98% | - |
| 9 | Mr. Arvind K. Chauhan, Company Secretary | 9,404,934 | 11.34% | - |
| | **Total Managerial Remuneration** | **144,189,798** | **50.27%** | |

**Notes:**

1. All the Non-executive Directors of the Company are paid sitting-fee only for the Board / Committee meetings attended by them, hence above information not applicable for them.
2. Further, Mr. Vineet Sahni, CEO & Director has joined the Company during the Financial Year and not present at the beginning of the Financial Year, hence his remuneration is not considered for the purpose of calculating average percentile increase in the Managerial Remuneration, though his remuneration forms part of the Total Managerial remuneration.
3. **The calculation of median remuneration of employees and increase therein is based on the employees of the company who were at company's roll at the beginning as well as at the end of financial year.**
4. **Company's Performance for FY 2023-24:** Please refer initial paras in Director's Report.

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

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# ANNEXURE–VI

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

| SN | Name | Designation | Remuneration Received (Rs. In Lakh) | Qualification | Experience in years | Date of Commencement of employment | Age in years | Last Employment held before joining the Company | % age / No. of Equity Shares held with spouse and dependent children |
|---|---|---|---|---|---|---|---|---|---|
| 1 | J.K. Jain | Chairman & Managing Director | 240.00 | Graduate | 51 | 06-02-1989 | 72 | See Notes | 20.56% (See Notes) |
| 2 | Seema Jain | Whole-time Director | 120.00 | Graduate | 40 | 06-02-1989 | 69 | See Notes | 20.56% (See Notes) |
| 3 | Rahul Jain | Joint Managing Director | 120.00 | Management Graduate | 15 | 14-11-2004 | 37 | See Notes | 12.35% (See Notes) |
| 4 | Rajesh Sharma | Joint Managing Director | 222.00 | Science Graduate | 41 | 01-09-2003 | 61 | Toshi Auto Industries Pvt. Ltd. | NIL |
| 5 | Vineet Sahni | CEO & Director | 330.00 | B.E. & PGDM | 36 | 01-05-2023 | 59 | Lumax Industries Ltd. | Nil |
| 6 | K. R. Yadav | Whole-time Director | 121.45 | Matriculation | 49 | 01-11-1997 | 68 | B.P. Plastic Industries | 676 (Nos.) |
| 7 | Aanchal Jain | Whole-time Director | 120.00 | Management Graduate | 21 | 02-12-1999 | 42 | See Notes | 12.35% (See Notes) |
| 8 | Subhash C. Saraswat | President | 127.80 | DM (Engineering) | 33 | 04.01.2023 | 54 | Lumax Industries Ltd. | Nil |
| 9 | Adhir Sinha | Sr. Vice President | 129.77 | B.Tech, M.B.A. | 31 | 01.02.2023 | 54 | Varroc Engineering Ltd. | Nil |
| 10 | Shanmugasundaram D. | Head (R&D) | 99.53 | MS | 28 | 04-04-2012 | 48 | TVS Motor Company Ltd. | NIL |

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

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

**Notes:**

1. Mr. J.K. Jain and Mrs. Seema Jain are founder promoters of the Company. Since incorporation they are on the Board of the Company. Before this Company, Mr. J.K. Jain and Mrs. Seema Jain were engaged in automotive lighting business in B.P. Plastic Industries and other family concerns. Ms. Aanchal Jain and Mr. Rahul Jain also started their career with the Company and were appointed on the Board on 02/12/1999 and 14/11/2004, respectively.
2. Above shareholding as on March 31, 2024, is in individual name of Mr. J.K Jain, Mrs. Seema Jain, Mr. Rahul Jain and Ms. Aanchal Jain. All promoters along with related concerns (promoter group) hold 66.56% of the total share capital of the Company as on March 31, 2024.
3. The above remuneration does not include leave encashment, gratuity and perquisites.
4. **Whether any such employee is a relative of any director or manager of the company, with name of such Director:**

   Mr. J.K. Jain, Chairman & Managing Director is husband of Mrs. Seema Jain, Whole-time Director and father of Mr. Rahul Jain, Joint Managing Director and Ms. Aanchal Jain, Whole-time Director. Hence, all 4 are related to each other. Further, all of these are promoters of the Company and promoter group hold 66.56% shareholding as on March 31, 2024.

   None of other employees in this statement is relative of any Director of the Company.

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

**c)** Statement showing names and other details of employees, who, if employed for a part of the Financial Year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

| SN | Name | Designation | Monthly Remuneration (Rs. In Lakh) | Qualification | Experience in years | Date of Commencement of employment | Age in years | Last Employment held before joining the Company | %age / No. of Equity Shares held with spouse and dependent children |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Vineet Sahni | CEO & Director | 30.00 | B.E. & PGDM | 36 | 01-05-2023 | 59 | Lumax Industries Ltd. | Nil |

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

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

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

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

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Management Discussion and Analysis

## GLOBAL ECONOMIC OUTLOOK

The baseline forecast for the world economy is to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for Advanced Economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in Emerging Market and Developing Economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with Advanced Economies returning to their inflation targets sooner than Emerging Markets and Developing Economies.

The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak productivity growth; and increasing geo-economics fragmentation. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. Multilateral cooperation is needed to limit the costs and risks of geo-economics fragmentation and climate change and speed the transition to green energy.

*[Source: World Economic Outlook, IMF- April 2024]*

## INDIAN ECONOMIC OUTLOOK

According to the 'Economic Review' for March 2024, released by the Indian government in April 2024, India's economic performance has remained robust despite global challenges and geopolitical concerns. This can be attributed to strong domestic demand, rural demand pick-up, robust investment, and sustained manufacturing momentum, as mentioned in the review. It also mentioned that the price pressures continue to abate from the country. "Globally, inflation management continues to remain a key priority."

Despite the positive trajectory, the RBI acknowledged potential challenges on the horizon, including geopolitical tensions, domestic weather-related disruptions, and the Indian Meteorological Department's forecast of an above-normal monsoon in the upcoming fiscal year. In light of these factors, the RBI has projected Consumer Price Index (CPI) inflation for the fiscal year 2024-25 at 4.5 percent.

Furthermore, both the RBI and the International Monetary Fund (IMF) have issued optimistic growth projections for India, bolstering confidence in the nation's economic outlook.

Notably, March 2024 witnessed several indicators of robust economic performance, including record-breaking achievements in the stock market, remarkable Goods and Services Tax (GST) collections, and substantial growth in both the manufacturing and services sectors.

The buoyant domestic economic landscape is further evidenced by improvements in consumer and investor confidence, reflected in enhanced sentiment across various sectors.

Economic Review for March 2024, supplemented the second advance estimates, released by the National Statistical Office (NSO) on 29th February 2024, which pegged India's 2023-24 real GDP growth at a high rate of 7.6 percent. Following this, most professional forecasters, international organizations, and rating agencies scaled up their 2024-25 growth forecast for India.

The country's remarkable growth rate of 8.4% in the third quarter of the fiscal year 2023-24 surpassed all expectations, as market analysts had estimated a slower growth rate. With substantial revisions to the data from the first three quarters of the fiscal year 2023-24, India's GDP growth already touched 8.2% year-over-year (YoY) in these quarters.

**The International Monetary Fund (IMF) projected India's growth to remain at or above 6.5% from FY25 to FY30. As per estimates among major Advanced Economies and in Emerging Market and Developing Economies, India is projected to be the fastest-growing economy with its growth forecasted at 6.8% in 2024 (FY25) and then remaining at 6.5% in each year from 2025 (FY26) to 2029 (FY30).**

In the near term, the Indian economy is expected to maintain its robust growth momentum and upward trajectory. This growth will be driven by strong domestic consumption, continued investment in infrastructure, and the implementation of structural reforms aimed at enhancing productivity and competitiveness. The government's focus on digitalization, innovation, and sustainability is likely to spur growth across various sectors. Additionally, the expansion of the manufacturing and services sectors, supported by initiatives like the Production Linked Incentive (PLI) schemes and the Make in India program, will play a crucial role in sustaining economic momentum. However, challenges such as inflationary pressures, global economic uncertainties, and potential disruptions in supply chains will need to be carefully managed. Overall, the outlook for the near term is positive, with India poised to solidify its position as one of the world's fastest-growing major economies.

## INDUSTRY STRUCTURE AND DEVELOPMENT

### Indian Automobile Industry

The Indian Automobile Industry is one of the largest in the world, playing a significant role in the country's economic development. The sector includes the production of Passenger Vehicles, Commercial Vehicles, Three-Wheelers, Two-Wheelers, and Off-highway Vehicles, with a diverse range of companies contributing to its robust growth. Alongside, the Indian Auto Component industry supports this sector, supplying essential parts and systems, and has evolved into a global hub for Automotive Components.

The Indian Automobile Industry has continued to grow, driven by factors such as rising disposable incomes, urbanization, and favorable government policies. The industry now stands as a major contributor to the nation's GDP, employment, and exports. The focus has also shifted towards sustainability, with increased investments in electric vehicles (EVs) and hybrid technologies.

### Indian Auto Component Industry

The Indian Auto Component industry is integral to the Automobile sector, supplying a wide range of parts, including Automotive Lighting, body parts, engine components, transmission parts, brake systems, electrical parts, and more. This industry has grown alongside the Automobile sector,

benefiting from technological advancements and increased demand. The industry has seen significant technological progress, with an emphasis on research and development (R&D) and innovation. The adoption of Industry 4.0 practices, including automation, robotics, and IoT, has enhanced productivity and quality.

The Indian Automobile and Auto component industries have come a long way, evolving from modest beginnings to becoming major contributors to the global automotive landscape. The synergy between these sectors has driven technological advancements, economic growth, and employment. As the industry navigates challenges and leverages opportunities, the future promises continued growth and innovation, with a focus on sustainability and global competitiveness. The government's supportive policies and the industry's adaptability will play crucial roles in shaping the next phase of development.

**Indian Automobile Industry: FY 2023-24 Performance**

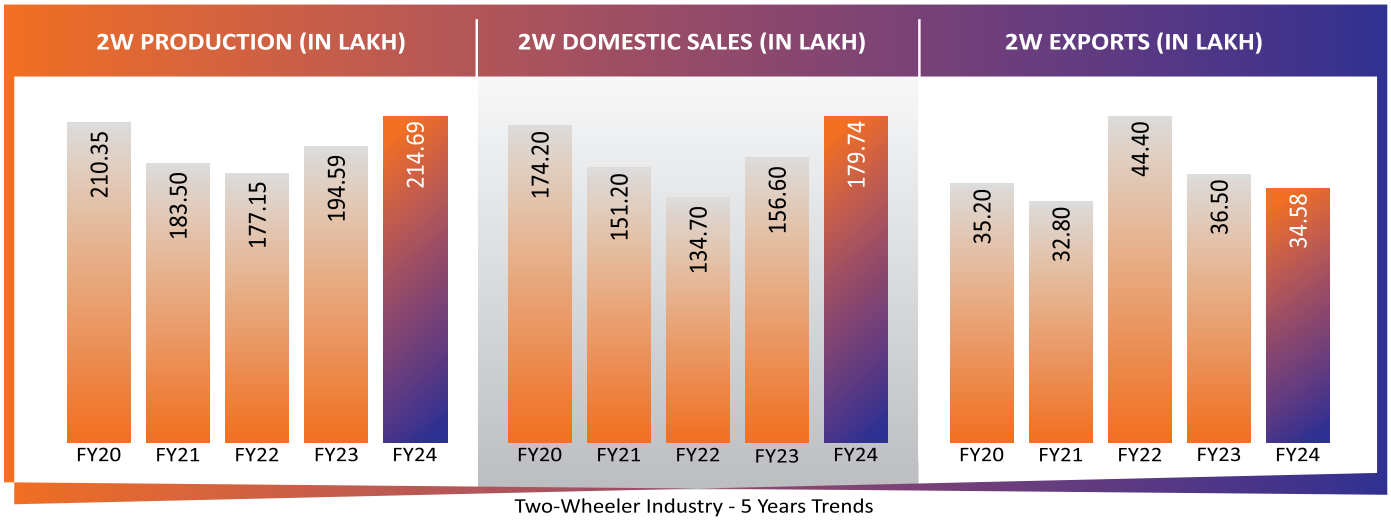
During the financial year 2023-24, the Indian automobile industry experienced robust growth compared to FY 2022-23, fuelled by several factors. The resurgence in demand was largely driven by a post-pandemic recovery, with consumers resuming deferred purchases and an overall improvement in economic activities. Additionally, the implementation of government initiatives such as the Production Linked Incentive (PLI) scheme for the automotive sector provided significant support, incentivizing increased production and innovation. The introduction of new models with advanced features and the growing preference for electric vehicles (EVs) also played a crucial role. The improved availability of semiconductors, which had previously caused supply chain disruptions, ensured smoother production processes. Furthermore, the festive season sales also boosted consumer spending. As a result, passenger vehicle production rose from 4.02 million units in FY 2022-23 to 4.32 million units in FY 2023-24, marking a growth of approximately 7.5%.

The two-wheeler segment also registered notable expansion. Two-wheeler production increased from 19.4 million units in FY 2022-23 to 21.4 million units in FY 2023-24, reflecting a growth rate of around 10%. This growth was driven by several factors. First, rural demand saw a significant rebound due to improved agricultural income and government schemes supporting rural development. Additionally, the urban market witnessed increased demand as offices and educational institutions resumed full operations post-pandemic, necessitating personal mobility solutions. The growing adoption of electric two-wheelers (E2Ws) contributed substantially, supported by government subsidies under the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME II) scheme, which made E2Ws more affordable. On a low base of 7.10 Lakh vehicles in FY 2022-23, E2Ws also registered a good growth of 32% during FY 2023-24 with 9.41 Lakh vehicles.

**5 Year Production Data across Vehicle Categories at a Glance: Segment-wise automobile production trends of 5 Years (in '000)**

**[Source: SIAM data]**

| Category | FY 2019-20 | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 |
|---|---|---|---|---|---|
| **Passenger vehicles** | 3,424 | 3,062 | 3,651 | 4,579 | 4,902 |
| **Commercial vehicles** | 756 | 625 | 805 | 1,036 | 1,066 |
| **Three-Wheelers** | 1,133 | 611 | 758 | 856 | 993 |
| **Two-Wheelers** | 21,032 | 18,350 | 17,715 | 19,459 | 21,469 |
| **Total** | **26,345** | **22,648** | **22,929** | **25,930** | **28,430** |




Two-Wheeler Industry - 5 Years Trends




## OUTLOOK, OPPORTUNITIES AND THREATS:

The Automobile Industry forms a vital part of the overall manufacturing industry and constitutes a significant part of the economy. With increasing demand for personal mobility and a resurgence in economic activities, vehicle sales are projected to rise substantially. The push towards electric vehicles (EVs) is also gaining momentum, supported by government incentives and an expanding EV infrastructure.

### Indian Two-Wheeler Industry: Outlook

The Indian two-wheeler industry is a crucial component of the country's automotive sector, playing a significant role in the mobility of millions of people. With the rising demand for personal transportation, economic growth, and urbanization, the two-wheeler market has been expanding rapidly. In recent years, the industry has seen a notable shift towards electric two-wheelers (E2Ws), driven by environmental concerns, technological advancements, and supportive government policies.

### Growth Drivers:

1. **Rural Demand**

   The rural market has been a significant contributor to the growth of the two-wheeler industry. Government initiatives aimed at improving rural infrastructure and boosting agricultural incomes have increased the purchasing power of rural consumers, leading to higher demand for two-wheelers.

2. **Rising Disposable Incomes and Urbanization**

   Increasing disposable incomes and urbanization are primary drivers of growth in the two-wheeler market. As more people move to urban areas for better job opportunities, the demand for affordable and convenient transportation options like two-wheelers rises.

3. **Preference for Personal Mobility**

   The COVID-19 pandemic has heightened the preference for personal mobility, as people seek to avoid crowded public transportation. This trend has led to a surge in two-wheeler sales.

4. **Technological Advancements**

   Technological advancements, including the development of fuel-efficient engines and innovative designs, have made two-wheelers more attractive to consumers.

   The introduction of electric two-wheelers (E2W), in particular, has added a new dimension to the industry.

5. **Growth of the E2W Segment**

   The electric two-wheeler segment in India is experiencing rapid growth, driven by several factors, like:

   **Environmental Concerns:** Increasing awareness about environmental sustainability and the need to reduce air pollution have spurred interest in electric vehicles (EVs), including E2Ws.

   **Government Support:** The Indian government has introduced various policies and subsidy schemes to promote the adoption of electric vehicles. These initiatives aim to make E2Ws more affordable and accessible to the general public like FAME II Scheme (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) is a major government initiative that provides subsidies for all Electric Vehicle categories, including electric two-wheelers based on their battery capacity. This scheme significantly reduces the upfront cost of E2Ws for consumers.

**State-Level Incentives:** In addition to central government schemes, various states offer additional incentives such as tax exemptions, registration fee waivers, and further subsidies to encourage the adoption of electric vehicles.

**Despite the positive outlook, the E2W industry faces the following challenge:**

**Charging Infrastructure:** The lack of adequate charging infrastructure for electric vehicles remains a significant barrier to the widespread adoption of E2Ws. However, many positive developments and actions happening to build a robust Charging Infrastructure with a supportive govt. policies and partnerships by the private sector.

**Looking forward, the Indian Two-Wheeler industry is on a strong growth path, driven by rising incomes, urbanization, and a shift towards personal mobility. The electric two-wheeler segment, supported by government subsidies and technological advancements, is set to play a pivotal role in the future of the industry. While challenges remain, the overall outlook is positive, with significant growth prospects for both conventional and electric two-wheelers. By addressing infrastructure gaps and continuing to support innovation, India can solidify its position as a global leader in the two-wheeler market, ensuring sustainable and inclusive growth for the years to come.**

**ON AN OVERALL BASIS, SOME OF THE LONG-TERM GROWTH DRIVERS FOR THE AUTOMOTIVE AND AUTO-COMPONENT INDUSTRIES ARE:**

**India as Global Components Sourcing Hub: Supportive Ecosystem**

- Major global OEMs have made India a component sourcing hub for their global operations.
- Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries.
- India is also emerging as a sourcing hub for engine components with OEMs increasingly setting up engine manufacturing units in the country.
- Robust growth in the Domestic Automotive Industry.
- With the Self-Reliant India Mission, the Auto Industry is looking to half its Rs. 1 trillion (US$ 13.6 billion) worth of auto component imports over the next 4-5 years. This will provide significant opportunities for existing and new auto components players to scale up.

**New Strategies and Supportive Government Policy Framework**

- Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of US$ 23.84 billion (Rs. 1.97 lakh crore) to enhance India's Manufacturing capabilities and Exports.
- The Indian government is exempting imports of capital goods and machinery essential for the production of lithium-ion cells used in EV batteries from customs duty.
- Both Indian & global manufacturers are investing in new capacities and newer programs to get long-term advantages.

*[Source: IBEF, March 2024 release on Auto Components]*

## FINANCIAL AND OPERATIONAL PERFORMANCE REVIEW

The company is one of the leading manufacturers of a wide range of Automotive Lighting, Signalling equipment, Rear View Mirrors, Sheet Metal, and Plastic Moulded Parts in India and added Canister and Bank Angle Sensors under technical collaboration.

The company is a preferred Tier-1 supplier for Automotive Lighting and Rear View Mirrors and caters to esteemed OEMs not only in India but also in foreign countries like Japan, Europe, Asia, USA, etc.

The Company supplies Automotive Lighting and Rear-View Mirrors to Passenger vehicles, Commercial Vehicles, off-highway, and Tractor segments. However, the Company's major business comes from the Two-wheeler Industry including fast emerging Electric 2-wheeler segment (Electric-2W).

The Company's R&D Centre in India is recognized by DSIR, Ministry of Science & Technology, Govt. of India. Further, the Company's Design Centre in Italy is equipped with state-of-the-art software and testing facilities with highly experienced designers. As a preferred supplier for Two-wheeler Automotive Lighting, the Company offers a full range of Automotive Lighting products with cutting-edge technology & design solutions.

Company has 9 state-of-the-art manufacturing facilities spread in major auto hubs in India and located at Kundli, Sonepat, Haryana (Unit-1), Hosur, Tamil Nadu (Unit-2, 3 & 5), Mysore, Karnataka (Unit-4), Nalagarh, Himachal Pradesh (Unit-6), Rai, Sonepat, Haryana (Unit-7), Tapukara, Rajasthan (Unit-8) and Karsan Pura, Ahmedabad, Gujarat (Unit-9).

As a Company, we have taken a very strong stride in the EV space and already working with all major EV-OEMs and adding more and more EV-OEMs to our customer list. The company strongly believes that the Two-wheeler Industry will transform itself into Electric-2W at a fast pace and will emerge as a sustainable and green mobility solution in time to come. Though there may be short-term problems, in the mid to long-term the Electric-2W will be the future of the two-wheeler Industry.

As the Company's products i.e. Automotive Lighting and Rear-View Mirrors etc. are essential for both EVs and ICE (Internal Combustion Engine) Two-wheelers, hence Company is taking the conversion towards EVs with a very positive approach.

The company is committed to offering advanced design solutions and the adoption of state-of-the-art technologies with a lean manufacturing process to deliver world-class quality products for Automobiles to make driving safer.

With the continuing growth in the automotive segment, the company has further invested in the R&D facilities at Fiem Research & Technology S.r.l. in Italy, Japan, and India, to further strengthen the Electronics Department along with Testing and Validation facilities.

With a dominant presence in two-wheelers, the Company is focussing on Passenger Vehicles, Commercial Vehicles, and off-highway vehicles and has expanded with a new Design Office in Pune to achieve the goal and diligently working on the latest technologies, Laser Lighting, Metamaterials, and Plasmonics.

The Company has also diversified into EV-specific products like Hub-Motor Assembly & Motor Controller Unit (MCU) to strengthen its presence in the EV market along with Automotive Lighting, Rear View Mirrors, Plastic Parts, Sheet Metal Parts, etc.

The company has also installed the latest Photometric Testing facilities in all its factories and other test equipment like Electrodynamic Vibration Shaker, Weiss-Climate Test Chamber, etc., and is planning to set up EMC/EMI testing facilities to strengthen Electronic R&D, Testing, and Validation of Designs and Products.

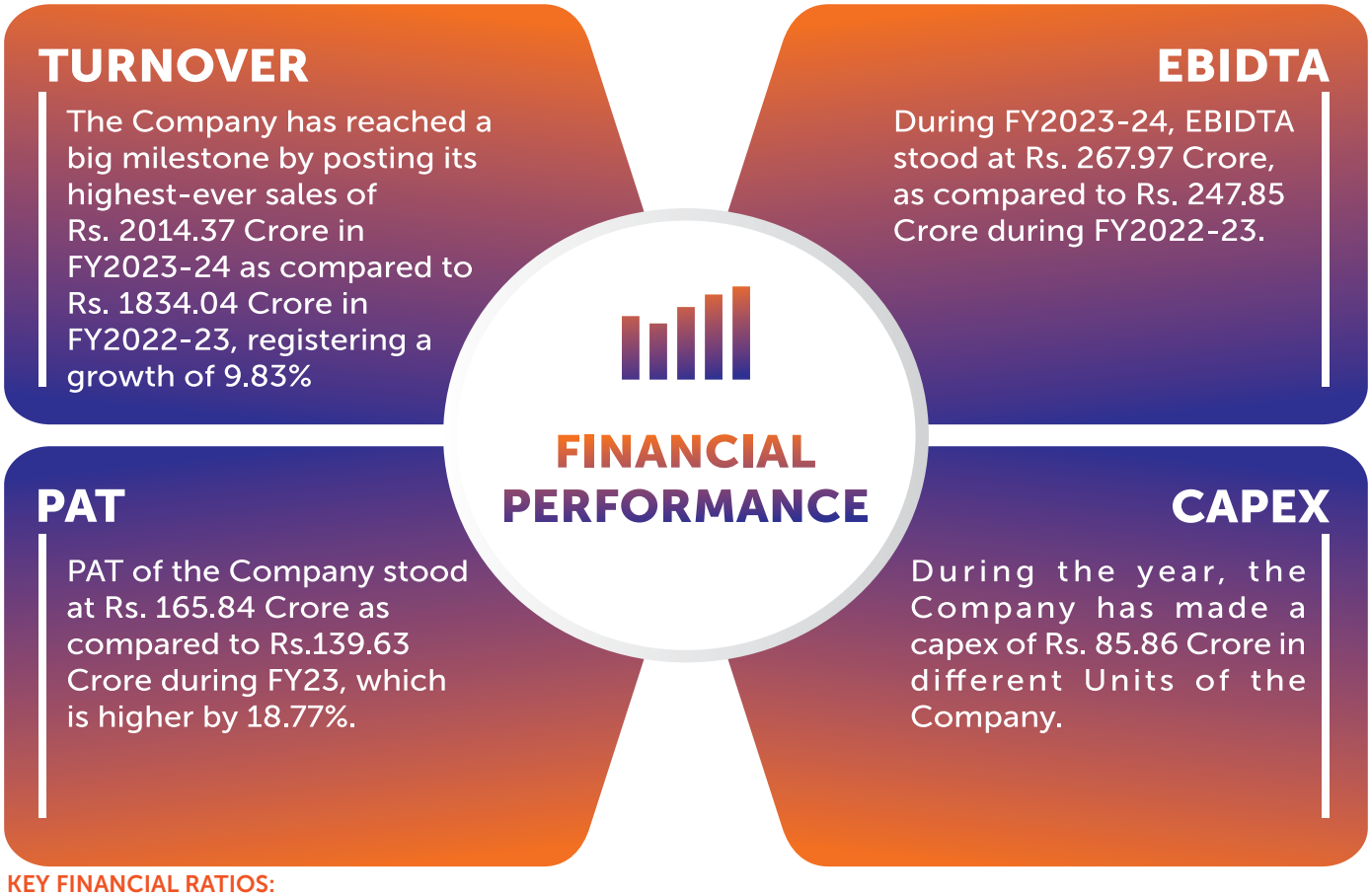
### Way-ahead

The integration of advanced lighting technologies in passenger cars, such as LED lamps, Ambient Lighting, and Laser Lighting, is transforming the automotive industry. These innovations enhance safety, improve aesthetics, and contribute to a more comfortable driving experience.

Coupled with our frugal manufacturing practices, we aim to integrate these technologies as a gateway for our Passenger Vehicle segment, making the lighting technology more accessible, and paving the way for a future where advanced lighting is a standard feature in all vehicles.

## FINANCIAL PERFORMANCE

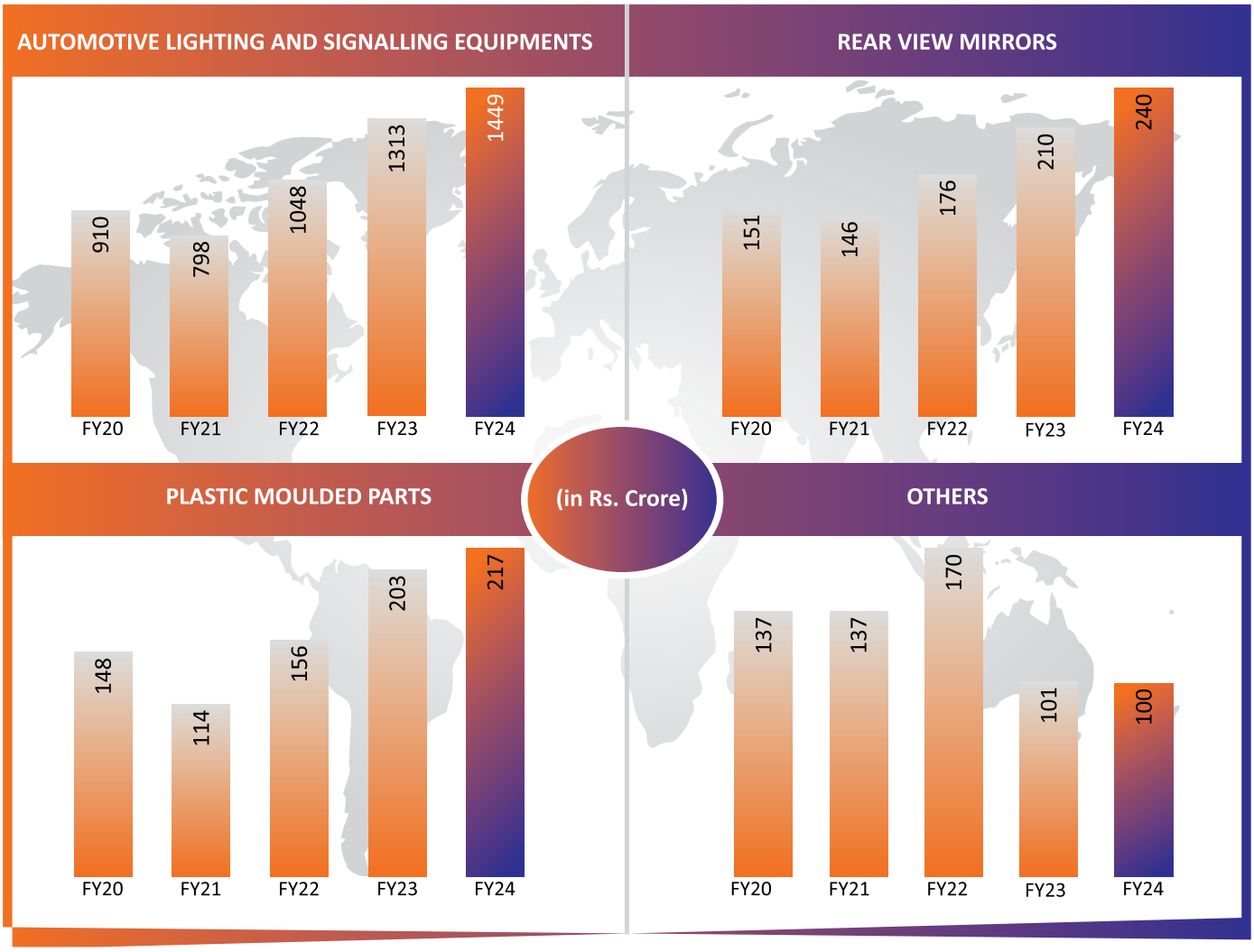
In line with industry performance, the Company's financial performance highlights are as under:




## KEY FINANCIAL RATIOS:

Please refer to **Note No. 51** of Standalone Financial Statements forming part of this Annual Report.

## COMPANY'S PRODUCT PORTFOLIO REVIEW




### (i) Automotive Lighting and Signalling Equipments:

**Contribution to revenues (Net) over the past years has remained as under (Rs. Crore):**

| FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| 910 | 798 | 1048 | 1313 | 1449 |

The company manufactures a large range of LED and conventional Head Lamps, Tail Lamps, Blinker Lamps, Fog Lamps, Warning Triangles, and Interior Lamps, among others, for two, three, and four-wheelers.

Lighting is one of the most important systems of a vehicle from the perspective of safety, functionality as well as aesthetics. It is critical to the safety of vehicle occupants and that of other road users. The innovation in Automotive Lighting is an ever-evolving process and is currently witnessing a fast adoption of LED. In comparison to conventional bulbs, LED Lighting offers unlimited possibilities for designing and development from safety, functionality as well as aesthetic perspective.

### (ii) Rear View Mirrors (RVM):

**Contribution to revenues (Net) over the past years has remained as under (Rs. Crore):**

| FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| 151 | 146 | 176 | 210 | 240 |

The Company's second highest-selling product category is Rear View Mirror, which is being supplied to almost all OEM customers of the Company, and for some of our valued OEM customers, we are the sole supplier for their Rear-View Mirror requirements. The Company has state-of-the-art mirror manufacturing plants across four units where plate making, profile cutting, washing, grinding, cleaning, coating (aluminium or chrome), and painting are carried out. The Company has installed injection moulding machines and rod-making facilities in-house. All the sub-components are accumulated in the assembly lines to complete the entire process of assembling and testing under one roof.

### (iii) Plastic Moulded Parts:

**Contribution to revenues (Net) over the past years has remained as under (Rs. Crore):**

| FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| 148 | 114 | 156 | 203 | 217 |

Apart from manufacturing moulded parts for Automotive Lighting and Signalling Equipments and Rear-View Mirrors, the Company also manufactures and supplies standalone plastic parts as finished parts for Two-wheelers, like Front Fenders, Floor Panels, Side Covers, Rear Fenders, Handlebars, Seat Bases, and many others. The Company has installed best-in-class injection moulding machines across its 9 plants ranging from 50 tonnages to 1,400 tonnages, capable of making parts weighing 20 grams to 2.5 kilograms.

### (iv) Others:

**Contribution to revenues (Net) over the past years has remained as under (Rs. Crore):**

| FY2019-20 | FY2020-21 | FY 2021-22 | FY2022-23 | FY2023-24 |
|---|---|---|---|---|
| 137 | 137 | 170 | 101 | 100 |

These are all other items contributing individually less than 10% to the Company's revenue pie and mainly include fabricated items like sheet metal parts, canisters, bank angle sensors, moulds, etc. The company has full-fledged sheet metal fabrication facilities as well as mudguard rolling plants for manufacturing front and rear mudguards for motorcycles and mopeds.

## RISKS AND CONCERNS

Risk management is a crucial function given the dynamic business environment in which the Company operates. Continuous focus on risk management across all functions and operations ensures that risk mitigation strategies are implemented promptly to minimize the adverse effects of emerging risks.

Under our risk management framework, the Company considers external and internal risks to devise effective mitigation strategies. Periodic risk identification, analysis, mitigation, and monitoring are conducted by the Management and overseen by the Risk Management Committee (RMC). Post-assessment, detailed mitigation plans are developed and implemented, with regular reporting to the RMC of the Board. The RMC continuously monitors and refines the risk management framework, ensuring its robustness and relevance.

Several senior management team members are actively involved in the process, emphasizing a collaborative approach to risk management. The risk management framework encompasses a wide range of risks, including Cybersecurity Risks (protecting against data breaches and cyber-attacks, especially given the increasing digitalization of manufacturing processes), Natural Calamities (preparedness for events like earthquakes, floods, and other disasters that could disrupt production facilities), Safety & Security of Assets (protecting company assets from fire, theft, damage, and accidents, ensuring a safe working environment for employees), etc.

Our focus remains on agility, innovation, and proactive risk mitigation strategies. This approach ensures that the Company remains resilient and adaptable, safeguarding our interests and those of our stakeholders.

## HUMAN RESOURCES

In the realm of human resources development, we place special emphasis on employee well-being, performance management, and leadership development. Our approach includes nurturing internal talent and bringing in key external talent for leadership roles.

With these efforts, we have built a strong, high-performing team. Management is dedicated to supporting key talent and resources, enhancing their skills, and improving overall efficiency and productivity. Our performance management system effectively rewards high performers and encourages all employees to excel.

Human resources development focuses on diversity and inclusion and prioritizes learning and development through comprehensive training programs. We are committed to nurturing, enhancing, and retaining talent through superior learning and organizational development initiatives. Our training programs include Fire & Safety, 5S, 7QC Tools, TQM, Environment Awareness, Emergency Plan, PDCA, KAIZEN, CSR awareness, and various other topics, all designed to hone the skills of our employees.

In addition to training, we emphasize manufacturing excellence. Our employees are trained in best practices and industry standards to ensure we maintain high product quality and maximize output. We have implemented robust quality control measures and continuous improvement initiatives to meet and exceed customer expectations consistently.

Timely delivery to customers is a critical aspect of our operations. Our teams are trained to work efficiently and effectively, ensuring that production schedules are met and products are delivered on time. This commitment to timely delivery helps us maintain strong relationships with our customers and enhances our reputation in the market.

We remained focused on maintaining product quality. Our quality control teams are highly skilled and work diligently to ensure that every product meets our stringent quality standards. This focus on quality helps us deliver products that meet and exceed customer expectations, reinforcing our position as a leading automotive lighting manufacturer.

By prioritizing employee well-being, skill development, and manufacturing excellence, we can maximize output and maintain high standards of product quality and customer satisfaction. Our commitment to these principles ensures the ongoing success and growth of the Company.

The Company encourages employees to maintain a healthy work-life balance and has introduced progressive policies and programs to support this. During the year under review, industrial relations remained cordial across our factories and offices.

At the close of the financial year under review, we had **2,425** employees and workers on the rolls of the Company. In addition, we engage contractual workers, and more than one-third of our workforce is female. Our commitment to diversity and inclusion strengthens our team and contributes to our success.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control system comprises the policies, procedures, and practices established to safeguard its assets, ensure accurate financial reporting, and promote operational efficiency. Adequate internal controls are essential for mitigating risks, preventing fraud, and maintaining transparency, which are crucial for the long-term success and growth of the Company and for safeguarding the interests of all stakeholders.

Our internal control measures include the segregation of duties, proper authorization and approval processes, and regular monitoring and review of financial transactions. These measures ensure that all transactions are authorized, recorded accurately, and compliant with laws and regulations.

The adequacy of our internal control system is periodically assessed and analyzed by both statutory and internal auditors, with regular monitoring by the management and the Audit Committee. These assessments have consistently found the internal control systems of the Company to be adequate and effective, given the size and scale of operations, industry regulations, and the complexity of our manufacturing processes.

**Key components of our internal control system include:**

- Segregation of Duties: Ensuring that responsibilities are divided among different individuals to reduce the risk of errors or fraud.
- Authorization and Approval Processes: Establishing clear protocols for the authorization of transactions and activities.
- Regular Monitoring and Review: Conducting ongoing reviews of financial transactions and operational processes to identify and address any discrepancies.
- Statutory and Internal Audits: Regular audits by external and internal auditors to assess the effectiveness of internal controls and recommend improvements.
- Audit Committee Oversight: The Audit Committee oversees the internal control framework, ensuring its adequacy and effectiveness.

Regular assessments and periodic evaluations are necessary to identify weaknesses, address gaps, and ensure continuous improvement in the internal control framework. Management strongly believes that a robust and well-designed internal control system enhances the organization's ability to manage risks, protect its resources, and maintain the trust of stakeholders. Internal financial controls have been operating effectively throughout the year.

### Cautionary Statement

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

# Corporate Governance Report

**(The Report on Corporate Governance forms part of the Directors' Report for the financial year ended March 31, 2024)**

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

## 1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Our philosophy on corporate governance embodies the core values we uphold: Integrity, Accountability, Fairness, and Transparency. These principles are not merely ideals but are the bedrock of our corporate ethos, driving every decision and action we take. They are crucial for sustainable growth and long-term value creation for our stakeholders. We are driven by an unwavering passion for excellence and innovation in our pursuit of growth, ensuring that our commitment to overall progress and stakeholder value is at the heart of everything we do.

We are committed to working with a great sense of responsibility, which underpins our ability to serve our esteemed OEM customers and foster strong, mutually beneficial relationships with our business partners, associates, stakeholders, and society at large. Our governance framework ensures we operate with the utmost integrity and accountability, adhering to the rule of law and demonstrating a profound sense of responsibility toward all stakeholders.

As a law-abiding and socially conscious organization, we embed these values deeply within our processes, actions, and operations. We strive to act with foresight and responsibility, balancing the needs of our stakeholders with our duty to protect the environment and contribute positively to society. Our holistic approach to corporate governance ensures we remain a trusted and respected player in our industry, committed to ethical practices and sustainable development.

## 2. BOARD OF DIRECTORS

We believe that diversified board is necessary to ensure the high standards of corporate governance. The Board oversees the Managements functions for furtherance of long-term interests of all our stakeholders. Company's Board is constituted in compliance with the Companies Act, 2013 and rules made thereunder, Listing Regulations, the Articles of Association of the Company and in accordance with the best practices in Corporate Governance. During the year 2023-24 and as on March 31, 2024, the Board of the Company consists of 14 Directors, including one Woman Independent Director. All the Directors have diverse experience and background fulfilling the statutory as well as business requirements.

**Independent Directors:** The Companies Act, 2013 and the Listing Regulations provide the definition of 'Independent Director'. All our Independent Directors fulfill the conditions of independence specified under section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued to all Independent Directors and format disclosed on website of the Company viz. **https://fiemindustries.com/independent-directors-appointment-terms/**

**a.** As at March 31, 2024 the Company's Board comprises of 14 Directors. Out of which, 7 are Independent Non-Executive Directors, which constitute at least 50% of the Board, in compliance with the Listing Regulations. Out of 7 Independent Directors, Ms. Shobha Khatri is Woman Independent Director of the Company.

**b.** The Committees of the Board of Directors forms the next level of governing bodies and complement the governing system of Company. In compliance with applicable provisions, Committees constituted to oversee specific areas of their domain and as per terms of reference. Overall direction and strategy, policy formulation, setting up of objectives, evaluation of performance and control functions vest with the Board. The Committees have specific area assigned to them by the Board through terms of reference. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases placed / presented in the Meeting with the approval of Chairman and at least one Independent Director. In urgent cases, approval of the Board sought through resolution by circulation. This ensures timely and informed decisions by the Board.

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

Presently, Company's Board has constituted 5 Committees in compliance with the Companies Act, 2013 and rules made thereunder read with Listing Regulations, namely–

- Audit Committee,
- Nomination & Remuneration Committee,
- Stakeholders' Relationship Committee,
- Corporate Social Responsibility (CSR) Committee,
- Risk Management Committee, and
- Bonus Shares Committee

  *(Constituted on January 15, 2024 and dissolved on May 21, 2024)*

The Board is authorized to constitute additional functional committee(s), depending on business needs. Hence, during the financial year Board had constituted an additional Committee named as "Bonus Shares Committee" to issue and manage the compliance related to the issuance of Equity Bonus shares to the shareholders.

Company Secretary of the Company act as the Secretary to all the Committees of the Board constituted and functioning under the Companies Act, 2013 and the Listing Regulations. The Management works under direction of the Board. Overall operations and functioning of the Company are managed by Chairman & Managing Director along with six (6) Whole-time Directors and a core group of senior level executives. Out of six Whole-time Directors, Mr. Rahul Jain and Mr. Rajesh Sharma were re-designated as Joint Managing Directors (JMD) during the year and approved by the shareholders vide resolution passed on December 22, 2023 through postal ballot. Mr. Vineet Sahni is a newly inducted member on the Board and appointed as CEO & Whole-time Director (CEO & Director) w.e.f. May 01, 2023 and his appointment was approved by the shareholders at 34th AGM held on July 28, 2023.

**d.** The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year under review and at last Annual General Meeting, the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2024 are given herein below:

| SN | Name of the Director | Designation | Category | Attendance at board meetings during the financial year 2023-24 | Whether attended last AGM held on July 28, 2023 | Number of directorships in other Boards and membership in Committees | | Directorship in other Listed entities' Board (Name of Listed Entity) | | Shareholding in Fiem Industries Limited (No. of Shares as on 31.03.2024) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Number of other Boards in which Director is a Member or Chairman* | Number of other Public Company's Board Committees in which Director is a Member or Chairman** | Name of other Listed entities in which Director have Directorship | Category of Directorship | |
| 1. | Mr. J. K. Jain | Chairman & Managing Director | PED | 6/6 | Yes | NIL | NIL | NIL | NA | 5412000 |
| 2 | Mrs. Seema Jain | Whole–time Director | PED | 6/6 | Yes | NIL | NIL | NIL | NA | 5411766 |
| 3 | Mr. Rahul Jain | Joint Managing Director | PED | 4/6 | Yes | NIL | NIL | NIL | NA | 3251336 |
| 4 | Mr. Rajesh Sharma | Joint Managing Director | NPED | 5/6 | Yes | NIL | NIL | NIL | NA | NIL |
| 5 | Mr. Vineet Sahni^ | CEO & Director | NPED | 2/5 | Yes | NIL | NIL | NIL | NA | NIL |
| 6 | Mr. K. R. Yadav | Whole–time Director | NPED | 6/6 | Yes | NIL | NIL | NIL | NA | 676 |
| 7 | Ms. Aanchal Jain | Whole–time Director | PED | 5/6 | Yes | NIL | NIL | NIL | NA | 3251336 |
| 8 | Mr. Subodh Kumar Jain | Independent Director | ID | 6/6 | Yes | 1* | 1** | NIL | NA | NIL |
| 9 | Mr. Mohan Bir Sahni | Independent Director | ID | 3/6 | No | 1* | NIL | NIL | NA | NIL |
| 10 | Mr. Vinod K. Malhotra | Independent Director | ID | 6/6 | Yes | NIL | NIL | NIL | NA | NIL |
| 11 | Mr. Ashok Kumar Sharma | Independent Director | ID | 6/6 | Yes | NIL | NIL | NIL | NA | NIL |
| 12 | Mr. Jawahar Thakur | Independent Director | ID | 5/6 | Yes | NIL | NIL | NIL | NA | NIL |
| 13 | Ms. Shobha Khatri | Independent Director | ID | 6/6 | Yes | NIL | NIL | NIL | NA | NIL |
| 14 | Mr. Iqbal Singh^^ | Independent Director | ID | 3/3 | Yes | NIL | NIL | NIL | NA | 40028 |
| 15 | Mr. Pawan Kumar Jain^^^ | Independent Director | ID | 2/2 | NA | NIL | NIL | NIL | NA | 318 |

PED (Promoter Executive Director), NPED (Non-Promoter Executive Director), ID (Independent Director)
* Excludes directorship held in Private Companies, Section 8 Companies and Foreign Companies.
** As required under Regulation 26(1) of the Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholders' relationship committee in Indian public companies (listed and unlisted).
^ Mr. Vineet Sahni was appointed as CEO & Whole-time Director (CEO & Director) w.e.f. May 01, 2023.
^^ Mr. Iqbal Singh resigned from Directorship w.e.f. September 04, 2023.
^^^ Mr. Pawan Kumar Jain was appointed as Independent Director of the Company w.e.f. November 08, 2023.

**e.** 50% of Directors on the Board of the Company are Independent Directors. None of the Directors of the Company is serving as an Independent Director or as a Director in more than 7 listed companies. Further, no Independent Director of the Company is a Whole-time Director in another listed company.

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

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

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

**i.** Six (6) Board Meetings were held during the financial year under review and the gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

Dates on which the said meetings were held are as follows: April 29,2023, May 30, 2023, August 14, 2023, November 7, 2023, January 15, 2024 and February 6, 2024.

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

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/ division. The Chief Financial Officer and Company Secretary attend all the Board Meetings and assist and advise the Board on compliances with applicable laws and governance.

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

**j.** During the financial year under review one separate meeting of Independent Directors was also held on February 6, 2024 without the attendance of Non-Independent Directors and members of the Management. All Independent Directors attended the said meeting. The Independent Directors, inter–alia, reviewed the performance of Non–Independent Directors, Chairman of the Company and the Board as a whole.

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

**l.** The Company has not issued any convertible instruments.

**m.** The details of the familiarization programme of the Independent Directors are available on the website of the Company at following link: **https://fiemindustries.com/familiarisation-programme/**

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

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

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

| | | |
|---|---|---|
| (i) | Strategic Vision | Strategic, Futuristic and Growth oriented vision |
| (ii) | Industry knowledge | Domain Knowledge of Automotive Components business, especially Automotive lighting |
| (iii) | OEM Business | Indian and global Automobile Business matrix, especially OEMs |
| (iv) | Operational Skills | Operational skills and competencies |
| (v) | Finance & Marketing | Finance, Marketing and Business Development |

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

| Sr. | Skills / Expertise / Competencies | Mr. J.K. Jain | Mrs. Seema Jain | Mr. Rahul Jain | Mr. Rajesh Sharma | Mr. Vineet Sahni | Mr. K. R. Yadav | Ms. Aanchal Jain | Mr. Pawan K. Jain | Mr. Iqbal Singh | Mr. V.K. Malhotra | Mr. S.K. Jain | Mr. M.B. Sahni | Mr. A.K. Sharma | Mr. Jawahar Thakur | Ms. Shobha Khatri |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Strategic, Futuristic and Growth oriented vision | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Domain Knowledge of Automotive Components business, especially Automotive lighting. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | - | - | ✓ | - | - | - |
| 3 | Indian and global Automobile Business matrix, especially OEMs | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | - | - | ✓ | - | - | - |
| 4 | Operational skills and competencies | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | ✓ | - | - | ✓ | - | - | ✓ |
| 5 | Finance, Marketing and Business Development | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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

**p.** Mr. Iqbal Singh, Independent Director of the Company resigned from Directorship with effect from close of business hours on September 4, 2023. The Board places on record its deep appreciation of valuable guidance provided by him during his long tenure on the Board. Mr. Iqbal Singh has confirmed that there is no other reason for his resignation, other than as mentioned in the resignation letter i.e. to fulfil his personal responsibilities & commitments.

## 3. AUDIT COMMITTEE

The role, powers and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations, as applicable, besides other terms as referred by the Board of Directors. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the Listing Regulations.

### 3.1 Brief Description of Terms of Reference

The terms of reference of the Audit Committee are in compliance with the Companies Act, 2013 and the Listing Regulations, as amended, which include the following:

a) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

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

   i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. compliance with listing and other legal requirements relating to financial statements;

   vi. disclosure of any related party transactions;

   vii. modified opinion(s) in the draft audit report;

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

f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

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

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

i) scrutiny of inter-corporate loans and investments;

j) valuation of undertakings or assets of the listed entity, wherever it is necessary;

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

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

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

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

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

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

q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

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

s) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

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

u) reviewing the utilization of loans and/ or advances by the holding company to the subsidiaries and investment by the holding company in subsidiaries.

v) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

w) review the management discussion and analysis of financial condition and results of operations;

x) review the management letters / letters of internal control weaknesses issued by the statutory auditors;

y) review the internal audit reports relating to internal control weaknesses; and

z) review the appointment, removal and terms of remuneration of the chief internal auditor

aa) review the statement of deviations which includes, quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

### 3.2 Composition of Committee

The Audit Committee comprises of three (3) members. All of them are Independent Directors. Mr. S.K. Jain is the Member Chairman of the Committee. Mr. V.K. Malhotra, Mr. Iqbal Singh (up to 04.09.2023) and Mr. Jawahar Thakur (w.e.f. 11.09.2023) are the Members of the Committee. The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer is permanent invitee to the Meetings of the Audit Committee.

The Internal Auditor, the concerned partner/ representatives of Statutory Auditors and Cost Auditors are also invited to the meetings of the Audit Committee.

### 3.3 Meetings and Attendance

During the year, the Audit Committee met five (5) times on April 29, 2023, May 30, 2023, August 14, 2023, November 7, 2023 and February 6, 2024. The maximum gap between any two consecutive meetings was less than one hundred and twenty days.

The Chairman of the Audit Committee attended the last Annual General Meeting held on July 28, 2023, to answer the queries of shareholders at Annual General Meeting.

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

| SN | Name of Members | Position in Committee | Attendance at Committee meetings during the financial year 2023-24 |
|---|---|---|---|
| 1 | Mr. S.K. Jain | Chairman | 5/5 |
| 2 | Mr. V.K. Malhotra | Member | 5/5 |
| 3 | Mr. Iqbal Singh (up to 04.09.2023) | Member | 3/3 |
| 4 | Mr. Jawahar Thakur (w.e.f 11.09.2023) | Member | 2/2 |

## 4. NOMINATION & REMUNERATION COMMITTEE

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

### 4.1 Brief Description of Terms of Reference

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

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

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

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

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

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

g) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person to be recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required, consider candidates from a wide range of backgrounds, having due regard to diversity, and consider the time commitments of the candidates.

### 4.2 Composition of Committee

The Nomination & Remuneration Committee comprises of three (3) members. All of them are Independent Directors. Mr. S.K. Jain is the Member Chairman of the Committee. Mr. V.K. Malhotra, Mr. Iqbal Singh (up to 04.09.2023), and Ms. Shobha Khatri (w.e.f.11.09.2023) are the Members of the Committee. The Company Secretary acts as the Secretary of the Committee.

### 4.3 Meetings and Attendance

During the year, the Nomination & Remuneration Committee met four (4) times on April 29, 2023, May 30, 2023, November 7, 2023 and February 6, 2024. The necessary quorum was present in all the meetings.

The Chairman of the Nomination & Remuneration Committee attended the last Annual General Meeting held on July 28, 2023, to answer the queries of shareholders at Annual General Meeting.

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

| SN | Name of Members | Position in Committee | Attendance at Committee meetings during the financial year 2023-24 |
|---|---|---|---|
| 1 | Mr. S.K. Jain | Chairman | 4/4 |
| 2 | Mr. V.K. Malhotra | Member | 4/4 |
| 3 | Mr. Iqbal Singh (up to 04.09.2023) | Member | 2/2 |
| 4 | Ms. Shobha Khatri (w.e.f 11.09.2023) | Member | 2/2 |

### 4.4 Performance Evaluation Criteria for Independent Directors:

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, Company has laid down criteria for performance evaluation of Directors, Chairman of Board, Board Committees and Board as a whole and also the evaluation of Independent Directors.

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

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

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

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

## 5. REMUNERATION OF DIRECTORS

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

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

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

### 5.2 Criteria of Making payments to Non–Executive Directors:

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

## 5.3 Disclosures with respect to remuneration of Directors:

The Company pays remuneration to Managing Director and to Whole-time Directors (including JMDs and CEO) by way of salary, benefits, perquisites and allowances. Annual increments are considered and recommended by the Nomination & Remuneration Committee, subject to approval of Board and shareholders and are generally effective from the month of April of each year.

### Details of Remuneration to all Directors

### (a) Remuneration of Chairman & Managing Director and Whole–time Directors (including JMDs and CEO):

(Rs. in Lakh)

| SN | Particulars of Remuneration | Name of CMD / JMD / CEO / WTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Mr.J. K. Jain | Mrs. Seema Jain | Ms. Aanchal Jain | Mr. Rahul Jain | Mr. Rajesh Sharma | Mr. Vineet Sahni | Mr. K. R. Yadav | Total Amount |
| | | (CMD) | (WTD) | (WTD) | (JMD) | (JMD) | (CEO) | (WTD) | - |
| 1 | Gross Salary | 240 | 120 | 120 | 120 | 222 | 312.42 | 120 | 1254.42 |
| | a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | - | - | - | - | - | - | - | - |
| | b. Value of perquisites u/s 17(2) of Income tax Act, 1961 | - | - | - | - | - | - | - | - |
| | c. Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961 | - | - | - | - | - | - | - | - |
| 2 | Commission | - | - | - | - | - | - | - | - |
| | • As % of profit | - | - | - | - | - | - | - | - |
| | • Other, specify | - | - | - | - | - | - | - | - |
| 3 | Others (Company Contribution towards PF and Bonus) | - | - | - | - | - | 17.58 | 1.45 | 19.03 |
| | **Total (1+2+3)** | **240** | **120** | **120** | **120** | **222** | **330** | **121.45** | **1273.45** |

**(b) Remuneration to other Directors (all Non–executive Directors are Independent Directors):** **(Rs. in Lakh)**

| SN | Particulars of Remuneration Independent Director | Name of Directors | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Mr. Iqbal Singh | Mr. Vinod K. Malhotra | Mr. Subodh Kumar Jain | Mr. Mohan Bir Sahni | Mr. A.K. Sharma | Mr. Jawahar Thakur | Ms. Shobha Khatri | Mr Pawan Kumar Jain | Total Amount |
| 1 | Independent Directors | | | | | | | | | |
| | Fee for attending Board/ Committee meetings | **3.65** | **8.60** | **7.85** | **3.20** | **6.10** | **5.30** | **6.60** | **2.40** | **43.70** |
| | Stock Option | - | - | - | - | - | - | - | | - |
| | Sweat Equity | - | - | - | - | - | - | - | | - |
| | Commission | - | - | - | - | - | - | - | | - |
| | • As % of profit | - | - | - | - | | - | - | - | - |
| | • Other, specify | - | - | - | - | - | - | - | | - |
| | **Others** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | | **-** |
| | **Total (1)** | **3.65** | **8.60** | **7.85** | **3.20** | **6.10** | **5.30** | **6.60** | **2.40** | **43.70** |

**Notes:**

a) The Company does not have any Stock Option Scheme or performance–linked incentives for the Directors in addition to above remuneration.

b) The Nomination & Remuneration Committee considers and recommends the remuneration on appointment/ re–appointment of Directors or any change in remuneration during the currency of tenure as per Remuneration Policy of the Company. The appointment and remuneration of Managing Director and all the Whole–time Directors (including JMDs and CEO) are approved at the Board Meeting subject to approval of Members in the General Meeting. For these Directors, there is no provision for any special compensation for severance or termination of service contract, except the agreed notice period or salary in lieu thereof.

c) Mr. Kashi Ram Yadav's remuneration include Company's contribution towards Provident Fund and Bonus of Rs. 1.45 Lakh and Mr. Vineet Sahni's remuneration include Company's contribution towards Provident Fund as shown above. No other Director receives these benefits.

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

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

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees, inter alia, redressal of shareholder and investor grievances, transposition / transmission of shares, issue of duplicate shares, recording dematerialization of shares and related matters.

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

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

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

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

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

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

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

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

**6.3** During the year, the Committee met only once on August 14, 2023. All members were present at the meeting.

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

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

**6.6 The Status and details of the Shareholder's complaint received during the Financial Year 2023-24 is as follows:**

| Particulars / Details | Opening Complaints | No. of Complaints received | No. of Complaint resolved | No. of Complaint not solved to the satisfaction of Shareholders | Pending Complaints |
|---|---|---|---|---|---|
| Received directly from shareholders | 00 | 103 | 102 | NIL | 1 |
| Received through BSE | NIL | NIL | NIL | NIL | NIL |
| Received through NSE | NIL | NIL | NIL | NIL | NIL |
| Received through SEBI | NIL | NIL | NIL | NIL | NIL |
| **Total** | **NIL** | **103** | **102** | **NIL** | **1** |

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee was constituted in the financial year 2014-15 in terms of section 135 of the Companies Act, 2013. Committee oversees all aspects of CSR, including CSR Policy formulation and its implementation, planning, implementation and operational aspects of CSR programs of the Company.

**7.1 Brief description of Terms of Reference is as under:**

a) formulation of CSR Policy and recommendation the same for Board's approval;

b) recommend to Board the amount to be spent on CSR activities, approval of CSR projects and programs and any modification therein and recommending the same for approval of the Board;

c) formulation and any subsequent modification of CSR Annual Action Plan pursuant the CSR Policy and recommend the same for Board's approval;

d) Periodic review of CSR Projects implementation, any modification therein and recommendation of the same for approval by the Board.

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

**7.3** The Committee met two (2) times during the year on November 7, 2023 and February 6, 2024.

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

| SN | Name of Members | Position in Committee | Attendance at Committee meetings during the financial year 2023-24 |
|---|---|---|---|
| 1 | Mr. Rahul Jain | Chairman | 2/2 |
| 2 | Mr. Kashi Ram Yadav | Member | 2/2 |
| 3 | Mr. V. K. Malhotra | Member | 2/2 |

## 8. RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee was constituted in the financial year 2021-22, pursuant to applicability of Regulation 21(5) of Listing Regulations. Role & Responsibilities and terms of reference of the Risk Management Committee constitute monitoring and reviewing of the risk management plan and other functions connected to the risk management, including cyber security. The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Risk Management Committee comprises following members: Mr. Rajesh Sharma, Joint Managing Director (Chairman), Mr. Ashok Kumar Sharma, Independent Director (Member), Ms. Shobha Khatri, Independent Director (Member) and Chief Financial Officer as Permanent Invitee. Company Secretary acts as Secretary to the Committee.

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

### 8.1 Brief description of Terms of Reference is as under:

a) to formulate a detailed risk management policy which shall include:

   i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular financial, operational, sectoral, sustainability (particularly, ESG related risks), information technology, cyber security risks or any other risk as may be determined by the Committee.

   ii. Measures for risk mitigation including systems and processes for internal control of identified risks.

   iii. Business continuity plan.

b) to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c) to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

d) to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e) to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f) the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees (especially Audit Committee), in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

### 8.2 Meetings and Attendance

During the financial year 2023-24, the Risk Management Committee met two (2) times on August 12, 2023, and February 6, 2024. The necessary quorum was present in all the meetings. The status of attendance of Members in the meetings is as under:

| SN | Name of Members | Position in Committee | Attendance at Committee meetings during the financial year 2023-24 |
|---|---|---|---|
| 1 | Mr. Rajesh Sharma | Chairman | 2/2 |
| 2 | Mr. Ashok Kumar Sharma | Member | 2/2 |
| 3 | Ms. Shobha Khatri | Member | 2/2 |

## 9. BONUS SHARES COMMITTEE (BSC)

The Bonus Shares Committee was constituted in the financial year 2023-24, by the Board of Directors of the Company in their meeting held on January 15, 2024. The Board decided to issue Bonus Equity shares in the ratio of 1:1 and in the same meeting, Board constituted Bonus Shares Committee (BSC) especially to take all decisions pertaining to Issuance of Bonus Shares to the shareholders of the Company, subject to all applicable approvals and compliance of applicable laws.

Bonus Shares Committee comprises following members, Mr. J.K. Jain, Chairman & Managing Director (Chairman of Committee), Mr. Rahul Jain, Joint Managing Director (Member of Committee), Mr. A.K. Sharma, Independent

Director (Member of Committee) and Chief Financial Officer as Permanent Invitee. Company Secretary was appointed as Secretary to the Committee.

The terms of reference of the Committee as approved by the Board are as under:

**9.1 Brief description of Terms of Reference is as under:**

a) to amend the record date (if required) for the purpose of ascertaining the list of equity shareholders of the Company who will be entitled to receive the Bonus Shares in terms of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015;

b) to allot the Bonus Shares of the Company;

c) to take necessary steps for payment of stamp duty on bonus shares, if applicable;

d) to take all necessary and incidental steps, decisions required in connection with any or all the activities as mentioned hereinabove with the authority to settle any question, difficulty or doubt that may arise in regard to such activities and to do all such acts, deeds, matters and things and to finalize and execute all such deeds, documents and writings as may be necessary, desirable or expedient as the Bonus Shares Committee may deem fit with the authority to delegate any of its powers to any individual for execution of the necessary documents or making appearance before any authority or to do all such acts, deeds, matters and things as entrusted and deemed necessary for such delegation.

**9.2 Meetings and Attendance**

During the financial year 2023-24, the Bonus Shares Committee met (1) time on February 29, 2024. The necessary quorum was present in the meeting. The status of attendance of Members in the meeting is as under:

| SN | Name of Members | Position in Committee | Attendance at Committee meetings during the financial year 2023-24 |
|---|---|---|---|
| 1 | Mr. J. K. Jain | Chairman | 1/1 |
| 2 | Mr. Rahul Jain | Member | 1/1 |
| 3 | Mr. Ashok Kumar Sharma | Member | 1/1 |

**9.3** As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024. Post allotment of Bonus shares, the equity capital of the Company stands at 2,63,19,660 Equity shares of Rs. 10 each.

**9.4** As the process of issuance of Bonus Shares is already completed in the month of March 2024 and major part of the terms of reference as well purpose of Committee was already accomplished, hence Board of Directors in their meeting held on May 21, 2024 dissolved the Bonus Shares Committee.

## 10. Particulars of Senior Management Personnel (SMP) of Fiem Industries Limited

| Name of Senior Management Personnel | Designation / Department |
|---|---|
| O P Gupta | Chief Financial Officer (KMP) |
| Arvind K. Chauhan | Company Secretary (KMP) |
| Subhash C. Saraswat* | President (Operations) |
| Z.A. Khan | Ex. President (LED) |
| Adhir Sinha | Sr. V.P. (Marketing) |
| Shanmugasundaram D. | Head (R&D) |
| Sanjiv Kumar | Sr. V.P. (Accounts & Finance) |
| Dinesh Singal* | Vice President (NPD) |

-Mr. Dinesh Singal - Vice President (NPD) has resigned from services of the Company w.e.f. close of business hours on April 24, 2024

-Mr. Subhash C. Saraswat - President (Operations) has resigned from services of the Company w.e.f. close of business hours on April 30, 2024.

## 11. GENERAL BODY MEETINGS

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

| Year | Date and Time | Venue | Details of Special Resolutions passed |
|---|---|---|---|
| 2022-23 | 28.07.2023 at 10.30 am | Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") | Following three (3) Special Resolutions were passed:<br>• Approval of increase in the remuneration of Mr. J.K. Jain, Chairman & Managing Director.<br>• Approval of increase in the remuneration of Mrs. Seema Jain, Whole-time Director.<br>• Approval of re-appoint and increase in the remuneration of Mr. K.R. Yadav, Whole-time Director. |
| 2021-22 | 24.08.2022 at 10.30 am | Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") | • One Special Resolution passed to approve increase in the remuneration of Mrs. Seema Jain as Whole-time Director of the Company. |
| 2020-21 | 21.09.2021 at 10.30 am | Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") | • One Special Resolution passed for approval of re-appointment of Mrs. Seema Jain as Whole-time Director of the Company for a term of 5 years w.e.f April 1, 2022. |

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

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

During last financial year, The Company had sought the approval of the shareholders by way of a **Special Resolution** through notice of postal ballot dated November 7, 2023 for:

- Appointment of Mr. Pawan Kumar Jain (DIN:10385208) as a Non-executive Independent Director of the Company for a consecutive term of five years.

Mrs. Ranjana Gupta, Practicing Company Secretary & Proprietor of M/s. Ranjana Gupta & Associates, Company Secretaries FCS No: 8613, CP No: 9920, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner. Details of the voting pattern is provided below:

| VOTES IN FAVOUR OF THE RESOLUTION | | | VOTES AGAINST THE RESOLUTION | | | INVALID VOTES | |
|---|---|---|---|---|---|---|---|
| No. of members voted | No. of valid votes cast (Shares) | % of total number of valid votes cast | No. of members voted | No. of valid votes cast (Shares) | % of total number of valid votes cast | Total no. of members whose votes were declared invalid | Total No. of invalid votes cast (Shares) |
| 273 | 94,01,831 | 99.997 | 11 | 278 | 0.003 | 0 | 0.00 |

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

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

## 12. Means of communication

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

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

Company's official news release including release of results are also displayed on the website of the Company.

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

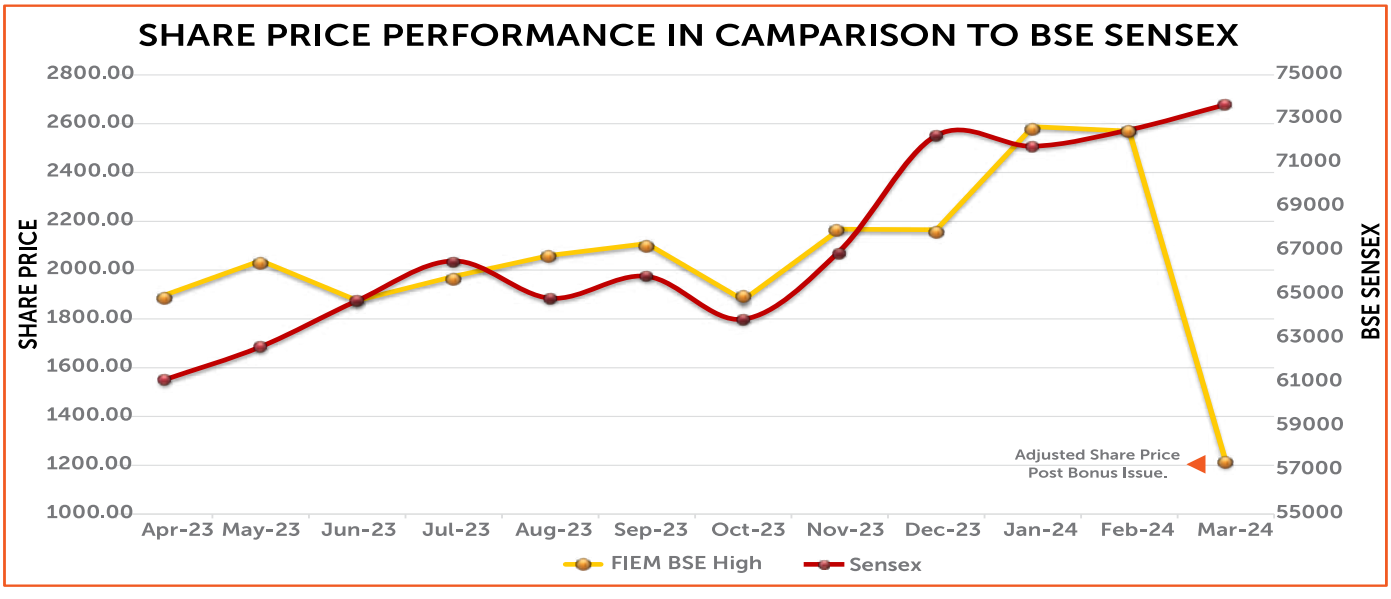
The disclosures and announcements filed by the Company from time to time to stock exchanges are also uploaded on the website of Company, if that is required pursuant to Listing Regulations.

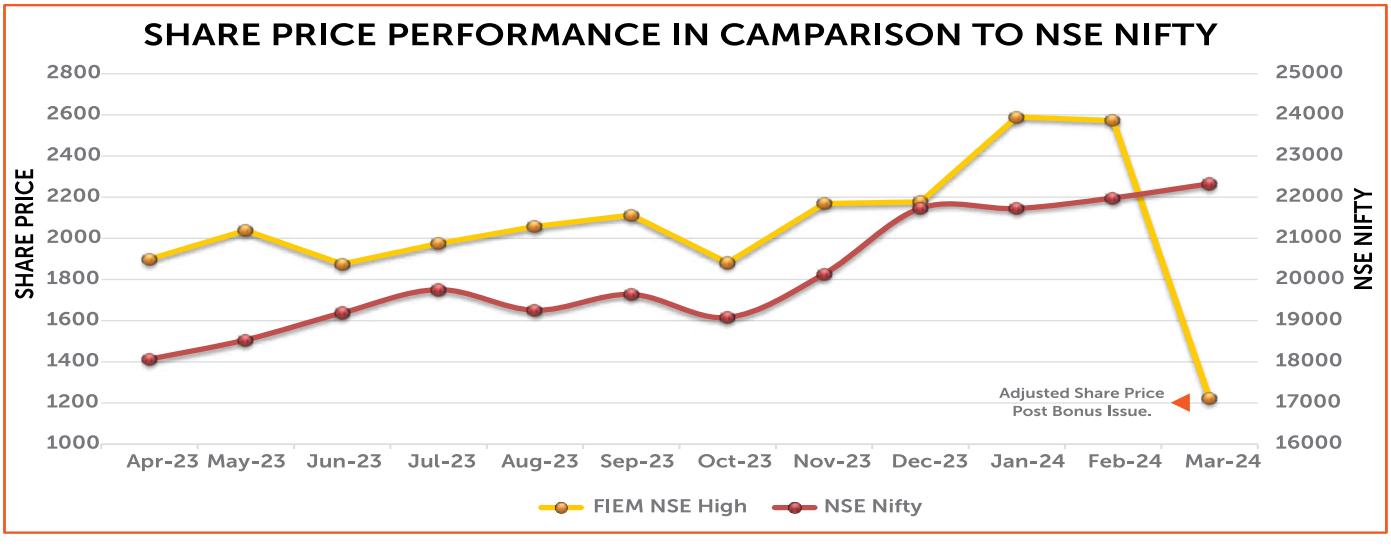
## 13. General Shareholder Information

| | | |
|---|---|---|
| **a)** | **Annual General Meeting for financial year 2023-24** | Wednesday, July 31, 2024 |
| | **Time** | 10.30 AM |
| | **Venue:** | Meeting will be held through **Video Conference ('VC') / Other Audio-Visual Means ('OVAM')** |
| **b)** | **Financial Year** | April to March |
| **c)** | **Date of Book Closure** | July 25, 2024 to July 31, 2024 (Both days inclusive) |
| **d)** | **Dividend Payment Date** | The dividend, if declared, shall be paid/ credited on or before August 14, 2024. |
| **e)** | **Stock Exchanges Names and Address, where securities of the Company are listed** | **"B S E Ltd.**<br>P.J. Towers, Dalal Street, Fort, Mumbai - 400001<br>**National Stock Exchange of India Ltd.**<br>Exchange Plaza, Bandra Kurla Complex, Mumbai -400051" |
| **f)** | **Stock Codes** | The Stock Codes are 532768 (BSE) and FIEMIND (NSE) |
| **g)** | **Listing Fee** | Listing Fee as applicable for financial year 2023-24 has been paid to both Stock Exchanges. |
| **h)** | **Market Price Data** | High and Low of share price in comparison to BSE Sensex and NSE NIFTY during each month in the financial year 2023-24 on BSE and NSE, respectively is provided hereunder. |

| Month | NSE | | BSE | | Sensex | NIFTY |
|---|---|---|---|---|---|---|
| | High Price | Low Price | High Price | Low Price | Closing | Closing |
| Apr-23 | 1,900.00 | 1,540.05 | 1896.95 | 1542.20 | 61112.44 | 18065.00 |
| May-23 | 2,038.65 | 1,731.10 | 2038.60 | 1732.35 | 62622.24 | 18534.40 |
| Jun-23 | 1,875.50 | 1,708.00 | 1875.00 | 1708.85 | 64718.56 | 19189.05 |
| Jul-23 | 1,975.05 | 1,745.20 | 1974.05 | 1745.05 | 66527.67 | 19753.80 |
| Aug-23 | 2,058.00 | 1,776.25 | 2060.60 | 1779.10 | 64831.41 | 19253.80 |
| Sep-23 | 2,113.45 | 1,772.10 | 2109.05 | 1772.85 | 65828.41 | 19638.30 |
| Oct-23 | 1,882.00 | 1,644.00 | 1877.10 | 1643.80 | 63874.93 | 19079.60 |
| Nov-23 | 2,169.00 | 1,711.00 | 2168.00 | 1711.45 | 66988.44 | 20133.15 |
| Dec-23 | 2,177.30 | 1,953.10 | 2165.35 | 1956.00 | 72240.26 | 21731.40 |
| Jan-24 | 2,590.00 | 2,032.20 | 2587.95 | 2010.00 | 71752.11 | 21725.70 |
| Feb-24 | 2,572.00 | 1,161.00 | 2570.00 | 1163.50 | 72500.30 | 21982.80 |
| Mar-24 | 1,224.00 | 981.00 | 1215.00 | 981.15 | 73651.35 | 22326.90 |

i) **Performance of share price of the Company in comparison to BSE Sensex and NSE Nifty:**




* Company's share price was adjusted on February 28, 2024, cut-off date decided for issuance of equity Bonus shares in the ratio of 1:1. Hence, in March, 2024, adjusted share prices are reflecting post bonus issue.

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

**k) Share Transfer Agent: M/s. Link Intime India Pvt. Ltd.**

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

**l) Share Transfer System**

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

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a Letter of Confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Company's Suspense Escrow Demat Account namely 'Fiem Industries Limited-Suspense Escrow Demat Account'. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.

The Company Secretary is authorized by the Board to approve the transfers, which are noted at subsequent meeting of Stakeholders' Relationship Committee and Board Meetings.

**m) Distribution of shareholding as on March 31, 2024:**

| 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** | **17518314** | **66.5598%** |
| **(B)** | **Public Shareholding** | | | |
| **1** | **Institutions** | | | |
| | (a) Mutual Funds | 3 | 179078 | **0.6804%** |
| | (b) Foreign Portfolio Investors | 45 | 525440 | **1.9964%** |
| | (c) Financial Institutions / Banks | 0 | 0 | **0.0000%** |
| | (d) Alternate Investment Fund | 2 | 219624 | **0.8344%** |
| | Insurance Companies | 2 | 35704 | **0.1357%** |
| | Central/State Government(s) | 0 | 0 | **0.0000%** |
| **2** | **Non–Institutions** | | | |
| | (a) Individuals | 60918 | 6373808 | **24.2169%** |
| | (b) NBFCs registered with RBI | 0 | 0 | **0.0000%** |
| | (d) Any Other (specify)– | | | |
| | i. Hindu Undivided Family | 920 | 266175 | **1.0113%** |
| | ii. Foreign Corporate Bodies | 0 | 0 | **0.0000%** |
| | iii. Non-Resident Indians | 1590 | 472367 | **1.7947%** |
| | iv. Clearing Members | 7 | 884 | **0.0034%** |
| | v. Bodies Corporate | 311 | 633211 | **2.4058%** |
| | vi. IEPF | 1 | 1094 | **0.0042%** |
| | vii. Trust | 9 | 34300 | **0.1303%** |
| | viii. LLP | 38 | 58899 | **0.2238%** |
| | ix. Escrow Account | 1 | 762 | **0.0029%** |
| | Total Public Shareholding | | | |
| | **TOTAL (A)+(B)** | **63853** | **26319660** | **100.00%** |

**n) Distribution by Size:**

**DISTRIBUTION OF SHAREHOLDING (SHARES)**

| SN | Shareholding of shares | Shareholders | % of total shareholders | Total Shares | % of total shares |
|---|---|---|---|---|---|
| 1 | 1 to 500 | 62741 | 96.6317 | 3020881 | 11.4777 |
| 2 | 501 to 1000 | 1208 | 1.8605 | 882876 | 3.3544 |
| 3 | 1001 to 2000 | 518 | 0.7978 | 761977 | 2.8951 |
| 4 | 2001 to 3000 | 165 | 0.2541 | 408768 | 1.5531 |
| 5 | 3001 to 4000 | 69 | 0.1063 | 246671 | 0.9372 |
| 6 | 4001 to 5000 | 52 | 0.0801 | 233537 | 0.8873 |
| 7 | 5001 to 10000 | 81 | 0.1248 | 561429 | 2.1331 |
| 8 | 10001 and above | 94 | 0.1448 | 20203521 | 76.7621 |
| **Total (Folios Not Consolidated on PAN Basis)** | | **64928** | **100** | **26319660** | **100** |

**o) Dematerialization of shares and Liquidity status as on March 31, 2024**

| SN | Demat / Physical | No. of Shares | Free to Trade / lock-in | %age of Total shares |
|---|---|---|---|---|
| 1 | NSDL | 5935082 | Free to trade | 22.55 |
| 2 | CDSL | 20384557 | Free to trade | 77.45 |
| 3 | Physical | 21 | Free to trade | 00.00 |
| | **Total** | **26319660** | | **100.00** |

**p) 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.

**q) Address for Correspondence:**
**Registered Office Address:**
D-5, Mansarover Garden, New Delhi - 110015, India
**Tel:** +91-11-25101002/03/04/05
**Email:** investor@fiemindustries.com
**Website:** www.fiemindustries.com
**CIN:** L36999DL1989PLC034928

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

**s) The Company has neither obtained any credit rating for any debt instrument or fixed deposit scheme, nor issued any debt instrument or fixed deposit.**

## 14. OTHER DISCLOSURES:

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

There were no materially significant related party transactions during the financial year 2023-24 which may have conflict with the interest of the Company. Applicable disclosures have been made in notes to financial statements regarding all related party transactions.

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

There was no instance of non–compliance by the Company for any matter related to capital markets during the last three years, requiring disclosure under above requirements, except one instance as under:

The Board Meeting and Audit Committee Meeting on June 30, 2021 were held with a gap of 137 days from the previous respective meetings held on February 12, 2021, which is in excess of permissible gap of 120 days as stipulated under Regulation 17(2) and Regulation 18(2)(a) of Listing Regulations. The reasons for the same was already explained in Directors' Report for previous financial year (2021-22).

**14.3 Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.**

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

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

The details of Whistle Blower Policy are available on the website of the Company **(https://fiemindustries.com/wb-policy/).**

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

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

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

Company has adopted 'Subsidiary & Related Party Transactions Policy'. The web link for the same is: **https://fiemindustries.com/subsi-rpt-policy/**

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

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

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

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

There is no such funds available with the Company during Financial Year 2023-24.

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

**14.9 Recommendation of Committee(s) of the Board.**

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

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

Company's Auditors are M/s. Anil S. Gupta & Associates, Chartered Accountants. It is a partnership firm (Audit Firm) and not a part of any network firm/network entity. Further, it has not taken any fee from any subsidiary of the Company. Details of total fee for all services paid to Company's Auditors by the listed entity / Company is provided in notes to the financial statements.

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

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

**14.12 Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount:**

There is no such Loan or Advance extended by the Company or its subsidiaries to any firms/companies in which directors are interested.

**14.13 Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

There is no material subsidiary of the Company.

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

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

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

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

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

**18. 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.**

**19. The Company has adopted the Indian Accounting Standards (Ind AS).**

**20. The Chairman & Managing Director, Chief Executive Officer and Chief Financial Officer of the Company have certified about financial statements, internal control and accounting policies etc. for Financial Year 2023-24 to the Board under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.**

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

**22. Code of Conduct**

The Declaration/Confirmation from the Chairman & Managing Director and Chief Executive Officer regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel for F.Y. 2023-24, forms part of this Report. The Code of Conduct is available on the website of the Company **(www.fiemindustries.com).**

**23. Code of Conduct for Prevention of Insider Trading**

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

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

**24. Brief profile of the Directors retiring by rotation and eligible for re-appointment form part of the Notice convening Annual General Meeting.**

**25. Disclosure about unpaid dividend transferred to Investor Education and Protection Fund**

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

| Year | Type of Dividend | Dividend per share | Date of Declaration | Tentative due date of transfer to IEPF |
|---|---|---|---|---|
| 2016-17 | Final | 8.00 | August 21, 2017 | October 26, 2024 |
| 2017-18 | Final | 9.00 | September 17, 2018 | November 22, 2025 |
| 2018-19 | Interim | 8.00 | March 18, 2019 | May 22, 2026 |
| 2018-19 | Final | 4.00 | September 21, 2019 | November 26, 2026 |
| 2019-20 | Interim | 10.00 | March 11, 2020 | May 15, 2027 |
| 2019-20 | Final | 03.00 | September 21, 2020 | November 26, 2027 |
| 2020-21 | Final | 16.00 | September 21, 2021 | November 26, 2028 |
| 2021-22 | Final | 20.00 | August 24, 2022 | October 30, 2029 |
| 2022-23 | Final | 30.00 | July 28, 2023 | October 3, 2030 |

The Company sends periodic intimation / reminders to the concerned shareholders, advising them to lodge their claims with respect to unclaimed dividends. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF including all benefits accruing on such shares, if any can be claimed back from IEPF Authority following the procedure prescribed in the Rules. All unclaimed/unpaid Dividend for the Financial Years from 2006-07 to 2015-16(Final) have been transferred to the IEPF established by the Central Government. No claim lies with the Company for the funds and shares transferred to Investor Education and Protection Fund.

**26. Disclosure under Part F of Schedule V, Regulation 39(4) read with Schedule VI of the Listing Regulations**

(a) The Information and Disclosure for securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and/or lying in the demat suspense account / unclaimed suspense account, are as under:

It is hereby informed that Company came with initial public issue in 2006-07 and no share of the Company were left unclaimed in 'Escrow Account' of the RTA. Therefore, requirement of opening a Demat Suspense Account / Unclaimed Suspense Account and applicable disclosures related thereto as mandated under Part F of Schedule V, Regulation 39(4) read with Schedule VI of the Listing Regulations, are not applicable on the Company.

(b) In compliance of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI Letter No. SEBI/HO/MIRSD/POD-1/OW/P/2022/64923 dated December 30, 2022, Company opened a Suspense Escrow Demat Account namely, 'Fiem Industries Limited-Suspense Escrow Demat Account'. The main purpose of this special account is to issue securities in dematerialized form only, while processing the following service request from shareholder with respect to:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement; Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates/folios;
- Transmission and Transposition.

During the financial year 2023-24, the Board of Directors in their meeting held on January 15, 2024, had recommended the issue of Bonus Shares in the ratio of 1 (one) Bonus equity share of Rs.10 each fully paid-up for every 1 (one) existing equity share of Rs.10 each fully paid-up (in the ratio of 1:1). As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024.

Post allotment of Bonus shares, 741 number of equity bonus shares (belonging to 8 shareholders) could not be credited to respective demat accounts of these shareholders due to KYC issue at that time. Further, 21 number of equity bonus shares (belonging to 21 shareholders) who hold original shares in physical form couldn't be credited to those shareholders, because they failed to provide the demat account in the same sequence of joint holders as in physical holding and due to pending KYC in their folios.

Hence, all these total 762 numbers of bonus shares were credited to Fiem Industries Limited-Suspense Escrow Demat Account during the month of March, 2023 and theses shares remained in this account as on March 31, 2024. However, after March 31, 2024 and up to date of this Report, 7 shareholders (claimant of 740 equity bonus shares) submitted the requisite documents for transfer of their bonus shares to their respective demat accounts. After due verification, RTA transferred their shares to their respective Demat Account. Hence, after above transfer, only 22 number of equity shares lying in Fiem Industries Limited-Suspense Escrow Demat Account as on date of this Report.

**27. Disclosure of certain types of agreements binding listed entities**

There is no such nature of agreements exist or executed as defined under clause 5A of regulation 30 read with paragraph A of Part A of Schedule III of Listing Regulations.

**28. Plant Locations:**

| | |
|---|---|
| **Unit I** | 32 Mile Stone, G. T. Road, Kundli, Distt. Sonepat - 131028, Haryana |
| **Unit II** | 219/2B, Thally Road, Kallukondapalli, Hosur - 635114, Tamil Nadu |
| **Unit III** | Kelamngalam, Achittapalli Post, Hosur - 635110, Tamil Nadu |
| **Unit IV** | 133, KIADB Industrial Area, Kadakola Post, Mysore - 571311, Karnataka |
| **Unit V** | Kelamangalam, Achittapalli Post, Hosur - 635110, Tamil Nadu |
| **Unit VI** | Village Bhatian, Tehsil -Nalagarh - 174101, Himachal Pradesh |
| **Unit VII** | Plot No. 1915, Rai Industrial Estate, Phase -V, Distt. Sonepat - 131029, Haryana. |
| **Unit VIII** | Plot No. SP1-C, Industrial Area Tapukara, Distt. Alwar - 301707, Rajasthan. |
| **Unit IX** | Village Karsanpura, Taluka-Mandal, Distt. Ahmedabad - 382140, Gujarat |

# Certificate of Compliance of Conditions of Corporate Governance

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

To,

**The Members**
**Fiem Industries Limited**
(CIN: L36999DL1989PLC034928)
D-5, Mansarover Garden
New Delhi-110015

We have examined the compliance of conditions of Corporate Governance by **Fiem Industries Limited** ('the Company') for the year ended on March 31, 2024, as prescribed under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the Listing Regulations for the year ended on March 31, 2024.

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

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

**Place : New Delhi**
**Date : 18th May, 2024**
**UDIN : F008613F000399586**

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

# Certificate of Non-Disqualification of Directors

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

To,
**The Members**
**Fiem Industries Limited**
(CIN: L36999DL1989PLC034928)
D-5, Mansarover Garden
New Delhi-110015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fiem Industries Limited having CIN L36999DL1989PLC034928 and having registered office at D-5, Mansarover Garden, New Delhi – 110015 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the MCA portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors stated below who are on the Board of the Company as on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company, by Securities and Exchange Board of India, the Ministry of Corporate Affairs or any such other statutory authority.

| Sr. No. | Name of the Director | DIN | Date of First Appointment in Company |
|---|---|---|---|
| 1 | Jagjeevan Kumar Jain | 00013356 | 06-02-1989 |
| 2 | Seema Jain | 00013523 | 06-02-1989 |
| 3 | Aanchal Jain | 00013350 | 02-12-1999 |
| 4 | Rahul Jain | 00013566 | 14-11-2004 |
| 5 | Kashi Ram Yadav | 02379958 | 25-10-2008 |
| 6 | Vinod Kumar Malhotra | 03544095 | 04-08-2011 |
| 7 | Subodh Kumar Jain | 00165755 | 09-11-2012 |
| 8 | Mohan Bir Sahni | 00906251 | 12-02-2015 |
| 9 | Ashok Kumar Sharma | 07610447 | 10-09-2016 |
| 10 | Jawahar Thakur | 07650035 | 12-11-2016 |
| 11 | Rajesh Sharma | 08650703 | 01-01-2020 |
| 12 | Shobha Khatri | 08650727 | 01-01-2020 |
| 13 | Vineet Sahni | 03616096 | 01-05-2023 |
| 14 | Pawan Kumar Jain | 10385208 | 08-11-2023 |

*the date of appointment is as per the MCA Portal.

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

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

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

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

**Place : New Delhi**
**Date : *18th May, 2024***
**UDIN : F008613F000399608**

# CERTIFICATION BY MANAGING DIRECTOR, CEO AND CFO FOR FINANCIAL YEAR 2023-24

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

**To**
**The Board of Directors**
**Fiem Industries Limited**

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

**A.** We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

- **i.** these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- **ii.** these Statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind AS), applicable laws and regulations.

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

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

**D.** We have indicated to the Auditors and the Audit Committee

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

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **J. K. Jain** | **Vineet Sahni** | **O.P. Gupta** |
| **Chairman & Managing Director** | **CEO & Director** | **Chief Financial Officer** |
| **(DIN: 00013356)** | **(DIN: 03616096)** | |

**Place** : Rai, Sonepat (HR)
**Date** : May 21, 2024

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# Compliance With Code of Conduct

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

We, the undersigned, hereby certify that as required under Regulation 26(3) read with Schedule V(D) of the Listing Regulations, all the Directors and the Senior Management Personnel of the Company have affirmed compliance of the Code of Conduct of the company for the financial year ended March 31, 2024.

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **J. K. Jain** | **Vineet Sahni** |
| | **Chairman & Managing Director** | **CEO & Director** |
| | **(DIN: 00013356)** | **(DIN: 03616096)** |

**Place** : Rai, Sonepat (HR)
**Date** : May 21, 2024

# Business Responsibility & Sustainability Report

## SECTION-A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | | |
|---|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Listed Entity** | L36999DL1989PLC034928 | |
| 2. | **Name of the Listed Entity** | Fiem Industries Limited | |
| 3. | **Year of incorporation** | 06-02-1989 | |
| 4. | **Rgistered office address** | D-5, Mansarover Garden, New Delhi-110015 (INDIA) | |
| 5. | **Corporate address** | Unit No. 1A&1C, 1st Floor, Aria Commercial Towers, JW Marriott Hotel, Aerocity, New Delhi - 110037 (INDIA) | |
| 6. | **E-mail** | info@fiemindustries.com | |
| 7. | **Telephone** | +91-11-25101002/3/4/5 | |
| 8. | **Website** | www.fiemindustries.com | |
| 9. | **Financial year for which reporting is being done** | **Start date** | **End date** |
| | **Current Financial Year** | 01/04/2023 | 31/03/2024 |
| | **Previous Financial Year** | 01/04/2022 | 31/03/2023 |
| | **Prior to Previous Financial year** | 01/04/2021 | 31/03/2022 |
| 10. | **Name of the Stock Exchange(s) where shares are listed** | BSE Ltd., National Stock Exchange of India Ltd. | |
| 11. | **Paid-up Capital (In Rs.)** | 263196600 | |
| 12. | **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** | | |
| | **Name** | Arvind K. Chauhan | |
| | **Contact** | 9991702468 | |
| | **E mail** | arvind.chauhan@fiemindustries.com | |
| 13. | **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** | Standalone basis | |
| 14. | **Name of assurance provider** | NA | |
| 15. | **Type of assurance obtained** | NA | |

### II. Products/services

**16. Details of business activities (accounting for 90% of the turnover):**

| SN | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Manufacturing of Automotive Lighting | 71.95 |
| 2 | Manufacturing | Manufacturing of Rear View Mirrors | 11.94 |
| 3 | Manufacturing | Manufacturing of Plastic Moulded Parts | 10.75 |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| SN | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Manufacturing of Automotive Lighting | 2740 | 71.95 |
| 2 | Manufacturing of Rear View Mirrors | 2310 | 11.94 |
| 3 | Manufacturing of Plastic Moulded Parts | 2930 | 10.75 |

### III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 9 | 3 | 12 |
| International | 0 | 3 | 3 |

**19. Markets served by the entity:**

**A. Number of locations**

| Locations | Number |
|---|---|
| National(No.of States) | 26 |
| International (No.of Countries) | 9 |
| **B. What is the contribution of exports as a percentage of the total turnover of the entity?** | 1.32% |
| **C. A brief on types of customers** | Automobile OEMs and Aftermarket Dealers |

## IV. Employees

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| SN | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) | No. (D) | % (D / A) |
| | | | EMPLOYEES | | | | | |
| 1. | Permanent(D) | 1220 | 1133 | 92.87% | 87 | 7.13% | 0 | 0.00% |
| 2. | Other than Permanent(E) | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| 3. | **Total employees (D+E)** | 1220 | 1133 | 92.87% | 87 | 7.13% | 0 | 0.00% |
| | | | WORKERS | | | | | |
| 4. | Permanent(F) | 1198 | 872 | 72.79% | 326 | 27.21% | 0 | 0.00% |
| 5. | Other than Permanent(G) | 6184 | 3565 | 57.65% | 2619 | 42.35% | 0 | 0.00% |
| 6. | **Total workers (F+G)** | 7382 | 4437 | 60.11% | 2945 | 39.89% | 0 | 0.00% |

**b. Differently abled Employees and workers:**

| SN | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No.(B) | %(B/A) | No.(C) | %(C/A) | No. (D) | % (D / A) |
| | | | DIFFERENTLY ABLED EMPLOYEES | | | | | |
| 1. | Permanent(D) | 3 | 3 | 100% | 0 | 0.00% | 0 | 0.00% |
| 2. | Other than Permanent(E) | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| 3. | **Total differently abled employees (D + E)** | 3 | 3 | 100% | 0 | 0.00% | 0 | 0.00% |
| | | | DIFFERENTLYABLED WORKERS | | | | | |
| 4. | Permanent(F) | 1 | 1 | 100% | 0 | 0.00% | 0 | 0.00% |
| 5. | Otherthan permanent(G) | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| 6. | **Total differently abled workers (F + G)** | 1 | 1 | 100% | 0 | 0.00% | 0 | 0.00% |

**21. Participation/Inclusion/Representation of women**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No.(B) | %(B/A) |
| Board of Directors | 14 | 3 | 21.43% |
| Key Management Personnel (excluding MD) | 2 | 0 | 0.00% |

**22. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

| | FY 2023-24 (Turnover rate in current FY) | | | | FY 2022-23 (Turnover rate in previous FY) | | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Other | Total | Male | Female | Other | Total | Male | Female | Other | Total |
| Permanent Employees | 27.89% | 36.16% | 0.00% | **32.03%** | 30.00% | 31.00% | 0.00% | **30.00%** | 32.00% | 25.00% | 0.00% | **32.00%** |
| Permanent Workers | 16.99% | 19.80% | 0.00% | **18.40%** | 24.00% | 10.00% | 0.00% | **20.00%** | 20.00% | 21.00% | 0.00% | **20.00%** |

## V. Holding, Subsidiary and Associate Companies( including joint ventures)

**23. (a) Names of holding / subsidiary /associate companies / joint ventures**

| SN | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Fiem Industries Japan Co., Ltd. | Subsidiary | 100 | No |
| 2 | Fiem Research & Technology S.R.L | Subsidiary | 100 | No |
| 3 | Centro Ricerche Fiem Horustech S.R.L | Joint Venture | 50 | No |
| 4 | Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 50 | No |

## VI. CSR Details

| | |
|---|---|
| **24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)** | Yes |
| **(ii) Turnover (in Rs.)** | 20143677731.00 |
| **(iii) Networth (in Rs.)** | 8854461083.00 |

## VII. Transparency and Disclosures Compliances

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|
| | | (If Yes, then provide web-link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | https://fiemindustries.com/wb-policy/ | - | - | NA | - | - | NA |
| Investors (other than shareholders) | Yes | https://fiemindustries.com/wb-policy/ | - | - | NA | - | - | NA |
| Shareholders | Yes | https://fiemindustries.com/email-for-shareholder-grievance-and-contact-info/ | 103 | 1 | NA | 76 | - | NA |
| Employees and workers | Yes | https://fiemindustries.com/wb-policy/ | - | - | NA | - | - | NA |
| Customers | Yes | https://fiemindustries.com/wb-policy/ | - | - | NA | - | - | NA |
| Value Chain Partners | Yes | https://fiemindustries.com/wb-policy/ | - | - | NA | - | - | NA |
| Other (please specify) | NIL | | | | | | | |

**26. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| SN | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Health & Safety | Risk | "In our industry, Health & Safety can directly impact employees and disrupt the operations" | "Health & Safety Management Plan, Process Safety & Risk Management, Emergency Mitigation System etc" | Negative Implications |
| 2 | Employee wellbeing | Opportunity | "Employee wellbeing is of utmost importance and Company continuously works towards the mental, physical, and financial needs of its employees." | - | Positive Implications |
| 3 | Energy Efficiency | Opportunity | "This may minimise the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc. Hence, Company undertake key initiatives to optimise energy efficiency and keep exploring the opportunity for renewable energy sources." | | Positive Implications |
| 4 | Diversity and Inclusion | Opportunity | "Company believes in providing equal opportunity to all deserving candidates without any discrimination and adopt the policy of inclusivness and diversity." | | Positive Implications |
| 5 | Innovation & technology | Opportunity | "Innovation is imperative for building new products and meeting the needs of the company's OEM customers. Comnpany's R&D and Desgn facilities are one of the best in the Industry and offer best in class, latest technology product to its valued OEM customers." | | Positive Implications |
| 6 | Corporate Social Responsibility | Opportunity | CSR provide the structured framework to undertake projects of social and environmental cause and provide the budget to prusue the same. Company focus on 'health care' and other intitaives under its CSR projects to benefit the poor, disadvantaged, marginalised, vulnerable and underprivilleged. | | Positive Implications |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | |
| 1. | **a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | **b. Has the policy been approved by the Board? (Yes/No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | **c. Web Link of the Policies, if available** | https://fiemindustries.com/wb-policy/ | NA | https://fiemindustries.com/code-of-conduct-for-board-smps/ | https://fiemindustries.com/csr-policy/ | https://fiemindustries.com/code-of-conduct-for-board-smps/ | NA | https://fiemindustries.com/wb-policy/ | https://fiemindustries.com/csr-policy/ | NA |
| 2. | **Whether the entity has translated the policy into procedures. (Yes / No)** | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | **Do the enlisted policies extend to your value chain partners? (Yes/No)** | No | No | No | No | No | No | No | No | No |
| 4. | **Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | IATF 16949:2016 | ISO 14001: 2015 | ISO 45001: 2018 | - | - | ISO 14001: 2015 | - | - | IATF 16949: 2016 |
| 5. | **Specific commitments, goals and targets set by the entity with defined timelines, if any.** | | | | | Specific commitments, goals, and targets are set and reviewed with the obejctive to cover all stakeholdrs' interest. | | | | |
| 6. | **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | | | | | Performance is being reviewed by concerned person incharge/ Committee and external certifying agency periodically. | | | | |

| Governance, leadership and oversight | |
|---|---|
| **7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)** | The Company is committed to integrate the Environmental, Social and Governance (ESG) principles into its business operations which is central to improve the quality of life of the communities it serves and protecting the interest of all stakeholders. Safety, Health and Environmental are the areas of continuous focus and improvement across its operations.<br><br>While diversity, equity, and inclusion are achieved at a very good level across our operations, enhancing these at the supply chain remains to be achieved. Promoting a safe and healthy workplace, fostering community engagement, and upholding human rights standards demand continuous effort and vigilance.<br><br>Looking ahead, we will continue to refine our ESG strategy, innovate sustainable solutions, and engage stakeholders to drive meaningful impact. |
| **8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** | Mr. J.K. Jain Chiarman & Managing Director (DIN: 00013356) |
| **9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If Yes, provide details.** | No |

**10. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency(Annually/Halfyearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | As a practice, relevant policies of the Company are reviewed periodically on a need basis by Director / respective Committee. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies are implemented. The revised policies are approved by the approving body. | | | | | | | | | Annually / as and when needed | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | The Company is in compliance with the existing regulations as applicable and compliance is reported to the Board of Directros. | | | | | | | | | Qurterly / as and when needed | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If Yes, provide name of the agency. | | | | | | | | | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| | | | | | | | | | | No | No | No | No | No | No | No | No | No |
| If Yes, Provide name of the agency | | | | | | | | | | NA | NA | NA | NA | NA | NA | NA | NA | NA |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| It is planned to be done in the next financial year (Yes/No) | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

## PRINCIPLE 1

### Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### Essential Indicators

**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| **Board of Directors** | 2 | Governance and business. | 90.00% |
| **Key Managerial Personnel** | 2 | Governance, regulatory, social and environmental updates and issues. | 100.00% |
| **Employees other than BoD and KMPs** | 436 | 1.Health & safety.<br>2.Hazard Identification and Risk Assessment(HIRA),<br>3.Baisc awareness on SQM and QMS,<br>4.TPM awareness,<br>5.Leadership behaviour and attitude,<br>6.PPAP process,<br>7.Lean manufacturing,<br>8.Communication skills,<br>9. POSH<br>10. CSR Awareness<br>11. PDCA Training<br>12. Others | 92.00% |
| **Workers** | 228 | 1.Health & safety.<br>2.Environment awareness.<br>3.Attitude and behaviour.<br>4 Kaizen.<br>5 Material handling and FIFO.<br>6. Awareness on 7QC tools.<br>7. Others | 94.00% |

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| **Penalty/ Fine** | NIL | NIL | NIL | NIL | NIL |
| **Settlement** | NA | NA | NA | NA | NA |
| **Compounding fee** | NA | NA | NA | NA | NA |

| Non-Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | | Has an appeal been |
| **Imprisonment** | NIL | NIL | NIL | NIL | NIL |
| **Punishment** | NIL | NIL | NIL | NIL | NIL |

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| NA | NA |

**4. Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.** - Yes

In addition to an internal Anti-bribery Policy, the Code of Conduct contains the provisions to hold ethical standards of integrity and probity and put the responsibility on Board members, Senior Management and all employees to conduct their affairs with honesty and integrity. The Code of Conduct for Board and Senior Management is available on the Company's website: www.fiemindustries.com

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Directors** | 0.00 | 0.00 |
| **KMPs** | 0.00 | 0.00 |
| **Employees** | 0.00 | 0.00 |
| **Workers** | 0.00 | 0.00 |

**6. Details of complaints with regard to conflict of interest:**

| | FY 2023-24 | | FY 2022-23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| **Number of complaints received in relation to issues of Conflict of Interest of the Directors** | 0 | NA | 0 | NA |
| **Number of complaints received in relation to issues of Conflict of Interest of the KMPs** | 0 | NA | 0 | NA |

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.** - NIL

**8. Number of days of accounts payables ((accounts payable *365)/cost of goods/services procured) in the following format:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Number of days of accounts payables | 55 | 53 |

**9. Open-ness of business -**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties alongwith loans and advances & investments, with related parties, in the following format:**

| Parameter | | Metrics | FY 2023-24 | FY 2022-23 |
|---|---|---|---|---|
| Concentration of Purchases | a. | Purchases from trading houses as % of total purchases | 6.29% | 8.15% |
| | b. | Number of trading houses where purchases are made from | 7 | 7 |
| | c. | Purchases from top 10 trading houses as % of total purchases from trading houses | 100% | 100% |
| Concentration of sales | a. | Sales to dealers/distributors as % of total sales | 7.01% | 6.85% |
| | b. | Number of dealers/distributors to whom sales are made | 330 | 355 |
| | c. | Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 25.49% | 24.80% |
| Share of RPTs in | a. | Purchases (Purchases with related parties/ Total Purchases) | 0.05% | 0.05% |
| | b. | Sales (Sales to related parties/Total Sales) | 0.00% | 0.00% |
| | c. | Loans & advances (Loans & advances given to related parties/Total loans & advances) | 0.23% | 2.22% |
| | d. | Investments ( Investments in related parties/ Total Investments made) | 99.58% | 99.58% |

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics / principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| NA | NA | NA |

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)** - Yes

**If Yes, provide details of the same.**

Company's Code of Conduct for Board members & Senior Management provide the necessery provisions to avoid conflict of interest. Company also obtain requiste declaration, disclosure and confirmation on yearly basis from Board members and Senior Management personnel of having no conflict of interest in any transaction.

# PRINCIPLE 2

## Businesses should provide goods and services in a manner that is sustainable and safe

## Essential Indicators

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | Current Financial Year FY (2023-24) | Previous Financial Year FY (2022-23) | Details of improvements in environmental and social impacts |
|---|---|---|---|
| **R&D** | 0.00% | 0.00% | NA |
| **Capex** | 0.00% | 0.00% | NA |

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** - No

However, the company has well defined procedure in place for sourcing from its vendor partners. Supplier Quality Assurance Manual (SQAM) is the guiding document for vendor partners and they need to comply the policies and procedures enumerated therein. In addition to the Quality Systems to be adhered by the vendor partners, it include the Quality Policy, Environment Policy and Occupational Health & Safety Policy expected to be adhered by the vendor partners. The SQAM has been formulated on the basis of Integrated Management System (IMS) requirements. Company continue its efforts for more sustainable sourcing practices

**b. If Yes, what percentage of inputs were sourced sustainably?** - NA

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Our products are Automotive Parts which are used in vehicles, hence cannot be reclaimed at the end of the life cycle of the product in terms of plastic, E-waste, hazardous waste. However various activities are performed in the Company to reduce the generation of waste. All Hazardous waste generated is routed through the authorised recyclers.

| | |
|---|---|
| (a) Plastics (including packaging) | NA |
| (b) E-waste | NA |
| (c) Hazardous waste | NA |
| (d) other waste | NA |

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** - No

## Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? - No

   If Yes, provide details in the following format?

| NIC Code | Name of Product /Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/ No) If Yes, provide the web-link. |
|---|---|---|---|---|---|
| NA | NA | NA | NA | NA | NA |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| NA | NA | NA |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2023-24 | FY 2022-23 |
| NIL | NA | NA |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | 0 | 0 | 0 | 0 | 0 | 0 |
| E-waste | 0 | 0 | 0 | 0 | 0 | 0 |
| Hazardous waste | 0 | 0 | 0 | 0 | 0 | 0 |
| Other waste | 0 | 0 | 0 | 0 | 0 | 0 |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| NIL | NIL |

## PRINCIPLE 3

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

**1. a. Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1133 | 95 | 8.38% | 1133 | 100% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Female | 87 | 26 | 29.89% | 87 | 100% | 87 | 100% | 0 | 0.00% | 87 | 100% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | 1220 | 121 | 9.92% | 1220 | 100% | 87 | 7.13% | 0 | 0.00% | 87 | 7.13% |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Female | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

**b. Details of measures for the well-being of workers:**

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 872 | 545 | 62.50% | 872 | 100% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Female | 326 | 290 | 88.96% | 326 | 100% | 326 | 100% | 0 | 0.00% | 326 | 100% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | 1198 | 835 | 69.70% | 1198 | 100% | 326 | 27.21% | 0 | 0.00% | 326 | 27.21% |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 3565 | 3262 | 91.50% | 3565 | 100% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Female | 2619 | 2463 | 94.04% | 2619 | 100% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | 6184 | 5725 | 92.58% | 6184 | 100% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Cost incurred on well- being measures as a % of total revenue of the Company | 0.40% | 0.39% |

**2. Details of retirement benefits, for Current FY and FY**

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 88.36% | 99.92% | Yes | 82% | 100% | Y |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Y |
| ESI | 10% | 69.70% | Yes | 13% | 77% | Y |
| Others – please specify | Nil | | | | | |

3. **Accessibility of workplaces:**

| | |
|---|---|
| **Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?** | - Yes |
| **If not, whether any steps are being taken by the entity in this regard.** | - NA |

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?** - Yes
**If so, provide a web-link to the policy.** - NA

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Other | 0.00% | 0.00% | 0.00% | 0.00% |
| **Total** | 100% | 100% | 100% | 100% |

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief.**

| | Yes/No | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|---|
| Permanent Workers | Yes | The adequate and open channel have been provided for workers and employees to discuss any work place related complaints with their HR Head, Department Head or Unit Head. In case of non-satisfactory resolution, the mechanism is in place to escalate the matter to Management. Further, Whistle Blower Policy / Vigil Mechanism is available to all stakeholders to register genuine grievances. |
| Other than Permanent Workers | Yes | |
| Permanent Employees | Yes | |
| Other than Permanent Employees | Yes | |

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | "Total employees / workers in respective category (c)" | "No. of employees/workers in respective category, who are part of association(s) or Union (D)" | "% (D / C)" |
| **Total Permanent Employees** | 1220 | 0 | 0.00% | 0 | 0 | 0.00% |
| - Male | 1133 | 0 | 0.00% | 0 | 0 | 0.00% |
| - Female | 87 | 0 | 0.00% | 0 | 0 | 0.00% |
| - Other | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| **Total Permanent Workers** | 1198 | 67 | 5.59% | 1312 | 58 | 4.42% |
| - Male | 872 | 61 | 7.00% | 941 | 56 | 5.95% |
| - Female | 326 | 6 | 1.84% | 371 | 2 | 0.54% |
| - Other | 0 | 0 | 0.00% | 0 | 0 | 0.00% |

8. **Details of training given to employees and workers:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 1133 | 1075 | 94.88% | 575 | 50.75% | 1076 | 1008 | 93.68% | 468 | 43.49% |
| Female | 87 | 87 | 100% | 47 | 54.02% | 90 | 90 | 100% | 44 | 48.89% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| **Total** | **1220** | **1162** | **95.25%** | **622** | **50.98%** | **1166** | **1098** | **94.17%** | **512** | **43.91%** |
| **Workers** | | | | | | | | | | |
| Male | 872 | 775 | 88.88% | 540 | 61.93% | 941 | 797 | 84.70% | 533 | 56.64% |
| Female | 326 | 320 | 98.16% | 205 | 62.88% | 371 | 360 | 97.04% | 224 | 60.38% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| **Total** | **1198** | **1095** | **91.40%** | **745** | **62.19%** | **1312** | **1157** | **88.19%** | **757** | **57.70%** |

9. **Details of performance and career development reviews of employees and worker:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 1133 | 1133 | 100% | 1,076 | 1,076 | 100% |
| Female | 87 | 87 | 100% | 90 | 90 | 100% |
| Other | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| **Total** | **1220** | **1220** | **100%** | **1,166** | **1,166** | **100%** |
| **Workers** | | | | | | |
| Male | 872 | 872 | 100% | 941 | 941 | 100% |
| Female | 326 | 326 | 100% | 371 | 371 | 100% |
| Other | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| **Total** | **1198** | **1198** | **100%** | **1,312** | **1,312** | **100%** |

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If Yes, the coverage such system?**

- Yes, as per ISO 45001:2018

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company identify the process / work related hazardous though HIRA (Hazard Identification and Risk Assessment ) once in a year.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)** - Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)** - Yes

11. **Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.00 | 0.00 |
| | Workers | 0.30 | 0.10 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 6 | 2 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The measures taken are - Provided PPE's, Fire Hydrant system, Fire Suppression system, Sprinkler system, Fire Alarm, Safe Assembly point, Medical Room, Ambulance Facility, Fire Extinguisher, Conducting Fire Drill / Mock Drill, Conducting Training - Health & Safety in workplace.

13. **Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| **Working Conditions** | 0 | 0 | NA | 0 | 0 | NA |
| **Health & Safety** | 0 | 0 | NA | 0 | 0 | NA |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% (by Govt. Authorities/ Internal Team/ Customers safety audits.) |
| Working Conditions | 100% (by Govt. Authorities/ Internal Team/ Customers safety audits.) |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Review HIRA and near miss incident to reduce the safety related incident and risk by implementing POKA-YOKE & Kaizens through Continual Improvements. Further, due to one fire incidence in one factory of the Company during the reporting period, an over-haul review undertaken for electric installation and fire safety system to make the overall safety system more robust.

## Leadership Indicators

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

**(A) Employees (Y/N)** - Yes

**(B) Workers (Y/N).** - Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Every month invoices from the value chain partners (Contractors) are processed upon production of documents evidencing timely payment of statutory dues for the previous month.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)** - Yes

**5. Details on assessment of value chain partners:**

| % of value chain partners (by value of business done with such partners) that were assessed | |
|---|---|
| Health and safety practices | 19% |
| Working Conditions | 19% |

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No such instance

## PRINCIPLE 4

## Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company has identified its internal and external group of stakeholders and below listed stakeholder groups have an immediate impact on the operations and working of the Company. This includes OEM customers, Shareholders, Employees, Suppliers, Regulators and Communities.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| SN | Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|---|
| 1 | OEM Customers | No | one-to-one meetings, in person engagements, e-mails, plant visits, web based - virtual meeting platforms, business forums, exhibitions etc. | need based | Business development, product development, quality, production, delivery and mutual business relationships. |
| 2 | Shareholders | No | stock exchnage intimations, earning calls and meetings, annual report, annual general meeting, quarterly results. | periodically and need based | regulatory compliance, company's business updates, fincial performance updates, growth outlook, shareholder services etc. |
| 3 | Employees | No | Formal and informal mechanisms to engage with employees inter-se, with management. Internal communication means, emails, web based - virtual meeting platforms, learning and development programs etc. | periodically and need based | Talent development and retention, work-culture initiatives, fulfilment of Company's vision and mission, capacity building, cordial industrial relation, occupational health and safety and safe, fair and equitable working environment. |
| 4 | Suppliers | No | one-to-one meetings, in person engagements, e-mails, plant visits, web based - virtual meeting platforms, business forums, exhibitions etc. | need based | Procurment and services availement, business development, product development, quality, cost, production, delivery and mutual business relationships. |
| 5 | Regulators | No | submission of reports, regulatory portals, compliance management and reporting, other need based enagagements on policy issues, conferences etc. | need based | Regulatory compliance requirements, policy issues, governance issues, environmental and social matters. |
| 6 | Communities | No | Formal and informal mechanisms to engage with employees inter-se, with management.Individual departments within the organization have roles and responsibilities to engage with employees. | need based | Community partcipation in environmental, social, developemental, public welfare, disaster management etc. In particular CSR intiatives are targated for marginalised and disadvataged groups of the community. |

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company's management regularly interacts with its key stakeholders i.e. OEM customers, shareholders, employees, suppliers etc. through formal and informal means. The management updates the progress on above matters to the Board and takes inputs and guidance from the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics. Inputs from stakeholders helped the Company to focus in its CSR Policy and programs on health-care and women empowerment.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Inputs from stakeholders helped the Company to focus in its CSR Policy and programs on health-care and women empowerment. In one such instance, Company selected to focus on awareness about Menstrual Hygiene Management (MHM) for vulnerable / marginalized women groups of society and set-up Sanitary Pad making machines at different locations for free distribution of sanitary pads amongst vulnerable/ marginalized women groups and school going girls. During the running of sanitary pad projects, CSR Working Group had active engagement with community and identified other CSR projects supporting the livelihood of marginal and poor people and undertaken these initiatives under new CSR Project "Swavlamban" by distributing Sewing Machines, Millete Roasting Machines etc.

# PRINCIPLE 5

## Businesses should respect and promote human rights

## Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 1220 | 678 | 55.57% | 1166 | 600 | 51.46% |
| Other than permanent | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| **Total Employees** | **1220** | **678** | **55.57%** | **1166** | **600** | **51.46%** |
| **Workers** | | | | | | |
| Permanent | 1198 | 733 | 61.19% | 1312 | 632 | 48.17% |
| Other than permanent | 6184 | 0 | 0.00% | 5153 | 3335 | 64.72% |
| **Total Workers** | **7382** | **733** | **9.93%** | **6465** | **3967** | **61.36%** |

2. **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Equal to Minimum Wage | | More than Minimum Wage | | | Equal to Minimum Wage | | More than Minimum Wage | |
| | Total (A) | No. (B) | % (B/A) | No. (C) | % (C/A) | Total (D) | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | **1220** | **0** | **0.00%** | **1220** | **100%** | **1166** | **0** | **0.00%** | **1166** | **100%** |
| Male | 1133 | 0 | 0.00% | 1133 | 100% | 1076 | 0 | 0.00% | 1076 | 100% |
| Female | 87 | 0 | 0.00% | 87 | 100% | 90 | 0 | 0.00% | 90 | 100% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| **Other than Permanent** | **0** | **0** | **0.00%** | **0** | **0.00%** | **0** | **0** | **0.00%** | **0** | **0.00%** |
| Male | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| Female | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| **Workers** | | | | | | | | | | |
| **Permanent** | **1198** | **0** | **0.00%** | **1198** | **100%** | **1312** | **122** | **9.30%** | **1190** | **90.70%** |
| Male | 872 | 0 | 0.00% | 872 | 100% | 941 | 112 | 11.90% | 829 | 88.10% |
| Female | 326 | 0 | 0.00% | 326 | 100% | 371 | 10 | 2.70% | 361 | 97.30% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |
| **Other than Permanent** | **6184** | **4493** | **72.66%** | **1691** | **27.34%** | **5153** | **3850** | **74.71%** | **1303** | **25.29%** |
| Male | 3565 | 2541 | 71.28% | 1024 | 28.72% | 2942 | 2096 | 71.24% | 846 | 28.76% |
| Female | 2619 | 1952 | 74.53% | 667 | 25.47% | 2211 | 1754 | 79.33% | 457 | 20.67% |
| Other | 0 | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% |

3. **a. Details of remuneration/salary/wages, in the following format:**

| | Male | | Female | | Other | |
|---|---|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 5 | 22200000 | 2 | 12000000 | 0 | 0 |
| Key Managerial Personnel | 2 | 8422467 | 0 | 0 | 0 | 0 |
| Employees other than BoD and KMP | 1131 | 580560 | 87 | 432000 | 0 | 0 |
| Workers | 872 | 220800 | 326 | 186360 | 0 | 0 |

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Gross wages paid to females as % of total wages | 36.98% | 34.54% |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)** - Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The proper channels have been provided for workers and employees to discuss any workplace-related complaint or human rights issues with Unit HR or Unit Head. If the grievance not satisfactorily resolved, it can be escalated to the Management. Further, Grievance Redressal Mechanism is at place under POSH Policy and Whistle Blower Policy/ Vigil Mechanism in addition to suggestion and complaint box available at workplaces.

6. **Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 0 | 0 | NA | 0 | 0 | NA |
| Discrimination at workplace | 0 | 0 | NA | 0 | 0 | NA |
| Child Labour | 0 | 0 | NA | 0 | 0 | NA |
| Forced Labour/Involuntary Labour | 0 | 0 | NA | 0 | 0 | NA |
| Wages | 0 | 0 | NA | 0 | 0 | NA |
| Other human rights related issues | 0 | 0 | NA | 0 | 0 | NA |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees / workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

In Whistle Blower Policy and POSH Policy, there are provisions on the protection of identity of the complainant and all such matters are dealt in strict confidence. These Policies have adequate provisions to protect the complainants from victimisation or any other unfair or retaliatory action.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)** - No

10. **Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% by internal team |
| Forced/involuntary labour | 100% by internal team |
| Sexual harassment | 100% by internal committee |
| Discrimination at workplace | 100% by internal team |
| Wages | 100% by internal team |
| Others – please specify | NA |

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Nil - as no such instance.

## Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

No business modification introduced.

2. **Details of the scope and coverage of any Human rights due-diligence conducted** - NIL

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?** - Yes

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 0% |
| Discrimination at workplace | 0% |
| Child Labour | 19% |
| Forced Labour/Involuntary Labour | 19% |
| Wages | 0% |
| Others – please specify | 0% |

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No such instance

## PRINCIPLE 6

### Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **From renewable sources** | | | |
| Total electricity consumption (A) | GJ | 237683.09 | 217040.00 |
| Total fuel consumption (B) | GJ | 4967.90 | 5480.00 |
| Energy consumption through other sources (C) | GJ | 0.00 | 0.00 |
| Total energy consumed from renewable sources (A+B+C) | GJ | 242650.99 | 222520.00 |
| **From non-renewable sources** | | | |
| Total electricity consumption (D) | GJ | 0.00 | 0.00 |
| Total fuel consumption (E) | GJ | 0.00 | 0.00 |
| Energy consumption through other sources (F) | GJ | 0.00 | 0.00 |
| Total energy consumed from non-renewable sources (D+E+F) | GJ | 0.00 | 0.00 |
| Total energy consumed (A+B+C+D+E+F) | GJ | 242650.99 | 222520.00 |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | GJ/Rs. | 0.000011966 | 0.0000120412 |
| **"Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)"** | GJ | 0.00 | 0.00 |
| Energy intensity in terms of physical Output | GJ | 0.00 | 0.00 |
| Energy intensity (optional) – the relevant metric may be selected by the entity | GJ/KL | 0.00 | 0.00 |

| | |
|---|---|
| **Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)** | -No |
| **If yes, name of the external agency.** | -NA |

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)** - No
**If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.** - NA

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | | |
| (i) Surface water | KL | 0.00 | 0.00 |
| (ii) Groundwater | KL | 89451.00 | 79450.00 |
| (iii) Third party water | KL | 980.85 | 1934.00 |
| (iv) Seawater / desalinated water | KL | 0.00 | 0.00 |
| (v) Others | KL | 0.00 | 0.00 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | KL | 90431.85 | 81384.00 |
| **Total volume of water consumption (in kilolitres)** | KL | 90431.85 | 81384.00 |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | KL/Rs. | 0.0000044595 | 0.000004402 |

| | | | |
|---|---|---|---|
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total water consumption/revenue from operations adjusted for PPP) | KL | 0.00 | 0.00 |
| Water intensity in terms of physical output | KL | 0.00 | 0.00 |
| Water intensity (optional) – the relevant metric may be selected by the entity | | 0.00 | 0.00 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If Yes, name of the external agency.** - NA

4. **Provide the following details related to water discharged:**

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | | |
| (i) To Surface water | KL | 0.00 | 0.00 |
| - No treatment | KL | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | KL | 0.00 | 0.00 |
| (ii) To Groundwater | KL | 29165.00 | 31395.00 |
| - No treatment | KL | 0.00 | 0.00 |
| With treatment – (Secondary Treatment) | KL | 29165.00 | 31395.00 |
| (iii) To Seawater | KL | 0.00 | 0.00 |
| - No treatment | KL | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | KL | 0.00 | 0.00 |
| (iv) Third party water | KL | 638.00 | 0.00 |
| - No treatment | KL | 0.00 | 0.00 |
| - With treatment – (Secondary Treatment) | KL | 638.00 | 0.00 |
| (v) Others | KL | 0.00 | 0.00 |
| - No treatment | KL | 0.00 | 0.00 |
| - With treatment – please specify level of treatment | KL | 0.00 | 0.00 |
| **Total water discharged (in kilolitres)** | KL | **29803.00** | **31395.00** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If Yes, name of the external agency.** - NA

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.**

Yes. The Company has implemented Zero Liquid Discharge (ZLD) across most of its Units, avoiding discharge of waste water and has set-up Effluent Treatment Plant (ETP) / STP. The recycled water used back to production processes and other usages like gardening etc.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| NOx | Kg | 270.89 | 335.45 |
| SOx | Kg | 124.20 | 136.99 |
| Particulate matter (PM) | Kg | 176.65 | 202.17 |
| Persistent organic pollutants (POP) | Kg | 0.00 | 0.00 |
| Volatile organic compounds (VOC) | Kg | 0.00 | 0.00 |
| Hazardous air pollutants (HAP) | Kg | 0.00 | 0.00 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)** - Yes

**If Yes, name of the external agency.**

- Pollucare Engineers India Pvt Ltd.,
- Enviro Lab,
- Haryana Test House & Consultancy Services,
- Shri Om Testing & Research Laboratory

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | MtCO2e | 950.80 | 1137.00 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | MtCO2e | 45489.90 | 45036.00 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)** | MtCO2e / Rs. | 0.0000022902 | 0.0000024986 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (total Scope 1 and Scope 2 GHG emissions/ revenue from operations adjusted for PPP) | MtCO2e / Rs. | 0.00 | 0.00 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | MtCO2e | 0.00 | 0.00 |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)** - No

**If Yes, name of the external agency.** - NA

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.** - No

**If Yes, then provide details.** - NA

**9. Provide details related to waste management by the entity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Waste generated (in metric tonnes)** | | | |
| Plastic waste **(A)** | MT | 477.05 | 416.90 |
| E-waste **(B)** | MT | 0.34 | 0.00 |
| Bio-medical waste **(C)** | MT | 0.00 | 0.00 |
| Construction and demolition waste **(D)** | MT | 0.00 | 0.00 |
| Battery waste **(E)** | MT | 0.41 | 0.13 |
| Radioactive waste **(F)** | MT | 0.00 | 0.00 |
| Other Hazardous waste. Please specify, if any. **(G)** | MT | 30.02 | 18.55 |
| Other Non-hazardous waste generated **(H).** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | MT | 3160.56 | 3335.37 |
| **Total (A+B + C + D + E + F + G + H)** | **MT** | **3668.38** | **3770.95** |
| **"Waste intensity per rupee of turnover** (Total waste generated / Revenue from operations)" | MT/Rs. | 0.0000001809 | 0.0000002041 |
| **"Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP)" | | 0.00 | 0.00 |
| **Waste intensity in terms of physical output** | MT/KL | 0.00 | 0.00 |
| **Waste intensity** (optional) – the relevant metric may be selected by the entity | | | |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | | |
| **Category of waste** | | | |
| (i) Recycled | MT | 0.00 | 3.21 |
| (ii) Re-used | MT | 38.19 | 12.46 |
| (iii) Other recovery operations | MT | 0.00 | 0.00 |
| **Total** | MT | **38.19** | **15.67** |

| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | | |
|---|---|---|---|
| **Category of waste** | | | |
| (i) Incineration | | 0.00 | 0.00 |
| (ii) Landfilling | | 0.00 | 0.00 |
| (iii) Other disposal operations | | 0.00 | 0.00 |
| **Total** | | 0.00 | 0.00 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If Yes, name of the external agency.** - NA

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has adopted mechanisms for treatment and reusing of waste water effluent across its operations. Further, hazardous waste management is done through partnerships with authorized agencies after due treatment of the disposal.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** - NA

| Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? | If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| **NA** | | | |

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conductedby independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| **NIL** | | | | | |

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).** - Yes

**If not, provide details of all such non-compliances, in the following format:**

| S. No. | Specify the law/ regulations/ guidelines which was not complied with | Provide details of the non-compliances | Any fines/ penalties/Actions taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| **NIL** | | | | |

## Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
   **For each facility / plant located in areas of water stress, provide the following information:**
   (i) Name of the area
   (ii) Nature of operations
   (iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | | |
| (i) Surface water | KL | NA | NA |
| (ii) Groundwater | KL | NA | NA |
| (iii) Third party water | KL | NA | NA |
| (iv) Seawater / desalinated water | KL | NA | NA |
| (v) Others | KL | NA | NA |
| **Total volume of water withdrawal (in kilolitres)** | KL | NA | NA |
| **Total volume of water consumption (in kilolitres)** | KL | NA | NA |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | KL/Rs. | NA | NA |
| **Water intensity** (optional) – the relevant metric may be selected by the entity | KL | NA | NA |
| **Water discharge by destination and level of treatment (in kilolitres)** | | | |
| (i) Into Surface water | KL | | |
| - No treatment | KL | NA | NA |
| - With treatment - please specify level of treatment | KL | NA | NA |
| (ii) Into Groundwater | KL | NA | NA |
| - No treatment | KL | | |
| - With treatment – please specify level of treatment | KL | | |
| (iii) Into Seawater | KL | | |
| - No treatment | KL | NA | NA |
| - With treatment – please specify level of treatment | KL | NA | NA |
| (iv) Sent to third-parties | KL | NA | NA |
| - No treatment | KL | NA | NA |
| - With treatment – please specify level of treatment | KL | NA | NA |
| (v) Others | KL | NA | NA |
| - No treatment | KL | NA | NA |
| - With treatment – please specify level of treatment | KL | NA | NA |
| **Total water discharged (in kilolitres)** | KL | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If Yes, name of the external agency.** - NA

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | MtCO2e | 0.00 | 0.00 |
| **Total Scope 3 emissions per rupee of turnover** | MtCO2e | 0.00 | 0.00 |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | MtCO2e | 0.00 | 0.00 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?** - No

**If Yes, name of the external agency.** - NA

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.** - NA

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| NA | | | |

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the company has dedicated response team for emergency situations across all the Units to address any potential risks and ensure the continuity of operations. The team is well trained and experienced and mock drills are conducted to identify the gaps and ensure the right process is followed.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.** - No

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** - 0.00%

## PRINCIPLE 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential Indicators

1. **a. Number of affiliations with trade and industry chambers/ associations.** - 6 (Six)

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| SN | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---|---|---|
| 1 | Automotive Component Manufacturers Association of India (ACMA) | National |
| 2 | Confederation of Indian Industry (CII) | National |
| 3 | Electronic Industries Association Of India (ELCINA) | National |
| 4 | Electric Lamp and Component Manufacturers Association of India ELCOMA) | National |
| 5 | EEPC India (Formerly Engineering Export Promotion Council) | National |
| 6 | Delhi Chamber of Commerce | State |

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| NA | | |

### Leadership Indicators

**1. Details of public policy positions advocated by the entity:**

| SN | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/Quarterly/Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| NA | | | | | |

## PRINCIPLE 8

### Businesses should promote inclusive growth and equitable development

## Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| NA | | | | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| SN | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| NA | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company's HR teams from the respective manufacturing units are tasked with receiving and redressing grievances of the communities close to the Units. Any major grievances to be esclated to Management.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 34% | 18% |
| Sourced directly from within India | 73.41% | 76% |

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

| Location | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Rural | 85.78% | 85.05% |
| Semi-urban | 6.33% | 10.15% |
| Urban | 0.00% | 0.00% |
| Metropolitan | 7.89% | 4.80% |

## Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| NA | |

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| SN | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1. | Manipur | Chandel | 46620.00 |
| 2. | Assam | Goalpara | 29340.00 |
| 3. | Assam | Hailakandi | 29340.00 |

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)** - No

   Company does not have a preferential procurement policy for the marginalized/vulnerable group. Company procures from vendors based on quality, cost, delivery and other business aspects. Preference and specifications from the customers are also taken into consideration for procurement. Company has adopted a fair, transparent and inclusive procurement process that provides equal opportunities to all suppliers including marginalised and vulnerable groups.

   **(b) From which marginalized /vulnerable groups do you procure?** - NA

   **(C) What percentage of total procurement (by value) does it constitute?** - NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| SN | Intellectual Property based on traditional knowledge | Owned/Acquired (Yes/No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|---|---|---|---|---|
| NA | | | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Corrective action taken |
|---|---|---|
| NA | | |

6. **Details of beneficiaries of CSR Projects:**

| SN | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Sanitary Pad Project – Dehradun (extn.) | 10500 | 65.00% |
| 2 | Sanitary Pad Project – Delhi (extn.) | 15000 | 60.00% |
| 3 | Sanitary Pad Project – Ghaziabad (extn.) | 15000 | 40.00% |
| 4 | Sanitary Pad Project – Hamirpur (extn.) | 10500 | 60.00% |
| 5 | Sanitary Pad Project – Lucknow (extn.) | 15500 | 45.00% |
| 6 | Sanitary Pad Project – Mayurbhanj (extn.) | 15500 | 80.00% |
| 7 | Sanitary Pad Project – Phagwara (extn.) | 9000 | 65.00% |
| 8 | Sanitary Pad Project – Solan (extn.) | 7000 | 60.00% |
| 9 | Sanitary Pad Project – Varanasi (extn.) | 7000 | 70.00% |
| 10 | Swavlamban-II | 411 | 100.00% |
| 11 | Disaster Relief & Support | 1290 | 100.00% |
| 12 | Eye Care Camps for Poor & Needy | 2846 | 100.00% |

## PRINCIPLE 9

### Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Company's major business is manufacturing and supply of automotive parts to OEM customers. Whatever complaints / issue raised by the OEM customers, there is a robust mechanism to resolve all these promptly and at times it require joint effort of OEM customer as well. Company also serve replacement market through its dealer and distributor network and consumer complaint, if any, is routed through respective dealer. After that Company's replacement market team resolve the same.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| As a percentage to total turnover | |
|---|---|
| **Environmental and social parameters relevant to the product** | 0.00% |
| **Safe and responsible usage** | 0.00% |
| **Recycling and/or safe disposal** | 0.00% |

3. **Number of consumer complaints in respect of the following:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | **Received during the year** | **Pending resolution at end of year** | **Remarks** | **Received during the year** | **Pending resolution at end of year** | **Remarks** |
| Data privacy | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber-security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of essential services | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Other | 0 | 0 | NA | 0 | 0 | NA |

4. **Details of instances of product recalls on account of safety issues:**

| | **Number** | **Reasons for recall** |
|---|---|---|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)** - Yes
   **If available, provide a web-link of the policy** - NA

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No such instance

7. **Provide the following information relating to data breaches:**

| | |
|---|---|
| a. Number of instances of data breaches along-with impact | 0 |
| b. Percentage of data breaches involving personally identifiable information of customers | 0.00% |
| c. Impact, if any, of the data breaches | NA |

## Leadership Indicators

| | | |
|---|---|---|
| 1. | **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).** https://fiemindustries.com/automotive-lighting-and-signaling-equipments/ | Available |
| 2. | **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.** | NA |
| 3. | **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.** | NA |
| 4. | **Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief.**<br>Yes, on some products, Company provide information at specific place of the product, as mandated by the OEM customer and in compliance of applicable legal provisions. | Yes |
| | **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?** | No |

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# STANDALONE
# FINANCIAL STATEMENTS

# Independent Auditor's Report

To the Members of
**Fiem Industries Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Fiem Industries Limited (hereinafter referred as "the Company"), which comprise the Standalone Balance sheet as at 31st March 2024, the Standalone Statement of Profit and loss including other comprehensive income), Standalone Statement of changes in equity and standalone Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements" or "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| SN | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Accounting for insurance claim recoverable on account of the fire accident**<br><br>Refer Note 53 to the standalone financial statements. On June 13, 2023, a fire broke out at part of one building at Rai Unit, Haryana which caused damage to the property, plant and equipment and inventories. As stated in the said note, the Company is insured for fire incidents including for damage to its property, plant and equipment, inventories. The Company has submitted its claim to the insurance company and the amount of loss under the policy is being evaluated by the surveyor. The determination of the loss and the amount of insurance claim recoverable involves significant management judgement considering the nature and quantitative significance of the amounts involved. | We have performed the following principal audit procedures including:<br><br>Obtaining and examining the list of assets and inventories destroyed during the fire incident. Visiting the plant location to physically observe the damage to the property, plant and equipment and inventories. Assessing completeness and accuracy of the insurance claim by comparing the list of assets and inventories damaged with the respective registers maintained in the Company's SAP system. Verifying the Company's insurance policy and underlying documents to ascertain validity, adequacy and coverage of the claim submitted. Verifying the Company's claim with the insurance company and also inspecting the correspondences with the insurance company / surveyors with respect to the status of the claim including its admissibility<br><br>Verifying the Management's judgement to estimate the amount accounted as recoverable from the insurance company in accordance with its accounting policy. Assessing the appropriateness of the presentation and disclosures made in relation to the related insurance claim receivable in the financial statements. |

| | | |
|---|---|---|
| 2 | **Revenue Recognition for sale of goods**<br><br>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer.<br><br>The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts/ rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Customer acceptance is used to estimate the provision for price increase/ decrease. Revenue is only recognised to the extent, that is highly probable, a significant reversal will not occur. | Our audit procedures included the following<br><br>• Evaluating the company's accounting Policies in relation of the revenue recognition in terms of Ind AS 115- Revenue from Contracts with Customers.<br><br>• Evaluating the design and implementation and testing operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems including controls over rebates agreements / arrangements, rebate payments / settlements and Company's review over the rebate accruals.<br><br>• Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents.<br><br>• Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments.<br><br>• Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period. |

## Other Information

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

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

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

## Management's Responsibility for the Standalone Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure- A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
    c. the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and cash flow statement and dealt with by this Report are in agreement with the books of account.
    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act
    e. On the basis of written representations received from the directors as on 31st March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and

B. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

1. The Company has disclosed the impact of pending litigations as at 31st march 2024 on its financial position in its financial statements – Refer Note 31(A) to the standalone Ind AS financial statements;

2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

4. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

5. As stated in Note 52 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

6. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159
UDIN 24083159BKCOHK3871

Place: Rai, Sonepat (HR.)
Dated: 21/05/2024

# Annexure-A to the Independent Auditors' Report

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended on 31.03.24, we report that:**

1. a) (i) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   (ii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets

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

   c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company except for freehold land situated in Ahmedabad, Gujarat, acquired during the Fy 16-17 for Rs 18.23 Lakhs, wherein final registration is pending as disclosed in Note 2 on "Property Plant and equipment "to the standalone Ind AS financial statements.

| Description of Property | Gross Carrying Value (Rs.in Lakhs ) | Held in the name of | Whether Promoter, director or their relative or employee | Period held | Reason for not being held in name of company |
|---|---|---|---|---|---|
| Land at Karsanpura, Gujarat | 18.23 | Not registered | No | 8 years | Industrial land purchased from the other company (Seller) requiring approval from state govt which is already applied by the Seller. However, permission from the govt is still awaited. |

   d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year

   e) According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. a) As informed to us, the inventories have been physically verified by the management at regular intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate and there were no material discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of the inventory as compared to the book of accounts.

   b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the quarterly returns or statements filed by the company with banks or financial institutions who has sanctioned working capital limits in excess of Rs 5 crores, are in agreement with the books of account of the Company.

3. a) During the year, the Company has provided loans to its employees as follows:

| Particulars | Loans ( Rs in Lakhs) |
|---|---|
| Aggregate amount granted/ provided during the year | |
| -Loan to employees | 126.32 |
| Balance outstanding as at balance sheet date in respect of above cases | |
| Loan to employees | 99.35 |

   b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and condition of the grant of employee loans provided during the year are, prima facie, not prejudicial to the interest of the Company

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loan to any party during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advance in the nature of loan or advance in the nature of loan either repayable on demand or without specifying any terms or period of repayment.

4. Loans, investments and guarantees, in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. The Company has not provided securities hence not commented upon.

5. According to the information and explanation given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.

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

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

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

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

**(Rs. in Lakhs)**

| S.N. | Name of Statue | Nature of Due | Period to which it Pertains | Amount Involved | Amount Deposited | Net Amount | Forum where dispute is Pending |
|---|---|---|---|---|---|---|---|
| 1 | The Central Excise Act, 1944 | Custom Duty demand on sale of Moulds | F.Y. 2007-08 | 57.87 | 14.47 | 43.40 | CESTAT, Chennai |
| 2 | Haryana Value Added Tax 2003 | Sales tax Assessment Dues | F.Y. 2010-11 | 23.75 | 3.75 | 20.00 | Punjab and Haryana High court |
| 3 | Tamil Nadu VAT act 2006 | Sales tax demand on reversal of input tax credit pertaining to CST Sales | F.Y. 2014-15 | 150.07 | - | 150.07 | Chennai High court |
| 4 | Custom Act 1962 | Short payment of custom duty on imported Raw materials | FY 2020-21 | 3.49 | 0.26 | 3.23 | Commissioner of Customs, Appeals Chennai |
| | | | **Total** | **235.18** | **18.48** | **216.70** | |

8. According to the information and explanations given to us and based on the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.

9. On the basis of verification of records, on an overall examination of the financial statements of the Company and according to the information and explanations given to us,

   a) the company has not defaulted in repayment of dues to a financial institution or banks.

   b) the company has not been declared wilful defaulter by any bank or financial institution or other lender;

   c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.

   d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company

   e) According to the information and explanation given to us and on overall examination of the financial statements of the Company, the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

   f) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

10. a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

    b) the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year ( check bonus issue)

11. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

    b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information provided to us and records verified by us, the Secretarial Auditor and the Cost Auditor have not filed report in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

    c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

14. (a) According to the information and explanations given to us and based on our examination of the records of the Company the company has an internal audit system commensurate with the size and nature of its business;

    (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.

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

16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

    (b) In our opinion, there is no core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable..

17. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 51 to the standalone financial statement , ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159
UDIN 24083159BKCOHK3871

Place: Rai, Sonepat (HR.)
Dated: 21/05/2024

## Annexure "B" To The Independent Auditor's Report Of Even Date On The Standalone Ind AS Financial Statements Of Fiem Industries Limited

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

**Opinion**

1. We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159
UDIN 24083159BKCOHK3871

Place: Rai, Sonepat (HR.)
Dated: 21/05/2024

# Standalone Balance Sheet as at 31.03.2024

(Amount Rs in Lakhs)

| Particulars | Note No. | As At 31.03.2024 | | As At 31.03.2023 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **1 NON CURRENT ASSETS** | | | | | |
| (a) Property, plant and equipment | 2 | 46,303.10 | | 46,036.06 | |
| (b) Capital work-in-progress | 2 | 530.87 | | 534.61 | |
| (c) Right-of-use assets | 3 | 2,944.56 | | 3,092.02 | |
| (d) Intangible assets | 4 | 220.56 | | 139.03 | |
| (e) Financial Assets | | | | | |
| (i) Investments | 5 | 478.51 | | 478.51 | |
| (ii) Trade receivables | 6 | - | | - | |
| (iii) Loans | 7 | 35.28 | | 94.31 | |
| (iv) Other Financial Assets | 8 | 1,200.40 | | 1,131.61 | |
| (f) Income tax assets (net) | | - | | - | |
| (g) Other non-current assets | 9 | 658.26 | | 718.11 | |
| **Total Non Current Assets** | | | **52,371.54** | | **52,224.26** |
| **2 CURRENT ASSETS** | | | | | |
| (a) Inventories | 10 | 20,435.91 | | 17,569.84 | |
| (b) Financial Assets | | | | | |
| (i) Investments | | - | | - | |
| (ii) Trade receivables | 6 | 19,379.07 | | 14,080.24 | |
| (iii) Cash and cash equivalents | 11 | 20,381.03 | | 17,993.47 | |
| (iv) Bank balances other than (iii) above | 12 | 9.10 | | 10.58 | |
| (v) Loans | 7 | 64.07 | | 63.82 | |
| (vii) Other Financial Assets | 8 | 5,665.69 | | 704.22 | |
| (c) Current tax assets | | 16.45 | | - | |
| (d) Other current assets | 9 | 3,076.15 | | 2,339.79 | |
| **Total Current Assets** | | | **69,027.47** | | **52,761.96** |
| **TOTAL ASSETS** | | | **1,21,399.01** | | **1,04,986.22** |
| **EQUITY AND LIABILITIES** | | | | | |
| **1 EQUITY** | | | | | |
| (a) Equity Share Capital | 13 | 2,631.97 | | 1,315.98 | |
| (b) Other Equity | 14 | 85,912.65 | | 74,629.71 | |
| **Total Equity** | | | **88,544.62** | | **75,945.69** |
| **2 LIABILITIES** | | | | | |
| **NON CURRENT LIABILITIES** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | | - | | - | |
| (ia) Lease liabilities | 35 | 2,209.11 | | 2,311.45 | |
| (ii) Trade payables | | - | | - | |
| (iii) Other financial liabilities | | - | | - | |
| (b) Provisions | 15 | 557.64 | | 1,250.79 | |
| (c) Deferred tax liabilities (Net) | 34 | 2,155.13 | | 2,220.37 | |
| (d) Other non-current liabilities | | - | | - | |
| **Total Non Current Liabilities** | | | **4,921.88** | | **5,782.61** |
| **CURRENT LIABILITIES** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 16 | - | | - | |
| (ia) Lease liabilities | 35 | 102.34 | | 71.28 | |
| (ii) Trade payables | | | | | |
| -Total outstanding dues of micro and small enterprises | 17 | 1,847.06 | | 1,578.02 | |
| -Total outstanding dues of creditors other than micro and small enterprises | 17 | 17,063.62 | | 14,918.48 | |
| | | 18,910.68 | | 16,496.50 | |
| (iii)Other financial liabilities | 18 | 3,121.41 | | 2,554.75 | |
| (b) Other current liabilities | 19 | 4,842.04 | | 3,137.48 | |
| (c) Provisions | 15 | 928.00 | | 995.04 | |
| (d) Current Tax Liabilities (Net) | 20 | 28.04 | | 2.87 | |
| **Total Current Liabilities** | | | **27,932.51** | | **23,257.92** |
| **TOTAL LIABILITIES** | | | **32,854.39** | | **29,040.53** |
| **TOTAL EQUITY AND LIABILITIES** | | | **1,21,399.01** | | **1,04,986.22** |

Material Accounting Policies and Notes to financial Statements. 1 to 56

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

**For and on behalf of the Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

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

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Standalone Statement of Profit and Loss for the year ended 31.03.2024

(Amount Rs in Lakhs)

| | Particulars | Note No. | Current Year F.y. 2023-24 | | Previous Year F.y. 2022-23 | |
|---|---|---|---|---|---|---|
| | **INCOME** | | | | | |
| | **Revenue From Operations** | | | | | |
| | a) Net Sales | 21 | 2,01,436.78 | | 1,83,404.26 | |
| | b) Other Operating Income | 22 | 1,347.24 | | 1,394.05 | |
| I | Revenue from Operations (a+b) | | | 2,02,784.02 | | 1,84,798.31 |
| II. | Other Income | 23 | | 1,596.59 | | 1,080.28 |
| **III** | **TOTAL INCOME (I+II)** | | | **2,04,380.61** | | **1,85,878.59** |
| **IV** | **EXPENSES** | | | | | |
| a) | Cost of Raw Materials and Components Consumed | 24 | | 1,24,281.06 | | 1,11,946.03 |
| b) | Purchase of Stock-in-Trade | 25 | | 614.99 | | 808.43 |
| c) | Changes in Inventories of Finished Goods, Work in progress and Stock in trade | 26 | | (663.49) | | 388.86 |
| d) | Employees benefits expenses | 27 | | 28,383.42 | | 23,647.83 |
| e) | Finance costs | 28 | | 293.83 | | 743.07 |
| f) | Depreciation and amortization expense | 29 | | 5,807.99 | | 6,295.69 |
| g) | Other expenses | 30 | | 23,371.80 | | 23,222.59 |
| | **TOTAL EXPENSES** | | | **1,82,089.60** | | **1,67,052.50** |
| **V** | **PROFIT BEFORE TAX (III-IV )** | | | **22,291.01** | | **18,826.09** |
| **VI** | **TAX EXPENSES** | | | | | |
| | a) Current Tax Expense | | 5,789.60 | | 5,822.04 | |
| | b) (Excess)/Short Tax provision for earlier years | | (17.67) | | 83.22 | |
| | c) Deferred Tax Liability/ (Assets) | | (65.24) | | (1,041.89) | |
| | | | | 5,706.69 | | 4,863.37 |
| **VII** | **PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (VI-VII)** | | | **16,584.32** | | **13,962.72** |
| **VIII** | **OTHER COMPREHENSIVE INCOME/(LOSS)** | | | | | |
| | **A) Items that will not be reclassified subsequently to the statement of profit and loss** | | | | | |
| | (i) Remeasurement of Defined Benefit Plans | | (50.06) | | (171.00) | |
| | (ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss | | 12.60 | | 43.04 | |
| | | | (37.46) | | (127.96) | |
| | **B) Items that will be reclassified subsequently to the statement of profit and loss** | | - | | - | |
| | TOTAL OTHER COMPREHENSIVE INCOME ( NET OF TAX) | | | (37.46) | | (127.96) |
| **IX** | **TOTAL COMPREHENSIVE INCOME (NET OF TAX) (VII+VIII)** | | | **16,546.86** | | **13,834.76** |
| | Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share) | 38 | | **63.01** | | **53.05** |

Material Accounting Policies and Notes to financial Statements. 1 to 56

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

**For and on behalf of the Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

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

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

# Standalone Statement of Changes in Equity for the year ended 31.03.2024

(Amount Rs in Lakhs)

| PARTICULARS | Note No. | Number of shares | Amount Rs in Lakhs |
|---|---|---|---|
| **A Equity Share Capital** | | | |
| **Equity share of Rs 10/- each Issued, subscribed and fully paid** | | | |
| **Balance as at 1st April 2022** | | 1,31,59,830 | 1,315.98 |
| Change in equity share capital due to prior period errors | | - | - |
| Restated balance at the beginning of the reporting period | | - | - |
| Changes in equity share capital during the year | | - | - |
| **Balance as at 1st April 2023** | | 1,31,59,830 | 1,315.98 |
| Change in equity share capital due to prior period errors | | - | - |
| Restated balance at the beginning of the reporting period | | - | - |
| Add bonus shares issued during the year | | 1,31,59,830 | 1,315.98 |
| **Balance as at 31st March 2024** | 13 | **2,63,19,660** | **2,631.97** |

**B. Other Equity**

| PARTICULARS | Note No. | Securities Premium Reserve | General Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Balance as at 1st April 2022** | | 16,722.77 | 6,140.00 | 40,564.14 | 63,426.90 |
| Changes in Accounting policy or prior period errors | | - | - | - | - |
| Restated Balance as at 1st April 2022 | | 16,722.77 | 6,140.00 | 40,564.14 | 63,426.90 |
| **Addition during the year** | | | | | |
| 1) Profit for the year | | | | 13,962.73 | 13,962.73 |
| 2) Remeasurement of Defined Benefit Plans ( Net of tax) | | | | (127.96) | (127.96) |
| **Deduction during the year** | | | | | |
| 1) Transfer to General Reserve | | | 1,400.00 | (1,400.00) | - |
| 2) Dividend Paid (Rs 20 per share) | | | | (2,631.97) | (2,631.97) |
| **Balance as at 1st April 2023** | | 16,722.77 | 7,540.00 | 50,366.94 | 74,629.71 |
| Changes in Accounting policy or prior period errors | | - | - | - | - |
| Restated Balance as at 1st April 2023 | | 16,722.77 | 7,540.00 | 50,366.94 | 74,629.71 |
| **Addition during the year** | | | | | |
| 1) Profit for the year | | | | 16,584.32 | 16,584.32 |
| 2) Remeasurement of Defined Benefit Plans ( Net of tax) | | | | (37.46) | (37.46) |
| **Deduction during the year** | | | | | |
| 1) Utilization for Bonus shares issue | | (1,315.98) | | | (1,315.98) |
| 2) Transfer to General Reserve | | | 1,700.00 | (1,700.00) | - |
| 3) Dividend Paid (Rs 30 per share) | | | | (3,947.95) | (3,947.95) |
| **Balance as at 31st March 2024** | 14 | **15,406.79** | **9,240.00** | **61,265.86** | **85,912.65** |

Material Accounting Policies and Notes to financial Statements. 1 to 56

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

**For and on behalf of the Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

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

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Standalone Cash Flow Statement for the year ended 31.03.2024

(Amount Rs in Lakhs )

| | PARTICULARS | Year ended 31st March, 2024 | 31st March, 2023 |
|---|---|---|---|
| A | **Cash flow from Operating Activities:** | | |
| | Profit (Loss) Before Tax | **22,291.01** | 18,826.09 |
| | **Adjustments for:** | | |
| | Depreciation & amortisation expense | **5,807.99** | 6,295.69 |
| | Net loss (gain) on sale of property plant and equipment | **(14.61)** | (9.66) |
| | Loss on discarded of property plant and equipment | **92.62** | 90.33 |
| | Unrealised foreign exchange (gain)/Loss | **(54.89)** | (59.99) |
| | Provision (Reversal) for bad and doubtful debt | **(23.91)** | 633.98 |
| | Provision for doubtful advances | **-** | 40.05 |
| | Provision (Reversal/Utilisation) for Warranties | **(931.60)** | 1,180.00 |
| | Bad debts written-off | **15.64** | 37.09 |
| | Finance costs | **293.83** | 743.07 |
| | Interest Income on fixed deposits, Mutual fund and others deposits | **(1,517.64)** | (1,051.47) |
| | **Operating Profit (Loss) before Working Capital changes** | **25,958.44** | **26,725.18** |
| | **Adjustment for changes in Working Capital:** | | |
| | Decrease/(Increase) in loans (non-current) | **59.03** | (38.21) |
| | Decrease/(Increase) in other financial assets (non-current) | **(68.79)** | (175.80) |
| | Decrease/(Increase) in other non-current assets | **(7.86)** | 59.46 |
| | Decrease/(Increase) in inventories | **(2,866.07)** | 903.95 |
| | Decrease/(Increase) in trade receivables | **(5,251.14)** | 2,725.60 |
| | Decrease/(Increase) in trade receivables (non-current) | **-** | 192.67 |
| | Decrease/(Increase) in loans (current) | **(0.25)** | (7.43) |
| | Decrease/(Increase) in other financial assets (current) | **(2,504.68)** | (610.98) |
| | Decrease/(Increase) in other current assets | **(736.36)** | (926.73) |
| | (Decrease)/Increase in non-current provisions | **37.67** | 54.20 |
| | (Decrease)/Increase in trade payables | **2,429.65** | (9,558.05) |
| | (Decrease)/Increase in other financial liabilities (current) | **399.09** | (45.13) |
| | (Decrease)/Increase in current provisions | **83.68** | (170.41) |
| | (Decrease)/Increase in other current liabilities | **1,704.56** | 172.64 |
| | Cash generated from Operating Activities | **19,236.96** | 19,300.96 |
| | Income tax paid | **(5,750.61)** | (6,235.71) |
| | **Net cash from/(used in) Operating Activities (A)** | **13,486.35** | 13,065.25 |
| B | **Cash flow from Investing Activities:** | | |
| | Payments for purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances | **(8,350.48)** | (5,455.77) |
| | Proceeds from sale of property, plant and equipment | **45.62** | 28.01 |
| | Maturity from (Investment in) Liquid Mutual Fund | **-** | 5,689.40 |
| | Exit from Joint Venture (JV) | **-** | 2,600.00 |
| | Investment in Subsidiary Company | **-** | (167.02) |
| | Maturity from (Investment in) other bank balance | **1.48** | (1.47) |
| | Interest Income on fixed deposits, Mutual fund and others deposits | **1,517.64** | 1,051.47 |
| | **Net cash from/(used in) Investing Activities (B)** | **(6,785.74)** | 3,744.62 |

# Standalone Cash Flow Statement for the year ended 31.03.2024

(Amount Rs in Lakhs )

| | | | |
|---|---|---|---|
| **C** | **Cash flow from Financing Activities:** | | |
| | Repayment of long term borrowings | **-** | (2,049.21) |
| | Finance cost paid other than finance lease | **(150.87)** | (599.84) |
| | Payment of Final dividend on equity shares | **(3,947.95)** | (2,631.97) |
| | Payment of finance lease | **(214.25)** | (214.25) |
| | **Net cash from/(used in) Financing Activities ( C )** | **(4,313.07)** | **(5,495.27)** |
| **D** | **Net Increase/(Decrease) in cash & cash equivalents (A+B+C)** | **2,387.54** | **11,314.60** |
| | Add:-Cash and cash equivalents at the beginning of the period | **17,993.47** | 6,678.85 |
| | Cash and cash equivalents at the end of period | **20,381.03** | 17,993.47 |
| **E** | **Component of cash and cash equivalents** | | |
| | Cash on hand | **39.08** | 34.12 |
| | Balance with Banks: | | |
| | Balance with bank in Cash Credit Account | **775.23** | (1,070.04) |
| | Deposit with Banks | **19,542.07** | 18,925.00 |
| | Balance with bank in current accounts | **24.65** | 104.38 |
| | **Total cash and cash equivalents** | **20,381.03** | **17,993.47** |

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

**Note:2.** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure

**For and on behalf of the Board of Directors**

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

| | | | | |
|---|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** | **(Anil Kumar Gupta)** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary | Partner |
| | | | | Membership No.:-083159 |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Notes on Financial Statements for the year ended 31.03.2024

## 1. General Information

Fiem Industries Limited ("The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is D-5, Mansarover Garden, New Delhi-110015. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts, bank angle sensor, canister and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

**Basis of Preparation, Material Accounting Policies and Critical Accounting Estimates and Judgement.**

### (A) Statement of Compliance

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

These standalone financial statements are approved by the Company's Board of Directors on May 21, 2024.

### (B) Accounting Convention

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

### (C) Use of Estimates and Judgements

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

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

**Significant Estimates and Judgments**

The Areas involving critical estimates or judgement are:-

(i) Defined Benefits Obligation refer note 42

(ii) Estimation of useful life of property plant and equipment (PPE)

(iii) Estimation and evaluation of provisions and contingencies

(iv) Recognition of deferred tax assets and provision for income tax refer note 34

(v) Measurement of lease liabilities and right-of-use assets refer note 35

**Recent Accounting Developments**

Ministry of Corporate Affairs (MCA), notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

**(D) Current-Non Current Classification**

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

**Assets**

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or;

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for a least 12 months after the reporting date

**Liabilities**

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

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or;

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**Operating Cycle**

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

**(E) Property, Plant and Equipment**

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

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

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

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

# Notes on Financial Statements for the year ended 31.03.2024

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate their cost, net of their residual values, over their useful life generally in accordance with that provided in the Schedule II to the Act. The estimated useful lives of property, plant and equipment are as follows.

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

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

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

**Capital Work-in-Progress**

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

**Capital Advances**

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

**(F) Intangible Assets**

**Intangible assets acquired separately**

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

**Intangible Assets Under Development**

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

**(G) Financial Instruments**

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

**Cash and cash equivalents**

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

**Financial assets:- Initial Recognition and Measurement**

All financial assets are recognized initially at fair value, plus transaction costs that are attributable to the acquisition of the financial asset.

**Financial assets at amortised cost**

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

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss.

**Financial assets at fair value through profit or loss**

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

**Trade Receivables**

Trade receivables are initially recognised at transaction price as they do not contain to a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the company applies lifetime expected credit loss model for measurement of trade receivables.

**Investment in subsidiaries and Joint Ventures**

Investment in subsidiaries and joint ventures are measured at cost. Cost represents amount paid for acquisition of the said investment.

**Financial liabilities**

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

**Equity instruments**

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

# Notes on Financial Statements for the year ended 31.03.2024

**Reclassification of Financial Assets**

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

**Impairment of Financial Assets**

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

(i) financial assets measured at amortised cost (ii) financial assets measured at FVOCI (iii) trade receivables under Ind-As 18

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

**Write-off of Financial Assets**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The management considers internal and external information up to the date of approval of financial results including probability of credit impairment and economic forecast.

**Offsetting of Financial Instruments**

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

**(H) Measurement of Fair Values**

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

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

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

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

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

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

**(I) Inventory**

(i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, moving weighted average method is used.

(ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(iii) Moulds, block & dies are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity.

(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.

(viii) The valuation of inventories of raw material & component, traded goods and stores & spares (including packaging material) has been done on the basis of moving weighted average method basis.

**(J) Revenue from contracts with customers**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and scheme offered by the Company as part of the contract. Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party. Amounts disclosed as revenue are net of goods and service tax (GST).

**Sale of Goods**

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

**Sale of Services**

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

**Insurance Claim**

In the case of loss covered by the valid insurance policies, the carrying value of property, plant & equipment and the cost of inventory are written-off in the statement of profit & loss. Simultaneously the recoverable amount pertaining to loss of inventory and loss to the extent of carrying amount of property, plant & equipment are shown as receivable from the insurer.Subsquently the insurance claims lodged with insurance companies will be accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Dividend and Interest Income**

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

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

# Notes on Financial Statements for the year ended 31.03.2024

**(K) Government Grants, Subsidies and Export Incentives**

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

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

**(L) Foreign Currency Transactions**

Functional and Presentation Currency

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

**Transactions and balances**

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

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

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

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

**(M) Research and Development**

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

**(N) Employee Benefits**

**Short Term Employee Benefits:**

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

**Post Employment Benefits:**

Provident Fund & Employee State Insurance

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

**Earned Leave**

Leave encashment is applicable to all permanent and full time employees of the company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

**Gratuity**

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

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

**(O) Provisions and Contingent Liabilities**

**Provision**

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

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

**Product Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the statement of profit and loss.

**Contingent Liabilities**

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

**(P) Taxation**

Income Tax expense represent the sum of the tax currently payable and deferred tax

**Current Income Tax**

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

# Notes on Financial Statements for the year ended 31.03.2024

**Deferred Income Tax**

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

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

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

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

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

**Current and Deferred Tax For The Year**

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

**(Q) Borrowing Cost**

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

Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

**(R) Impairment**

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

**(S) Cash Flow Statement**

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

**(T) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective. The Company has identified two reportable business segments viz. Automotive and Other Segment comprising LED Luminaries on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems.

**(U) Lease**

The Company has applied Ind AS 116 using modified retrospective approach.

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

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

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

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

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

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

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

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

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

**(V) Dividend on Equity Share**

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

**(W) Corporate Social Responsibility (CSR) Expenditure**

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

**(X) Earnings Per Share**

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

# Notes on Financial Statements for the year ended 31.03.2024

## 2. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs in Lakhs)

| Particulars | Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Electrical Installation | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | | |
| As at 31 March, 2022 | 3,636.63 | 22,402.13 | 56,634.60 | 3,093.21 | 2,004.05 | 653.50 | 2,362.97 | 688.42 | 91,475.51 |
| Additions | - | 308.77 | 3,670.15 | 115.53 | 423.62 | 62.29 | 99.53 | 109.15 | 4,789.03 |
| Disposals/adjustments | - | 72.64 | 1,138.92 | 17.17 | 156.75 | 182.11 | 5.03 | 19.74 | 1,592.35 |
| As at 31 March, 2023 | 3,636.63 | 22,638.26 | 59,165.83 | 3,191.56 | 2,270.91 | 533.68 | 2,457.47 | 777.83 | 94,672.19 |
| **Additions** | **-** | **687.07** | **6,308.34** | **303.19** | **617.09** | **144.05** | **108.71** | **254.14** | **8,422.59** |
| Disposals/adjustments | - | 1,269.11 | 4,888.32 | 691.57 | 90.36 | 34.38 | 244.94 | 318.75 | 7,537.43 |
| **As at 31 March, 2024** | **3,636.63** | **22,056.22** | **60,585.85** | **2,803.19** | **2,797.64** | **643.35** | **2,321.24** | **713.22** | **95,557.34** |
| **Depreciation** | | | | | | | | | |
| As at 31 March, 2022 | | 5,691.20 | 32,436.43 | 1,801.30 | 1,399.05 | 517.19 | 1,605.40 | 631.73 | 44,082.29 |
| For the year | | 784.80 | 4,573.97 | 252.99 | 167.76 | 67.87 | 147.81 | 41.35 | 6,036.56 |
| Disposals/adjustments | | 13.89 | 1,120.76 | 13.42 | 138.03 | 172.98 | 4.45 | 19.19 | 1,482.72 |
| As at 31 March, 2023 | - | 6,462.11 | 35,889.64 | 2,040.87 | 1,428.78 | 412.09 | 1,748.75 | 653.89 | 48,636.13 |
| **For the year** | **-** | **699.47** | **4,277.71** | **148.74** | **187.95** | **48.73** | **129.83** | **82.69** | **5,575.12** |
| **Disposals/adjustments** | **-** | 491.88 | 3,364.19 | 493.91 | 61.57 | 30.31 | 228.40 | 286.74 | 4,957.01 |
| **As at 31 March, 2024** | **-** | **6,669.70** | **36,803.16** | **1,695.70** | **1,555.16** | **430.51** | **1,650.19** | **449.84** | **49,254.24** |
| **Net Block** | | | | | | | | | |
| **As at 31 March, 2023** | **3,636.63** | **16,176.15** | **23,276.19** | **1,150.69** | **842.13** | **121.59** | **708.72** | **123.94** | **46,036.06** |
| **As at 31 March, 2024** | **3,636.63** | **15,386.52** | **23,782.69** | **1,107.49** | **1,242.48** | **212.85** | **671.05** | **263.39** | **46,303.10** |

1. Gross block to land includes an amount of Rs.18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company.
2. Property, plant and equipment amounting to Rs 1889.77 Lakhs (31 March 2023-Rupee 1976.45 Lakhs) have been pledged as security by the Company.

| CAPITAL WORK-IN PROGRESS | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Building | 416.75 | 85.33 |
| Plant & Equipment | 114.11 | 449.29 |
| **Total** | **530.87** | **534.61** |

| (i) Ageing of Capital work-progress as at 31.03.2024 | Amount in Capital work-in progress for a period of | | | | |
|---|---|---|---|---|---|
| **Particulars** | <1year | 1-2 years | 2-3 year | More than 3 years | **Total** |
| Building | 416.75 | - | - | - | 416.75 |
| Plant & Equipment (Projects In progress) | 114.11 | | | | 114.11 |
| | | | | | **530.87** |

| (ii) Ageing of Capital work-progress as at 31.03.2023 | Amount in Capital work-in progress for a period of | | | | |
|---|---|---|---|---|---|
| **Particulars** | <1year | 1-2 years | 2-3 year | More than 3 years | **Total** |
| Building | 85.33 | - | - | - | 85.33 |
| Plant & Equipment (Projects In progress) | 449.29 | | | | 449.29 |
| | | | | | **534.61** |



LIGHT UP THE WORLD

# Notes on Financial Statements for the year ended 31.03.2024

## 3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

| Particulars | Land | Bulding | Total |
|---|---|---|---|
| **Gross Block** | | | |
| As at 31 March, 2022 | 1,843.43 | 2,072.98 | 3,916.41 |
| Additions | - | - | - |
| Disposals/adjustments | - | - | - |
| As at 31 March, 2023 | 1,843.43 | 2,072.98 | 3,916.41 |
| Additions | - | - | - |
| Disposals/adjustments | - | - | - |
| **As at 31 March, 2024** | 1,843.43 | 2,072.98 | **3,916.41** |
| **Depreciation** | | | |
| **As at 31 March, 2022** | 287.71 | 388.68 | **676.40** |
| For the year | 18.42 | 129.56 | 147.9 |
| Disposals/adjustments | - | - | - |
| As at 31 March, 2023 | 306.13 | 518.24 | 824.39 |
| For the year | 17.91 | 129.56 | 147.47 |
| Disposals/adjustments | - | - | - |
| **As at 31 March, 2024** | 324.04 | 647.80 | **971.86** |
| **Net Block** | | | |
| As at 31 March, 2023 | 1,537.30 | 1,554.74 | 3,092.02 |
| **As at 31 March, 2024** | 1,519.39 | 1,425.18 | **2,944.56** |

## 4. INTANGIBLE ASSETS

| Particulars | Computer Software | Total |
|---|---|---|
| **Gross Block** | | |
| **As at 31 March, 2022** | 787.80 | 787.80 |
| Additions | 164.57 | 164.57 |
| Disposals/adjustments | 121.77 | 121.77 |
| As at 31 March, 2023 | 830.60 | 830.60 |
| Additions | 167.38 | 167.38 |
| Disposals/adjustments | 67.23 | 67.23 |
| **As at 31 March, 2024** | **930.75** | **930.75** |
| **Amortization** | | |
| As at 31 March, 2022 | 703.56 | 703.56 |
| For the year | 111.15 | 111.15 |
| Disposals/adjustments | 123.14 | 123.14 |
| As at 31 March, 2023 | 691.57 | 691.57 |
| For the year | 85.41 | 85.41 |
| Disposals/adjustments | 66.78 | 66.78 |
| **As at 31 March, 2024** | **710.19** | **710.19** |
| **Net Block** | | |
| As at 31 March, 2023 | 139.03 | 139.03 |
| **As at 31 March, 2024** | **220.56** | **220.56** |

# Notes on Financial Statements for the year ended 31.03.2024

## 5 NON - CURRENT INVESTMENTS

(Amount Rs in Lakhs)

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **UNQUOTED EQUITY SHARES (At cost )** | | | | |
| **1 in wholly owned Subsidiaries (Overseas)** | | | | |
| **a) Fiem Industries Japan Co., Ltd.** | | | | |
| 100 ( Previous Year- 100 ) fully Paid Equity shares of 50,000 JPY each | 29.49 | | 29.49 | |
| **b) Fiem Research and technology S.r.l.** | | | | |
| a Limited Liability Company incorporated in Italy- Amount invested 5.00 Lakhs Euros ( Previous Year -5.00 Lakhs Euros ) | 405.46 | | 405.46 | |
| | | **434.95** | | **434.95** |
| **2 in Joint Ventures ( JVs) Overseas** | | | | |
| **a) Centro Ricerche FIEM Horustech S.r.l.** | | | | |
| a Limited Liability Company incorporated in Italy on 50:50 JV basis with Horustech Lighting S.r.l. Italy. Total amount invested 0.40 Lakhs Euros. ( Previous Year 0.40 Lakhs Euros) | 33.16 | | 33.16 | |
| **b) Fiem Kyowa (HK) Mould Company Limited** | | | | |
| Company incorporated in Hong Kong on 50:50 basis with Kyowa Co., ltd. Japan. 1,000 fully paid shares ( Previous Year -1000 ) of 100 Hong Kong dollar each | 8.40 | | 8.40 | |
| | | **41.56** | | **41.56** |
| **3 in Others** | | | | |
| **a) M/s Shivalik Solid Waste Management Ltd.** | | | | |
| 20,000 equity shares ( Previous Year 20,000 ) of Rs 10 each fully paid up | 2.00 | | 2.00 | |
| | | **2.00** | | **2.00** |
| **TOTAL** | | **478.51** | | **478.51** |

## 6 TRADE RECEIVABLES (Unsecured but considered Good)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Retention money with Customers | - | - | 153.81 | 307.62 |
| b) Trade receivables | | | | |
| Considered Good | | | 19,225.26 | 13,772.62 |
| Credit Impaired | | | 958.06 | 982.00 |
| Total | - | - | 20,183.32 | 14,754.62 |
| **Less:- Allowances for Credit losses** | - | - | 958.06 | 982.00 |
| Total | | | 19,225.26 | 13,772.62 |
| **T O T A L** | **-** | **-** | **19,379.07** | **14,080.24** |

Trade Receivables includes dues from wholly owned subsidiary company- Fiem Industries Japan Co., Ltd /- Rs 7.47 lakhs (Previous year Rs NIL )

## 7 LOANS (Unsecured but considered Good)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Loan to employees | 35.28 | 94.31 | 64.07 | 63.82 |
| **T O T A L** | **35.28** | **94.31** | **64.07** | **63.82** |

(Includes Loan to director as on 31.03.24 -Nil , previous year Rs 49.07 Lakhs)

# Notes on Financial Statements for the year ended 31.03.2024

## 8 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

(Amount Rs in Lakhs)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Security deposit | 1,066.70 | 1,044.00 | - | - |
| b) Term deposit held as margin money, with more than 12 months maturity | 133.70 | 87.61 | - | - |
| c) Income accrued on deposits | - | - | 616.56 | 491.31 |
| d) Export Incentive Receivables | - | - | 40.64 | 53.81 |
| e) Insurance Claim recoverable | - | - | 4,914.08 | - |
| f) Other Advances recoverable | - | - | 94.41 | 159.09 |
| **TOTAL** | **1,200.40** | **1,131.61** | **5,665.69** | **704.22** |

## 9 OTHER ASSETS (Unsecured but considered Good)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Capital Advances | 648.59 | 716.30 | - | - |
| b) Advances other than capital advances | | | | |
| i) Advances to Suppliers | - | - | 1,540.00 | 1,388.85 |
| Less Provision fo doubtful advances | | | (48.15) | (48.15) |
| Net Advances to suppliers | | | 1,491.85 | 1,340.70 |
| ii) Balance with Customs or GST departments | - | - | 714.66 | 719.40 |
| iii) Prepaid Expenses | 9.68 | 1.81 | 869.64 | 279.69 |
| **TOTAL** | **658.26** | **718.11** | **3,076.15** | **2,339.79** |

## 10 INVENTORIES

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

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Raw Materials and Components | 15,768.93 | | 13,698.36 | |
| b) Work in Progress | 1,684.25 | | 1,538.43 | |
| c) Finished Goods | 2,306.30 | | 1,788.63 | |
| d) Stores and Spares ( including Packing Material ) | 676.43 | | 544.42 | |
| | | 20,435.91 | | 17,569.84 |
| **TOTAL** | | **20,435.91** | | **17,569.84** |

## 11 CASH AND CASH EQUIVALENTS

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Balances with Banks in current account | | 24.65 | | 104.38 |
| b) Balances with Banks in Cash Credit Account | | 775.23 | | (1,070.04) |
| c) Balance with Bank in deposit accounts * | | 19,542.07 | | 18,925.00 |
| d) Cash on Hand | | 39.08 | | 34.12 |
| **TOTAL** | | **20,381.03** | | **17,993.47** |

* The deposits maintained with banks comprises time deposits which can be withdrawn by the company at any point without prior notice or penalty on the principal.

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 12 OTHER BANK BALANCES

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| 1) Unpaid Dividend Account | 9.10 | | 9.18 | |
| 2) Earmarked balance with CSR ( See Note 46 ) | - | | 1.40 | |
| **TOTAL** | | **9.10** | | **10.58** |

## 13 EQUITY SHARE CAPITAL

(Amount Rs in Lakhs)

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **Authorised** | | | | |
| As at 31.03.24 - 3,00,00,000 Equity shares (as at 31.03.23- 3,00,00,000) of Rs 10 each | | 3,000.00 | | 3,000.00 |
| **Issued, Subscribed and Paid-up** | | | | |
| As at 31.03.24 -2,63,19,660 Equity shares ( as at 31.03.23- 1,31,59,830, of Rs. 10/- each fully paid up) | | 2,631.97 | | 1,315.98 |
| **TOTAL** | | **2,631.97** | | **1,315.98** |

**a) Terms/rights attached to equity shares**

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

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

| Name of the Shareholder | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| | No of Shares | % held | No of Shares | % held |
| 1) J.K. Jain | 54,12,000 | 20.56% | 27,06,000 | 20.56% |
| 2) Seema Jain | 54,11,766 | 20.56% | 27,05,883 | 20.56% |
| 3) Rahul Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |
| 4) Aanchal Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |

**c) Reconciliation of Number of Shares**

| | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **Equity shares** | **No of shares** | **Amount (In Rs Lakhs)** | **No of shares** | **Amount (In Rs Lakhs)** |
| Opening Balance | 1,31,59,830 | 1,315.98 | 1,31,59,830 | 1,315.98 |
| Add:- Bonus shares issued during the year | 1,31,59,830 | 1,315.98 | - | - |
| Closing balance | **2,63,19,660** | **2,631.97** | **1,31,59,830** | **1,315.98** |

In the meeting held on January 15, 2024, the Board of Directors had recommended the issue of Bonus Shares in the ratio of 1 (one) Bonus equity share of Rs.10 each fully paid-up for every 1 (one) existing equity share of Rs.10 each fully paid-up (in the ratio of 1:1). As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024. Post allotment of Bonus shares, the equity capital of the Company stands at 2,63,19,660 Equity shares of Rs. 10 each

**d) For the period of preceding five years as on the Balance Sheet date**

| | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| a) Aggregate number of shares allotted as fully paid up by way of bonus shares - During FY 2023-24 (in February 2024) in ratio of 1:1 | 1,315.98 | - |
| | 1,315.98 | - |

(Amount Rs in Lakhs)

**e) SHAREHOLDING OF PROMOTORS AND CHANGES THEREIN**

| Promoter name | AS AT 31.03.2024 | | % change during the year | |
|---|---|---|---|---|
| | No of Shares | % held | change in shares | % change |
| 1) J.K. Jain | 54,12,000 | 20.56% | 27,06,000 | - |
| 2) Seema Jain | 54,11,766 | 20.56% | 27,05,883 | - |
| 3) Rahul Jain | 32,51,336 | 12.35% | 16,25,668 | - |
| 4) Aanchal Jain | 32,51,336 | 12.35% | 16,25,668 | - |
| 5) Jagjeevan Kumar Jain (HUF) | 23,076 | 0.09% | 11,538 | - |
| 6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited) | 1,68,800 | 0.64% | 84,400 | - |

Change in number of shares is due to issue of bonus issue

## 14 OTHER EQUITY

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **SECURITIES PREMIUM** | | | | |
| As Per Last Balance Sheet | 16,722.77 | | 16,722.77 | |
| Less utilized in bonus issue | (1,315.98) | | - | |
| | | 15,406.79 | | 16,722.77 |
| **GENERAL RESERVE** | | | | |
| As Per Last Balance Sheet | 7,540.00 | | 6,140.00 | |
| Add :- Transferred from Surplus in the statement of Profit and Loss | 1,700.00 | | 1,400.00 | |
| Closing balance | | 9,240.00 | | 7,540.00 |
| **SURPLUS -OPENING BALANCE** | 50,366.94 | | 40,564.14 | |
| Add:- Profit after tax | 16,584.33 | | 13,962.73 | |
| Add:- Other Comprehensive Income | (37.46) | | (127.96) | |
| Amount Available for Appropriation | 66,913.81 | | 54,398.91 | |
| Less :- Appropriations | | | | |
| i) Final Dividend Paid Rs 30 per share- (Previous Year Rs 20 per share) | 3,947.95 | | 2,631.97 | |
| ii) Transfer to General Reserve | 1,700.00 | | 1,400.00 | |
| | 5,647.95 | | 4,031.97 | |
| **SURPLUS -CLOSING BALANCE** | | 61,265.86 | | 50,366.94 |
| **TOTAL** | | **85,912.65** | | **74,629.71** |

**Description of nature and purpose of each reserve**

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

2) Securities premium account is used to record the premium on issue of equity shares. Utilization of this reserve is governed by the provisions of the Companies Act 2013 and accordingly has been used in current financial year for issuing bonus shares.

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 15 PROVISIONS

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| 1 Provision for Retirement Benefits | | | | |
| a) Leave Encashment | 557.64 | 519.97 | 153.76 | 76.71 |
| b) Gratuity | - | - | 149.71 | 93.02 |
| 2 Provision for Warranties | - | 730.82 | 624.54 | 825.32 |
| **TOTAL** | **557.64** | **1,250.79** | **928.00** | **995.04** |

**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 31.03.24 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 | 31.03.2024 | 31.03.2023 |
|---|---|---|
| Opening Balance | 1,556.14 | 376.14 |
| Addition | - | 1,156.14 |
| Utilization /reversal | 931.60 | 376.14 |
| Closing Balance | **624.54** | **1,556.14** |
| Current Portion | 624.54 | 825.32 |
| Non Current Portion | - | 730.82 |

## 16 CURRENT BORROWINGS

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **SECURED LOANS** | | | | |
| Cash Credit/Working Capital Loans repayable on demand from Banks | | | | |
| Indian Rupee Loan | | - | | - |
| | | - | | - |
| Security of Cash credit/working capital limit is as below | | | | (Rs in Lakhs) |
| | **Cash cedit sanctioned** | **Cash cedit utilized** | **BG limited sanctioned** | **BG limited Utilized** |
| 1 Citibank | 7,000 | - | 4,000 | 863.20 |
| 2 Standard Chartred Bank | 3,000 | - | - | - |
| 3 HDFC Bank | 1,500 | - | 2,500 | 98.03 |
| **TOTAL** | **11,500** | **-** | **6,500** | **961.23** |

a) From Citibank NA :- The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/ Inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Standard Chartered Bank, HDFC Bank,

b) From Standard Chartered Bank :- The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank , HDFC Bank,

c) From HDFC BANK :- . The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/ Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank and Standard Chartered Bank.

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 17 CURRENT TRADE PAYABLES

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| - Micro and Small enterprises | 1,847.06 | | 1,578.02 | |
| -Other than Micro and Small enterprises | 17,063.62 | | 14,918.48 | |
| **TOTAL** | | **18,910.68** | | **16,496.50** |

Trade Payable includes dues to wholly owned subsidiary company- Fiem Industries Japan Co., Ltd /- Rs 2.97 lakhs (Previous year Rs NIL )

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,

## 18 OTHER FINANCIAL LIABILITIES- CURRENT

(Amount Rs in Lakhs)

| | PARTICULARS | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|---|
| a) | Trade Security Deposits | 302.23 | 292.43 |
| b) | Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due)) | 9.10 | 9.18 |
| c) | Creditors for Capital Expenditure | 409.93 | 242.36 |
| d) | Payable to employees | 1,144.64 | 977.09 |
| e) | Other payable (Includes accrued expense/liabilities) | 1,255.50 | 1,033.68 |
| | **TOTAL** | **3,121.41** | **2,554.75** |

## 19 OTHER CURRENT LIABILITIES

| | PARTICULARS | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|---|
| a) | Advances received from Customers | 3,243.56 | 1,607.91 |
| b) | Statutory Dues payable | 1,598.47 | 1,529.57 |
| | **TOTAL** | **4,842.04** | **3,137.48** |

## 20 CURRENT TAX LIABILITIES ( NET)

| PARTICULARS | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| Provision for Income tax ( Net of advance tax and Tds) | 28.04 | 2.87 |
| **TOTAL** | **28.04** | **2.87** |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 21 NET SALES

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| **Sales of Products** | | | | |
| - Sales of Finished Goods | | | | |
| Automotive Segment | 1,99,979.91 | | 1,81,744.25 | |
| Others Segment comprising LED Luminaries etc. | 762.26 | | 745.65 | |
| | 2,00,742.17 | | 1,82,489.91 | |
| - Sales of Raw material/Traded goods | | | | |
| Automotive Segment | 694.60 | | 914.36 | |
| Others Segment comprising LED Luminaries etc. | - | | - | |
| | 694.60 | | 914.36 | |
| | | **2,01,436.78** | | **1,83,404.26** |

## 22 OTHER OPERATING INCOME

| PARTICULARS | CURRENT YEAR FY 2023-24 | PREVIOUS YEAR FY 2022-23 |
|---|---|---|
| 1) Scrap sales | 478.38 | 569.20 |
| 2) Testing, Design and Development charges received | 363.10 | 255.05 |
| 3) Support fee received (Aisan Fiem Automotives India Pvt Ltd) | - | 48.44 |
| 4) Duty Drawback Received | 45.73 | 96.79 |
| 5) Merchandise export and RODTEP Incentive received | 31.21 | 100.60 |
| 6) Rebate and Discount Received | 71.59 | 116.91 |
| 7) Difference in foreign exchange | 316.00 | 145.26 |
| 8) Segregation, Packing and Forwarding charges Received | 41.23 | 61.80 |
| **TOTAL** | **1,347.24** | **1,394.05** |

## 23 OTHER INCOME

(Amount Rs in Lakhs)

| PARTICULARS | CURRENT YEAR FY 2023-24 | PREVIOUS YEAR FY 2022-23 |
|---|---|---|
| 1) Interest income on term Deposits and others | 1,517.64 | 820.15 |
| 2) Income from Mutual fund | - | 231.32 |
| 3) Sundry Creditors written back | 47.31 | 8.70 |
| 4) Rental Income received | 1.07 | 1.98 |
| 5) Profit/(Loss) on sale of Property, Plant and Equipment | 14.61 | 9.66 |
| 6) Other Non Operating Income | 15.95 | 8.47 |
| **TOTAL** | **1,596.59** | **1,080.28** |

## 24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| PARTICULARS | CURRENT YEAR FY 2023-24 | PREVIOUS YEAR FY 2022-23 |
|---|---|---|
| Opening Stock | 13,698.36 | 14,247.56 |
| Add : Purchases | 1,26,351.63 | 1,11,396.83 |
| Less :- Inventories at the end of the year | 15,768.93 | 13,698.36 |
| **TOTAL** | **1,24,281.06** | **1,11,946.03** |

## 25 PURCHASE OF STOCK IN TRADE

| PARTICULARS | CURRENT YEAR FY 2023-24 | PREVIOUS YEAR FY 2022-23 |
|---|---|---|
| Purchase of Traded Goods | 614.99 | 808.43 |
| **TOTAL** | **614.99** | **808.43** |

## 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| Inventories at the end of the year | | | | |
| a) Finished Goods | 2,306.30 | | 1,788.63 | |
| b) Work -in- Progress | 1,684.25 | | 1,538.43 | |
| | | 3,990.55 | | 3,327.06 |
| Inventories at the beginning of the year | | | | |
| a) Finished Goods | 1,788.63 | | 2,273.19 | |
| b) Work -in- Progress | 1,538.43 | | 1,442.73 | |
| | | 3,327.06 | | 3,715.92 |
| **TOTAL** | | **(663.49)** | | **388.86** |

# Notes on Financial Statements for the year ended 31.03.2024

## 27 EMPLOYEES BENEFITS EXPENSES

(Amount Rs in Lakhs)

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| Salaries,Wages and Bonus to employees | | 26,528.10 | | 22,089.03 |
| Contribution to Provident and other Funds | | 638.64 | | 540.76 |
| Staff Welfare Expenses | | 814.89 | | 715.27 |
| Gratuity Expenses | | 252.58 | | 201.03 |
| Earned Leave to staff | | 149.21 | | 101.74 |
| **TOTAL** | | **28,383.42** | | **23,647.83** |

## 28 FINANCE COSTS

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| Interest Expense | | | | |
| a) Interest on borrowings | 149.22 | | 580.82 | |
| b) Interest on leasehold obligation | 142.96 | | 147.00 | |
| | | 292.19 | | 727.82 |
| Other Borrowing Costs | | 1.64 | | 15.25 |
| **TOTAL** | | **293.83** | | **743.07** |

## 29 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount Rs in Lakhs)

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| Depreciation on Property,plant and equipment ( see note -2) | | 5,575.11 | | 6,036.56 |
| Depreciation on Right of Use assets ( see Note-3) | | 147.47 | | 147.98 |
| Amortization of Intangible assets (See Note-4) | | 85.41 | | 111.15 |
| **TOTAL** | | **5,807.99** | | **6,295.69** |

## 30 OTHER EXPENSES

| PARTICULARS | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR FY 2022-23 | |
|---|---|---|---|---|
| **Manufacturing Expenses** | | | | |
| 1) Consumption of Stores and Spare parts | 2,270.61 | | 1,823.80 | |
| 2) Packing Expenses | 3,257.12 | | 3,213.04 | |
| 3) Power and Fuel | 6,156.17 | | 5,360.71 | |
| 4) Machinery running and Maintenance | 222.33 | | 362.13 | |
| 5) Testing and Design Fees | 1,441.95 | | 1,075.30 | |
| 6) Job Charges | 1,158.70 | | 562.19 | |
| 7) Other Manufacturing exp | 908.24 | | 779.23 | |
| | | 15,415.12 | | 13,176.39 |
| **Administrative and Selling Expenses** | | | | |
| 1) Advertisement, Sub & Membership Exp. | 105.08 | | 91.80 | |
| 2) Payment to Auditors | 99.40 | | 108.40 | |
| 3) Donation | 48.95 | | 87.75 | |
| 4) Rates and taxes | 352.10 | | 299.66 | |
| 5) Insurance | 494.13 | | 323.73 | |
| 6) Bad debt written off | 15.64 | | 37.09 | |
| 7) Provision for Bad and Doubtful Debt | (23.91) | | 633.98 | |
| 8) Rent# | 202.81 | | 130.64 | |
| 9) Repair & Maintenance- Building | 95.81 | | 119.30 | |
| 10) Repair & Maintenance- Other | 155.03 | | 213.15 | |
| 11) Royalty | 93.87 | | 81.03 | |
| 12) Selling & Distribution Expenses | 2,677.14 | | 4,600.62 | |
| 13) Travelling and Conveyance Expenses | 754.86 | | 623.78 | |
| 14) Contribution toward CSR ( Note-46 ) | 262.44 | | 191.74 | |
| 15) Provision for doubtful advances | - | | 40.05 | |
| 16) Other Office Expenses | 2,623.33 | | 2,463.49 | |
| | | 7,956.68 | | 10,046.20 |
| **TOTAL** | | **23,371.80** | | **23,222.59** |

# Represents lease rentals for short term leases and leases of low value assets

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

| 31 Contingent Liabilities | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| **(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)** | | |
| (i) **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 in FY 2007-08 as a 100% EOU unit for which the company has filed an appeal with CESTAT Chennai (Net of deposit) | 43.40 | 43.40 |
| (b) Import Duty Demand towards short payment of import duty on raw material imported in FY 2020-21 for which the company has filed an appeal with Commissioner of Customs Appeals, Chennai (Net of deposit) | 3.23 | 3.23 |
| (ii) **Sales Tax** | | |
| (a) Sales Tax Demand for FY 2014-15 on Central Sales Tax Reversal under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai | 150.07 | 150.07 |
| (b) Sales Tax Demand for FY 2010-11 for which company has filed appeal with High Court of Punjab & Haryana (net of deposit) | 20.00 | 20.00 |
| | **216.70** | 216.70 |
| (iii) **Income Tax** | | |
| No demand is outstanding of Rs. 617.71 Lakhs for A.Y. 2011-12 raised by income tax department 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, New Delhi by the income tax department. | | |

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

| (B) Other Money for which the Company is contingently liable | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| Liability in respect of vendor discounting scheme from bank | 7,653.74 | 5,097.99 |
| | **7,653.74** | 5,097.99 |

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

| 32 Capital & Other Commitments | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| (i) Estimated amount of contracts remaining to be executed on capital contracts and not provided, (net of advances)* | 1,132.45 | 579.64 |
| (ii) Estimated amount of contracts remaining to be executed on purchase contracts not provided, (net of advances)** | 1,702.33 | 813.43 |
| | **2,834.79** | **1,393.07** |
| *Capital contracts primarily comprise commitments for building and plant & equipment. | | |
| **Purchase contracts primarily comprise commitments for moulds & dies for customers. | | |

| 33 Auditor's Remuneration | 2023-24 | 2022-23 |
|---|---|---|
| (a) For Statutory audit fee | | |
| For Statutory Audit | 55.00 | 53.00 |
| For Tax Audit | 8.00 | 5.00 |
| For Limited Review | 10.00 | 7.50 |
| For Other Services | 23.50 | 40.00 |
| | **96.50** | **105.50** |
| (b) For Cost Audit Fees | 2.90 | 2.90 |
| **Total (a)+(b)** | **99.40** | 108.40 |

(Amount Rs in Lakhs)

| 34 Deferred Tax Liabilities (Net) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property, Plant and Equipment & Intangible Assets | 3,126.62 | 3,373.59 |
| **Total (a)** | **3,126.62** | 3,373.59 |
| Deferred Tax Assets | | |
| Allowances for Credit Losses | 241.14 | 247.17 |
| Provision for Leave Encashment | 179.07 | 150.19 |
| Provision for Gratuity | 37.68 | 23.56 |
| Provision for Bonus | 120.09 | 121.46 |
| Welfare Fund | 0.64 | 0.57 |
| Provision for Warranties | 157.20 | 391.68 |
| Lease Liabilities | 223.08 | 208.41 |
| Others | 12.59 | 10.17 |
| **Total (b)** | **971.49** | **1,153.22** |
| **Net Deferred Tax Liability (a-b)** | **2,155.13** | **2,220.37** |

**Movement in Deferred Tax Liabilities and Deferred Tax Assets**

| Particulars | As at March 31, 2024 | Recognised in profit and loss | As at March 31, 2023 |
|---|---|---|---|
| **Movement in Deferred Tax Liabilities** | | | |
| Property, Plant and Equipment & Intangible Assets | 3,126.62 | (246.97) | 3,373.59 |
| **Total (a)** | **3,126.62** | **(246.97)** | **3,373.59** |
| **Movement in Deferred Tax Assets** | | | |
| Allowances for Credit Losses | 241.14 | (6.03) | 247.17 |
| Provision for Leave Encashment | 179.07 | 28.88 | 150.19 |
| Provision for Gratuity | 37.68 | 14.12 | 23.56 |
| Provision for Bonus | 120.09 | (1.37) | 121.46 |
| Welfare Fund | 0.64 | 0.07 | 0.57 |
| Provision for Warranties | 157.20 | (234.48) | 391.68 |
| Lease Liabilities | 223.08 | 14.67 | 208.41 |
| Others | 12.59 | 2.41 | 10.17 |
| **Total (b)** | **971.49** | **(181.73)** | **1,153.22** |
| **Net Deferred Tax Liability (a-b)** | **2,155.13** | **(65.24)** | **2,220.37** |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

| (a) | Tax expense | 2023-24 | 2022-23 |
|---|---|---|---|
| | **Current Tax** | | |
| | Current tax on profit for the year | 5,789.60 | 5,822.04 |
| | (Excess)/short current tax of prior periods | (17.67) | 83.22 |
| | Total current tax expense | **5,771.93** | **5,905.26** |
| | **Deferred tax** | | |
| | (Increase)/Decrease in deferred tax assets | 181.73 | (596.71) |
| | (Decrease)/Increase in deferred tax liabilities | (246.97) | (445.19) |
| | Total deferred tax expense (benefit) | **(65.24)** | **(1,041.89)** |
| | **Tax Expense (Current Tax plus Deferred tax)** | **5,706.69** | **4,863.37** |

| (b) | Income Tax recognised in other comprehensive income (Loss) | | |
|---|---|---|---|
| | **Particulars** | Year Ended 31 March, 2024 | Year Ended 31 March, 2023 |
| | Remeasurement of Defined Benefit Plans | (50.06) | (171.00) |
| | Tax Expense (Benefit) | 12.60 | 43.04 |
| | Remeasurement of Defined Benefit Plans (Net of Tax) | **(37.46)** | **(127.96)** |

| (c) | Reconciliation of Effective Tax Rate | Year Ended 31 March, 2024 | Year Ended 31 March, 2023 |
|---|---|---|---|
| | (a) Profit before tax | **22,291.01** | 18,826.09 |
| | (b) Enacted tax rate in India | 25.17% | 25.17% |
| | (c) Expected tax expenses | **5,610.65** | 4,738.53 |
| | (d) difference due to | | |
| | Disallowances of CSR Expenditure | 66.06 | 48.26 |
| | Deferred Tax Liability (Assets) | (65.24) | (1,041.89) |
| | Tax related to prior periods | (17.67) | 83.22 |
| | Others | 112.90 | 1,035.25 |
| | Income Tax Expenses | **5,706.69** | 4,863.37 |
| | Effective tax rate | **25.60%** | **25.83%** |

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

Deferred tax assets has not been recognised in respect of deductible temporary differences arising from exit in subsidiary/ joint venture and transfer of land allotment rights because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

| Assessment Year | Particulars | Nature of Loss | As at March 31, 2024 | As at March 31, 2023 | Available up to A.Y. |
|---|---|---|---|---|---|
| **2019-20** | Transfer of land allotment rights | Long-term capital loss | 185.03 | 185.03 | **2027-28** |
| **2019-20** | Unquoted equity share | Long-term capital loss | 0.06 | 0.06 | **2027-28** |
| **2023-24** | Unquoted equity share | Long-term capital loss | 473.57 | 473.57 | **2031-32** |
| | | | **658.66** | 658.66 | |

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

| Name of Company | Nature of Entity | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fiem Industries Japan Co., Ltd | Subsidiary | 51.72 | 112.78 |
| Fiem Research and Technology Srl | Subsidiary | 81.70 | 31.91 |
| Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 0.30 | 3.84 |
| Centro Ricerche Fiem Horustech Srl | Joint Venture | (5.32) | 3.07 |
| | | **128.41** | **151.61** |

(Amount Rs in Lakhs)

## 35 Operating Lease Transaction

**A. Lease as Lessee**

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

| | 2023-24 | 2022-23 |
|---|---|---|
| Total of future minimum lease payments under non-cancellable operating lease for following periods: | | |
| Not later than one year | 5.10 | 84.50 |
| Later than one year and not later than five years | 10.92 | - |
| later than five years | - | - |
| **Total** | **16.02** | **84.50** |
| Information about leases for which the Company is a lessee. | | |
| **Lease liabilities** | **As at March 31, 2024** | **As at March 31, 2023** |
| Balance as at the beginning of the year | 2,382.73 | 2,449.98 |
| Add: Addition during the year | - | - |
| Less: Deletion during the year | - | - |
| Add: Finance cost | 142.96 | 147.00 |
| Less: Repayment | 214.25 | 214.25 |
| Balance as at the end of the year | 2,311.44 | 2,382.73 |
| Current | 102.34 | 71.28 |
| Non-current | 2,209.11 | 2,311.45 |
| **Amounts recognised in Statement of Profit and Loss** | | |
| Interest on lease liabilities | 142.96 | 147.00 |
| Depreciation expense | 147.47 | 147.98 |
| Expenses relating to short-term leases and leases of low-value assets | 202.81 | 130.64 |
| **Total** | **493.24** | **425.62** |

**B. Lease as Lessor**

The Company had leased out a portion of its building and subleased a building under a operating lease arrangement. The lease was terminated during the current year. During the year, an amount of Rupee 1.07 lakhs (previous year rupee 1.98 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at March 31, 2024, there are no future minimum lease payments under non-cancellable operating lease as receivable.

## 36 Trade Receivables Ageing Schedule

The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2024

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| **Trade Receivables** | | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables-considered good | 18,682.80 | 531.42 | - | - | 164.86 | - | 19,379.07 |
| Undisputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables-credit impaired | | | 80.89 | 726.22 | 136.50 | 14.46 | 958.06 |
| Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| Disputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| | 18,682.80 | 531.42 | 80.89 | 726.22 | 301.36 | 14.46 | **20,337.13** |

The trade receivables (current & non current) ageing schedule for the years ended as at March, 31 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| **Trade Receivables** | | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables-considered good | 13,450.29 | 554.53 | - | 75.42 | - | - | 14,080.24 |
| Undisputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed Trade Receivables-credit impaired | - | - | 673.82 | 267.81 | 34.44 | 5.93 | 982.00 |
| Disputed Trade Receivables-considered good | - | - | - | - | - | - | - |
| Disputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - |
| | 13,450.29 | 554.53 | 673.82 | 343.23 | 34.44 | 5.93 | 15,062.24 |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 37 Trade Payables Ageing Schedule

**Ageing for trade payables outstanding as at March 31, 2024 is as follows**

| Particulars | Not Due | Outstanding for following periods from due date | | | | Total |
|---|---|---|---|---|---|---|
| **Trade Payables** | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 1,847.06 | - | - | - | - | 1,847.06 |
| Others | 16,642.67 | 354.82 | 10.28 | 33.26 | 22.58 | 17,063.62 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| Total | 18,489.73 | 354.82 | 10.28 | 33.26 | 22.58 | 18,910.68 |
| Unbilled dues | | | | | | - |
| | | | | | | **18,910.68** |

**Ageing for trade payables outstanding as at March 31, 2023 is as follows**

| Particulars | Not Due | Outstanding for following periods from due date | | | | Total |
|---|---|---|---|---|---|---|
| **Trade Payables** | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 1,578.02 | - | - | - | - | 1,578.02 |
| Others | 14,275.33 | 251.74 | 53.51 | 12.14 | 74.04 | 14,666.76 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| Total | 15,853.35 | 251.74 | 53.51 | 12.14 | 74.04 | 16,244.78 |
| Unbilled dues | | | | | | 251.72 |
| | | | | | | **16,496.50** |

## 38 Earning Per Share

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Net Profit after tax attributable to equity shareholders | 16,584.32 | 13,962.72 |
| Weighted average number of equity shares outstanding during the year (Nos in lakhs) | 263.20 | 263.20 |
| Basic/diluted earning per share* (In Rs.) | 63.01 | 53.05 |
| Face value per equity share (In Rs.) | 10 | 10 |

*There are no dilutive instruments issued by the Company.

In the meeting held on January 15, 2024, the Board of Directors had recommended the issue of Bonus Shares in the ratio of 1 (one) Bonus equity share of Rs.10 each fully paid-up for every 1 (one) existing equity share of Rs.10 each fully paid-up (in the ratio of 1:1). As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024. Post allotment of Bonus shares, the equity capital of the Company stands at 2,63,19,660 Equity shares of Rs. 10 each.Accordingly, the earning per share has been adjusted for the proportionate change in the number of ordinary shares outstanding, as if the event had occurred at the beginning of the earliest year and presented in accordance with Ind AS 33 (Earning per Shares).

## 39 Government Grant

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Duty Drawback on Export in Foreign Currency | 45.73 | 96.79 |
| Merchandise Export & RODTEP Incentive on Export in Foreign Currency | 31.21 | 100.60 |
| **Total** | **76.93** | **197.39** |

## 40 Other Segment Reporting

**(a) Identification of Segments:**

**Primary-Business Segments**

The Company has identified two reportable business segments viz. Automotive and Others segment comprising LED Luminaries on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:-

(i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, sheet metal components, bank angle sensor and canisters for motorised vehicles and others parts for automotive.

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

(iii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated"

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/ liabilities, borrowings, deferred tax liabilities (net) and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

# Notes on Financial Statements for the year ended 31.03.2024

**(i) Primary-Business Segments** (Amount Rs in Lakhs)

| Segment Revenue | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Automotive | Others Segment | Total | Automotive | Others Segment | Total |
| External Sales | 2,00,674.52 | 762.26 | 2,01,436.78 | 1,82,658.61 | 745.65 | 1,83,404.26 |
| Other Operating Income | 1,342.91 | 4.33 | 1,347.24 | 1,387.10 | 6.96 | 1,394.06 |
| Inter-Segment Sales | - | - | - | - | - | - |
| **Total** | **2,02,017.43** | **766.59** | **2,02,784.02** | **1,84,045.71** | **752.61** | **1,84,798.31** |
| **Results** | | | | | | |
| Segment Results (Earning Before Interest & Tax) | 24,256.17 | (26.04) | 24,230.13 | 20,699.63 | (54.62) | 20,645.01 |
| Unallocated corporate expenses (net of unallocable income) | | | 1,645.29 | | | 1,075.85 |
| Operating Profit | | | 22,584.84 | | | 19,569.16 |
| Cost of Finance | | | 293.83 | | | 743.07 |
| **Profit before tax** | | | **22,291.01** | | | **18,826.09** |
| Tax expense | | | 5,706.69 | | | 4,863.37 |
| Profit after tax (PAT) | | | 16,584.32 | | | 13,962.72 |
| Other Comprehensive Income (Loss) (Net of tax) | | | (37.46) | | | (127.96) |
| **Total Comprehensive Income** | | | **16,546.86** | | | 13,834.76 |
| **Depreciation & Amortization** | **5,737.39** | **70.60** | **5,807.99** | 6,227.09 | 68.60 | **6,295.69** |
| | As at 31st March, 2024 | | | As at 31st March, 2023 | | |
| **Segment Assets** | | | | | | |
| Segment Assets | 96,858.08 | 1,272.46 | 98,130.54 | 82,999.19 | 1,612.43 | 84,611.62 |
| Unallocated Corporate Assets | | | 23,268.47 | | | 20,374.60 |
| **Total Assets** | | | **1,21,399.01** | | | **1,04,986.22** |
| **Segment Liabilities** | | | | | | |
| Segment Liabilities | 27,894.59 | 148.34 | 28,042.93 | 24,139.14 | 56.33 | 24,195.47 |
| Unallocated Corporate Liabilities | | | 4,811.46 | | | 4,845.06 |
| **Total Liabilities** | | | **32,854.39** | | | **29,040.53** |
| Capital Employed (Total Assets Minus Total Liabilities) | | | 88,544.62 | | | 75,945.69 |
| **Capital Expenditure During the year (Net of CWIP)** | **8,562.23** | **24.00** | **8,586.23** | 5,417.64 | - | 5,417.64 |

Note - The capital employed of Automotive and Other Segment comprising LED luminaries has been worked out by excluding the amount of common financial facilities viz. Term loans and working capital limits. The common financial facilities are reflected under unallocable corporate liabilities.

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

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

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

| (a) Revenue from External Customers | 2023-24 | 2022-23 |
|---|---|---|
| India | 1,99,775.67 | 1,79,288.59 |
| Outside India | 3,008.35 | 5,509.72 |
| **Total** | **2,02,784.02** | **1,84,798.31** |

| (b) Segment Trade Receivables | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| India | 18,689.31 | 12,095.88 |
| Outside India | 689.76 | 1,984.36 |
| **Total** | **19,379.07** | **14,080.24** |

1. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets have not be furnished.

**(c) Major Customers**

Details of customers which accounts for more than 10% of Company's total revenue are as follows

| Particulars | Segment | 2023-24 | in % | 2022-23 | in % |
|---|---|---|---|---|---|
| Honda Motorcycle and Scooter India Pvt. Ltd. | Automotive | 52,531.63 | 25.91% | 48,731.59 | 26.37% |
| TVS Motors Company Ltd. | Automotive | 52,912.60 | 26.09% | 44,861.99 | 24.28% |
| India Yamaha Motor Pvt. Ltd. | Automotive | 28,454.42 | 14.03% | 28,131.60 | 15.22% |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 41 Related Party Disclosures Under Ind AS 24

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

| | |
|---|---|
| **Name of Related Party** | |
| **(i) Key Management Personnel** | |
| Mr. Jagjeevan Kumar Jain | Chairman and Managing Director |
| Mrs. Seema Jain | Whole-time Director |
| Ms. Aanchal Jain | Whole-time Director |
| Mr. Rahul Jain | Joint Managing Director |
| Mr. Kashi Ram Yadav | Whole-time Director |
| Mr. Rajesh Sharma | Joint Managing Director |
| Mr. Vineet Sahni | Whole-time Director (w.e.f. 01/05/2023) |
| Mr. Ashok Kumar Sharma | Independent Director |
| Mr. Iqbal Singh | Independent Director (up to 04/09/2023) |
| Mr. Jawahar Thakur | Independent Director |
| Mr. Mohan Bir Sahni | Independent Director |
| Mr. Subodh Kumar Jain | Independent Director |
| Mr. Vinod Kumar Malhotra | Independent Director |
| Mr. Pawan Kumar Jain | Independent Director (w.e.f. 08/11/2023) |
| Ms. Shobha Khatri | Independent Director |
| Mr. Om Prakash Gupta | Chief Financial Officer |
| Mr. Arvind Kumar Chauhan | Company Secretary |
| | |
| **(ii) Relative of Key Management Personnel with whom transactions have taken place** | |
| Mrs. Pallavi Jain | Vice President ((Spouse of Mr. Rahul Jain, Joint Managing Director) |
| | |
| **(iii) Related Parties Controlled by Key Management personnel and/or their Relatives** | |
| Fiem Applied Technologies Private Limited | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| Jagjeevan Kumar Jain (HUF) | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| Fiem Auto & Electrical Industries | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| | |
| **(iv) Subsidiaries Company** | |
| Fiem Industries Japan Co., Limited | 100% Subsidiary Company incorporated in Japan |
| Fiem Research & Technology S.R.L | 100% Subsidiary Company incorporated in Italy |
| | |
| **(v) Joint Ventures** | |
| Aisan Fiem Automotives India Pvt Limited | JV incorporated in India, 26% ownership interest held by the company (The Company has exit from JV Company during the previous year) |
| Centro Ricerche Fiem Horustech S.R.L | JV incorporated in Italy, 50% ownership interest held by the company |
| Fiem Kyowa (HK) Mould Company Ltd | JV incorporated in Hong Kong, 50% ownership interest held by the company |
| | |
| **(vi) Other Related Party** | |
| Fiem Industries Limited Group Gratuity Trust | Post-employment benefit plan of Fiem Industries Limited |

# Notes on Financial Statements for the year ended 31.03.2024

**Transaction with related party**

(Amount Rs in Lakhs)

| (a) | **Rendering of Services to:** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Aisan Fiem Automotive India Pvt Limited (For Support Fee) | Joint Venture | - | 48.44 |
| | | | **-** | **48.44** |

| (b) | **Sale of Goods to:** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Fiem Industries Japan Co., Limited | Subsidiary Company | 7.44 | - |
| | | | **7.44** | **-** |

| (c) | **Purchase of Goods from:** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 54.52 | 58.97 |
| | Fiem Industries Japan Co., Limited | Subsidiary Company | 3.08 | - |
| | | | **57.60** | **58.97** |

| (d) | **Interest Received on unsecured loan (home loan) from:** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Mr. Rajesh Sharma | Joint Managing Director | 1.49 | 3.28 |
| | | | **1.49** | **3.28** |

| (e) | **Services received from** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Fiem Research & Technology S.R.L | Subsidiary Company | 1,128.76 | 763.73 |
| | Fiem Auto & Electrical Industries (For Brand Royalty) | Related party controlled by KMP | 50.00 | 50.00 |
| | | | **1,178.76** | **813.73** |

| (f) | **Lease Rent Paid (for premises) to** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Ms. Aanchal Jain | Whole-time Director | 144.62 | 144.62 |
| | Mr. Rahul Jain | Joint Managing Director | 69.62 | 69.62 |
| | | | **214.24** | **214.24** |

| (g) | **Dividend on Equity share Paid to** | **Nature of Related Party** | **Final Dividend** | |
|---|---|---|---|---|
| | | | **2023-24** | **2022-23** |
| | Mr. Jagjeevan Kumar Jain | Chairman and Managing Director | 811.80 | 541.20 |
| | Mrs. Seema Jain | Whole-time Director | 811.76 | 541.18 |
| | Ms. Aanchal Jain | Whole-time Director | 487.70 | 325.13 |
| | Mr. Rahul Jain | Joint Managing Director | 487.70 | 325.13 |
| | Mr. Kashi Ram Yadav | Whole-time Director | 0.10 | 0.07 |
| | Mr. Iqbal Singh | Independent Director | 6.00 | 4.00 |
| | Fiem Applied Technologies Private Limited | Related party controlled by KMP | 25.32 | 16.88 |
| | Jagjeevan Kumar Jain (HUF) | Related party controlled by KMP | 3.46 | 2.31 |
| | | | **2,633.85** | **1,755.90** |

| (h) | **Benefits to Key Management and their relative** | | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Short-term benefits | | 1,471.90 | 769.92 |
| | Sitting Fee | | 43.70 | 28.15 |
| | **Total Compensation** | | **1,515.60** | **798.07** |

| | **Short-term employee benefits** | **Nature of Related Party** | **2023-24** | **2022-23** |
|---|---|---|---|---|
| | Mr. Jagjeevan Kumar Jain | Chairman and Managing Director | 240.00 | 124.80 |
| | Mrs. Seema Jain | Whole-time Director | 120.00 | 72.00 |
| | Mr. Rahul Jain | Joint Managing Director | 120.00 | 78.00 |
| | Ms. Aanchal Jain | Whole-time Director | 120.00 | 60.00 |
| | Mr. Kashi Ram Yadav | Whole-time Director | 121.45 | 109.45 |
| | Mr. Rajesh Sharma | Joint Managing Director | 222.00 | 141.00 |
| | Mr. Vineet Sahni | Whole-time Director | 330.00 | - |
| | Mr. Om Prakash Gupta | Chief Financial Officer | 74.40 | 70.20 |
| | Mr. Arvind Kumar Chauhan | Company Secretary | 94.05 | 84.47 |
| | Mrs. Pallavi Jain | Spouse of Mr. Rahul Jain | 30.00 | 30.00 |
| | | | **1,471.90** | **769.92** |

# Notes on Financial Statements for the year ended 31.03.2024

| Sitting Fee | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Mr. Iqbal Singh | Independent Director | 3.65 | 4.70 |
| Mr. Ashok Kumar Sharma | Independent Director | 6.10 | 4.00 |
| Mr. Jawahar Thakur | Independent Director | 5.30 | 3.40 |
| Mr. Mohan Bir Sahni | Independent Director | 3.20 | 1.80 |
| Mr. Subodh Kumar Jain | Independent Director | 7.85 | 4.70 |
| Mr. Vinod Kumar Malhotra | Independent Director | 8.60 | 5.55 |
| Ms. Shobha Khatri | Independent Director | 6.60 | 4.00 |
| Mr. Pawan Kumar Jain | Independent Director | 2.40 | - |
| | | **43.70** | **28.15** |

Note:1. The above short-term benefits does not include provisions for incremental gratuity and leave encashment liabilities since the provisions are based on actuarial valuations for the Company as a whole.

(Amount Rs in Lakhs)

| (i) Contribution to Gratuity Fund | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Fiem Industries Limited Group Gratuity Trust | Post-employment Benefit Plan | 245.95 | 350.00 |
| | | **245.95** | **350.00** |

| (j) Unsecured Loan Given to: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Mr. Rajesh Sharma | Joint Managing Director | - | 51.93 |
| | | **-** | **51.93** |

| (k) Investment/contribution in share capital | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Fiem Research & Technology S.R.L | Subsidiary Company | - | 167.01 |
| | | **-** | **167.01** |

| (l) Investment received from exit of: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Aisan Fiem Automotives India Pvt Limited | Joint Venture | - | 2,600.00 |
| | | **-** | **2,600.00** |

| (m) Unsecured Loan recovered from: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|
| Mr. Rajesh Sharma | Joint Managing Director | 49.07 | - |
| | | **49.07** | **-** |

**Balances outstanding at Year-end**

| (a) Other Current Assets (Advance to Suppliers other than capital goods): | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 5.04 | - |
| | | **5.04** | **-** |

| (b) Non-Current Investment: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Centro Ricerche Fiem Horustech Srl | Joint Venture | 33.16 | 33.16 |
| Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 8.40 | 8.40 |
| Fiem Industries Japan Co. Ltd | Subsidiary Company | 29.49 | 29.49 |
| Fiem Research & Technology S.R.L | Subsidiary Company | 405.46 | 405.46 |
| | | **476.51** | **476.51** |

| (c) Trade Receivables: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fiem Industries Japan Co. Ltd | Subsidiary Company | **7.47** | - |

| (d) Trade Payable: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Fiem Industries Japan Co. Ltd | Subsidiary Company | **2.97** | **-** |

| (e) Security Deposit Paid Against Lease Rent on premises | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Ms. Aanchal Jain | Whole-time Director | 54.68 | 54.68 |
| Mr. Rahul Jain | Joint Managing Director | 26.33 | 26.33 |
| | | **81.01** | **81.01** |

| (f) Unsecured Loan Receivables from: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Mr. Rajesh Sharma | Joint Managing Director | - | 49.07 |
| | | **-** | **49.07** |

(Amount Rs in Lakhs)

| (g) | Other Current Financial Liabilities: | | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| | Mr. Jagjeevan Kumar Jain | Short term benefits payable | Chairman and Managing Director | 21.64 | 16.02 |
| | Mrs. Seema Jain | Short term benefits payable | Whole-time Director | 23.21 | 22.13 |
| | Ms. Aanchal Jain | Short term benefits & lease rent payable | Whole-time Director | 10.30 | 1.70 |
| | Mr. Rahul Jain | Short term benefits & lease rent payable | Joint Managing Director | 21.13 | 4.57 |
| | Mr. Rajesh Sharma | Short term benefits payable | Joint Managing Director | 11.97 | 6.67 |
| | Mr. Kashi Ram Yadav | Short term benefits payable | Whole-time Director | 7.21 | 5.98 |
| | Mr. Vineet Sahni | Short term benefits payable | Whole-time Director | 10.65 | - |
| | Mr. OP Gupta | Short term benefits payable | Chief Financial Officer | 4.87 | 4.25 |
| | Mr. Arvind Kumar Chauhan | Short term benefits payable | Company Secretary | 4.59 | 4.36 |
| | Mrs. Pallavi Jain | Short term benefits payable | Spouse of Mr. Rahul Jain | 3.97 | 1.44 |
| | Fiem Auto & Electrical Industries | For Brand Royalty | Related party controlled by KMP | 13.50 | 29.50 |
| | | | | **133.04** | 96.60 |

## 42 Post Employment Benefits Plan

Defined Contribution Plans

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

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Employer's Contribution to Provident Fund | 558.00 | 463.59 |
| Employer's Contribution to ESI Fund | 69.51 | 67.26 |
| Employer's Contribution to Wages Welfare Fund | 11.13 | 9.91 |
| **Total** | **638.64** | 540.76 |

**Defined Benefit Plans**

**(a) Gratuity**

The Company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with HDFC Life Insurance Company Limited in the form of qualifying insurance policy.

**(b) Earned Leave**

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

**Disclosure requirement as per Indian Accounting Standard on Employee Benefits-Ind AS (19)-As per actuarial valuation as on 31/03/2024 are as follows:**

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

| | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| **Particulars** | **2023-24** | **2022-23** | **2023-24** | **2022-23** |
| Current service cost | 254.75 | 208.90 | 149.21 | 101.74 |
| Interest cost | (2.16) | (7.87) | - | - |
| Actuarial (Gain)/Loss | - | - | - | - |
| Expenses recognized in Statement of Profit and Loss | **252.58** | 201.03 | **149.21** | 101.74 |

**Amount to be recognised in the Balance Sheet**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Liability at the end of the year | 2,106.57 | 1,775.94 | 711.40 | 596.68 |
| Fair value of plan assets at the end of the year | 1,956.86 | 1,682.92 | - | - |
| Amount to be recognised in Balance Sheet | **149.71** | 93.02 | **711.40** | 596.68 |
| Current | 149.71 | 93.02 | 153.76 | 76.71 |
| Non-Current | - | - | 557.64 | 519.97 |

# Notes on Financial Statements for the year ended 31.03.2024

**Reconciliation of benefit obligation**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Liability at the beginning of the year | 93.02 | 70.99 | 596.68 | 563.91 |
| Interest cost | - | - | - | - |
| Recognised in Accumulated Other Comprehensive Income | (353.49) | (182.50) | - | - |
| Current service cost | 252.58 | 201.03 | 149.21 | 101.74 |
| Employers Contribution | (245.95) | (350.00) | (34.48) | (68.98) |
| Remeasurement (gain) / loss | 403.55 | 353.49 | - | - |
| Liability at the end of the year | **149.71** | 93.02 | **711.40** | 596.68 |

**Reconciliation of fair value of plan assets:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Fair value of plan assets at the beginning of the year | 1,682.92 | 1,514.04 | - | - |
| Interest income | 126.58 | 119.01 | - | - |
| Employers Contribution | 245.95 | 350.00 | 34.48 | 68.98 |
| Benefits paid | (105.39) | (233.73) | (34.48) | (68.98) |
| Return on plan assets-gain /(loss) | 6.80 | (66.40) | - | - |
| Fair value of plan assets at the end of the year | 1,956.86 | 1,682.92 | - | - |
| Actual return on plan assets | 133.38 | 52.61 | - | - |

**Amount recognised in statement of other comprehensive income (OCI)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Opening amount recognised in OCI | 353.49 | 182.50 | - | - |
| Remeasurement for the year - Obligation (gain)/ loss | 56.85 | 104.60 | - | - |
| Remeasurement for the year - plan assets (gain)/ loss | (6.80) | 66.40 | - | - |
| Net Increasing in OCI | 403.55 | 353.49 | - | - |
| Total remeasurements cost / (credit) for the year recognised in OCI | 403.55 | 353.49 | - | - |
| Closing amount recognised in OCI | 403.55 | 353.49 | - | - |

**Principal actuarial assumptions**

| Particulars | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
|---|---|---|---|---|
| Discount rate | 7.22% | 7.53% | 7.22% | 7.53% |
| Salary escalation | 6.00% | 6.00% | 6.00% | 6.00% |
| Expected return on assets | 7.53% | 7.57% | 7.53% | 7.57% |
| Attrition rate | 2.00% | 2.00% | 2.00% | 2.00% |
| Retirement age | 58 | 58 | 58 | 58 |

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

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

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

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

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

**Expected benefit payments (discounted values/present value) for the year ending:**

| | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| Year ending | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| 31-Mar-25 | 95.03 | 65.85 | 21.32 | 15.48 |
| 31-Mar-26 | 81.96 | 67.78 | 18.02 | 14.55 |
| 31-Mar-27 | 103.40 | 65.97 | 30.14 | 15.93 |
| 31-Mar-28 | 97.94 | 88.25 | 23.45 | 25.83 |
| 31-Mar-29 | 138.06 | 75.81 | 39.51 | 17.36 |
| 31March, 2030-2034 | **457.20** | **416.20** | **103.66** | **102.38** |

(Amount Rs in Lakhs)

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 17.35 years (Previous year 17.75 years)

(g) **Sensitivity analysis:**

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

(Amount Rs in Lakhs)

**A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:**

| | Gratuity | | | |
|---|---|---|---|---|
| **A. Effect of 1% Change in the assumed discount rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | 1,911.83 | 1,609.68 | 2,336.07 | 1,972.15 |
| **B. Effect of 1% Change in the assumed salary escalation rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | 2,313.65 | 1,955.47 | 1,923.80 | 1,619.10 |
| **C. Effect of 1% Change in the assumed Attrition Rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | 2,112.68 | 1,786.40 | 2,099.01 | 1,763.55 |

| | Leave Encashment | | | |
|---|---|---|---|---|
| **A. Effect of 1% Change in the assumed discount rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | 665.09 | 554.26 | 765.75 | 646.60 |
| **B. Effect of 1% Change in the assumed salary escalation rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | **764.13** | 645.25 | **665.67** | 554.68 |
| **C. Effect of 1% Change in the assumed Attrition Rate** | **1% Increase** | **1% Increase** | **1% Decrease** | **1% Decrease** |
| | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2024** | **As at March 31, 2023** |
| Defined Benefit Obligation | 709.89 | 596.23 | 712.70 | 596.75 |

# Notes on Financial Statements for the year ended 31.03.2024

## 43 Fair Value Measurements

(Amount Rs in Lakhs)

**Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments**

| Particulars | Carrying Amount | | Fair Value | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **FINANCIAL ASSETS** | | | | |
| **Financial assets measured at amortised cost** | | | | |
| Security Deposits | 1,066.70 | 1,044.00 | 1,066.70 | 1,044.00 |
| Loan to Employees | 99.35 | 158.13 | 99.35 | 158.13 |
| Trade receivables | 19,379.07 | 14,080.24 | 19,379.07 | 14,080.24 |
| Term Deposit held as margin money, with more than 12 month maturity | 133.70 | 87.61 | 133.70 | 87.61 |
| Income accrued on deposits | 616.56 | 491.31 | 616.56 | 491.31 |
| Export incentive receivables | 40.64 | 53.81 | 40.64 | 53.81 |
| Insurance Claim Recoverable | 4,914.08 | - | 4,914.08 | - |
| Other advance Recoverable | 94.41 | 159.09 | 94.41 | 159.09 |
| Cash & Cash Equivalents | 20,381.03 | 17,993.47 | 20,381.03 | 17,993.47 |
| Other Bank Balances | 9.10 | 10.58 | 9.10 | 10.58 |
| | **46,734.64** | 34,078.24 | **46,734.64** | 34,078.24 |
| **Financial assets measured at Cost** | | | | |
| Investment in subsidiaries and joint venture (unquoted equity share) | 476.51 | 476.51 | - | - |
| | **476.51** | 476.51 | - | - |
| **Financial assets measured at FVTPL** | | | | |
| Investment in unquoted equity shares | 2.00 | 2.00 | - | - |
| | **2.00** | **2.00** | - | - |
| **FINANCIAL LIABILITIES** | | | | |
| **Financial liabilities measured at amortised cost** | | | | |
| Trade Security deposits | 302.23 | 292.43 | 302.23 | 292.43 |
| Current Maturity of Lease liability | 102.34 | 71.28 | 102.34 | 71.28 |
| Creditors for capital expenditures | 409.93 | 242.36 | 409.93 | 242.36 |
| Trade Payables | 18,910.68 | 16,496.50 | 18,910.68 | 16,496.50 |
| Unpaid Dividend | 9.10 | 9.18 | 9.10 | 9.18 |
| Liabilities for expenses | 2,400.14 | 2,010.77 | 2,400.14 | 2,010.77 |
| | **22,134.42** | 19,122.52 | **22,134.42** | 19,122.52 |

**Financial assets and liabilities measured at fair value-recurring fair value measurements**

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Non-current | | | | | | |
| Investment | - | - | **2.00** | - | - | 2.00 |

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

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

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

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

## 44 Financial Instruments and Risk Review

**Financial Risk Management Framework**

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

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company oversees the management of these financial risks. The Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

### i) Capital Management

The Company's capital management objectives are:

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

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

**Debt-to-equity ratio is as follows:** (Amount Rs in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non Current/Current Borrowing | - | - |
| Net Debt (A) | - | - |
| Equity (B) | **88,544.62** | **75,945.69** |
| Debt Ratio (A/B)* | - | - |

* The Company has no outstanding borrowings as at 31/03/2024 & 31/03/2023.

### ii) Credit Risk

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

In assessing, recoverability of receivables, the management has considered the asset type, past due status and other relevant factors considering the age of receivables. The provision for expected credit losses (ECL) are revised at each reporting date by the use of practical expedients viz provision matrix.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 19,379.07 Lakhs (net of write-off/provisions) (Previous Year Rs. 14,080.24 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 15.64 lakhs (previous year Rs. 37.09 lakhs) has been written-off during the year after re-assessing long outstandings and obtaining objective evidences on the impairment of the trade receivables.

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

The Company's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 62% of total receivables as at 31 March, 2024 (50% as at 31 March, 2023), however there was no default on account of those customers in the past.

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

**Movement in the expected credit loss allowance:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | **982.00** | 348.02 |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | **(23.94)** | 633.98 |
| Balance at the end of the year | **958.06** | 982.00 |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

**iii) Liquidity Risk**

**a) Liquidity risk management**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings as at 31/03/2024. The Company believes that the working capital is sufficient to meet its current requirements. As at March 31, 2024, the Company had a working capital of Rs. 41,094.96 Lakhs including cash and cash equivalents of Rs.20,381.03 Lakhs. As at March 31, 2023, the Company had a working capital of Rs. 29,504.04 lakhs including cash and cash equivalents of Rs. 17,993.47 Lakhs.

**b) Maturities of financial liabilities**

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

| Particulars | 31st March, 2024 | | 31st March, 2023 | |
|---|---|---|---|---|
| | Less than 1 Year | 1-5 Years | Less than 1 Year | 1-5 Years |
| **Financial liabilities** | | | | |
| Trade payables | 18,910.68 | | 16,496.50 | - |
| Trade Security Deposits | 302.23 | | 292.43 | |
| Unpaid Dividend | 9.10 | | 9.18 | |
| Creditors for Capital Expenditure | 409.93 | | 242.36 | - |
| Payable to employees | 1,144.64 | | 977.09 | |
| Other Payable (includes accrued expense/liabilities) | 1,255.50 | | 1,033.68 | |
| Lease Liabilities | 102.34 | | 71.28 | - |
| | **22,134.42** | - | 19,122.52 | - |

**c) Maturities of financial assets**

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

| Particulars | 31st March, 2024 | | 31st March, 2023 | |
|---|---|---|---|---|
| | Less than 1 Year | 1-5 Years | Less than 1 Year | 1-5 Years |
| Non-derivative Financial assets | | | | |
| Trade receivables | 19,379.07 | - | 14,080.24 | - |
| Loan to employees | 64.07 | 35.28 | 63.82 | 94.31 |
| Security Deposit | - | 1,066.70 | - | 1,044.00 |
| Other Financial Assets | 751.61 | 133.70 | 704.22 | 87.61 |
| Insurance Claim Recoverable | 4,914.08 | - | - | - |
| Other Bank Balance | 9.10 | | 10.58 | - |
| Cash & Cash Equivalents | 20,381.03 | | 17,993.47 | - |
| Investment in Joint Ventures, Subsidiaries & Others | - | 478.51 | - | 478.51 |
| | **45,498.96** | **1,714.19** | **32,852.33** | **1,704.43** |

**iv) Market Risk**

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

**a) Foreign Currency exchange rate risk**

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

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on foreign currency exposures that are not hedged by derivative instruments is as follows.

(Amount Rs in Lakhs)

| | Particulars | | As at 31st March, 2024 | | As at 31st March, 2023 | |
|---|---|---|---|---|---|---|
| (a) | Foreign Currency exposures that are not hedged by derivative instruments | Currency | Foreign Currency | Rupees | Foreign Currency | Rupees |
| | (a) Trade payables and creditor for capital expenditure | USD | 44.51 | 3,711.23 | 48.06 | 3,951.56 |
| | (including accrued expense) | EURO | - | - | - | - |
| | | JPY | 697.76 | 384.40 | 289.66 | 179.01 |
| | | AUD | 0.78 | 43.00 | 0.55 | 30.47 |
| | | GBP | - | - | - | - |
| | | | | **4,138.63** | | 4,161.04 |
| | (b) Trade receivables & cash and cash equivalents | USD | 8.16 | 680.20 | 23.50 | 1,932.31 |
| | | EURO | 0.15 | 13.69 | 0.65 | 58.44 |
| | | JPY | 13.55 | 7.47 | - | - |
| | | AUD | - | - | - | - |
| | | GBP | 0.04 | 3.81 | 0.08 | 8.12 |
| | | | | **705.18** | | 1,998.88 |
| | Total (a-b) | USD | 36.35 | 3,031.03 | 24.56 | 2,019.25 |
| | | EURO | (0.15) | (13.69) | (0.65) | (58.44) |
| | | JPY | 684.21 | 376.93 | 289.66 | 179.01 |
| | | AUD | 0.78 | 43.00 | 0.55 | 30.47 |
| | | GBP | (0.04) | (3.81) | (0.08) | (8.12) |
| | | Total (Net) | | **3,433.45** | | 2,162.16 |

**Foreign Currency Sensitivity**

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

| Particulars | As At 31st March, 2024 | | | As At 31st March, 2023 | | |
|---|---|---|---|---|---|---|
| | Currency | Change in rate | Effect on pre-tax equity | Currency | Change in rate | Effect on pre-tax equity |
| | USD | 10.00% | 303.10 | USD | 10.00% | 201.92 |
| | USD | -10.00% | (303.10) | USD | -10.00% | (201.92) |
| | EURO | 10.00% | (1.37) | EURO | 10.00% | (5.84) |
| | EURO | -10.00% | 1.37 | EURO | -10.00% | 5.84 |
| | JPY | 10.00% | 37.69 | JPY | 10.00% | 17.90 |
| | JPY | -10.00% | (37.69) | JPY | -10.00% | (17.90) |

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

# Notes on Financial Statements for the year ended 31.03.2024

**b) Interest rate risk** (Amount Rs in Lakhs)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash credit/working capital loans. The Company has no long term/short term outstanding borrowings as at 31 March, 2024.

The company had access to the following undrawn borrowing facilities at the end of the reporting periods. The bank overdraft facilities may be drawn at any time by the Company.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Cash credit limit | **11,500.00** | 11,500.00 |
| (ii) Long-term loans | - | - |

**Interest rate sensitivity**

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Increase by 1.00% | - | - |
| Decrease by 1.00% | - | - |

**c) Commodity price risk**

Movement in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation/adjustment of prices on the basis of changes in commodity prices.

## 45 Research and Development Expenses

The Company has incurred following expenses on its research, development and design activities.

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **Capital Expenditure** | | |
| Capital Expenditure | 454.66 | 255.20 |
| **Total (A)** | **454.66** | 255.20 |
| Revenue Expenditure | | |
| Employee Benefits | 1,042.01 | 1,008.84 |
| Design Charges | 1,128.76 | 763.73 |
| Other Expenses | 98.75 | 63.64 |
| Depreciation & Amortization | 64.79 | 39.21 |
| **Total (B)** | **2,334.31** | 1,875.42 |
| **Grand Total (A+B)** | **2,788.97** | 2,130.62 |

## 46 Corporate Social Responsibility (CSR) Expenditure

As required by section 135 of the Companies Act, 2013, CSR committee has been formed by the company. The company has formed Fiem Foundation Trust as on dated 2nd March, 2015 with an object to undertake CSR projects, programs and activities in India as listed under Schedule VII of the Act. The company has no outstanding commitment as at March 31, 2024 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| (a) Amount required to be spent by the company during the year | 261.66 | 189.24 |
| (b) Amount of expenditure incurred on: | | |
| (i) Construction/acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 262.44 | 191.74 |
| (including unutilised amount for ongoing projects of Rs. Nil lakhs (previous year 1.40 lakhs as on 31/03/23) | | |
| | 262.44 | 191.74 |
| **Excess (Short) Amount Spent** | 0.78 | 2.50 |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

| Details of Unspent CSR amount for the preceding financial year | | |
|---|---|---|
| **Particulars** | **2023-24** | **2022-23** |
| Amount transferred to unspent CSR account under section 135 (6) | - | 14.33 |
| Amount spent in the preceding financial year-2022-23 | - | 12.93 |
| Amount remaining to be spent in succeeding financial years | - | 1.40 |

| **List of Nature of CSR Activities** |
|---|
| (i) Health Care-Financial Aid to Needy Patients |
| (ii) Health Care-Medical Support Initiatives |
| (ii) Armed Forces Veterans Support |
| (iv) Woman Empowerment/Health Care-Sanitary Pad Projects |

## 47 Joint Venture Company

| | |
|---|---|
| **1. Centro Ricerche Fiem Horustech SRL** | |
| Description of Interest | Joint Venture |
| Country of Incorporation | Italy |
| Proportion of Ownership Interest | 50% |
| **2. Fiem Kyowa (HK) Mould Company Ltd** | |
| Description of Interest | Joint Venture |
| Country of Incorporation | Hong Kong |
| Proportion of Ownership Interest | 50% |

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

| Particulars | Centro Ricerche Fiem Horustech SRL | | Fiem Kyowa (HK) Mould Company Ltd | |
|---|---|---|---|---|
| | Year ended 31/03/24 | Year ended 31/03/23 | Year ended 31/03/24 | Year ended 31/03/23 |
| Non Current Assets | | - | | |
| Current Assets | **25.64** | 27.00 | **15.80** | 20.06 |
| Non Current Liabilities | | - | | |
| Current Liabilities | **18.91** | 11.96 | **5.52** | 5.57 |
| Revenue (total Income) | **-** | - | **25.23** | 29.95 |
| Expenses | **8.41** | 1.50 | **28.23** | 32.95 |
| Profit or (loss) from continuing operations | | - | **(3.00)** | (3.00) |
| Post-tax profit or (loss) from discontinuing operations | **(8.41)** | (1.50) | | |
| Other comprehensive income (Loss) | | | | |
| Total comprehensive income (Loss) | **(8.41)** | (1.50) | **(3.00)** | (3.00) |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 48 Disclosure required by Ind AS 115

(i) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 21 to the standalone financial statements. Further, the revenue is disclosed in the said note is net of Rs. 1001.99 lakhs (previous year Rs. 726.52 lakhs) representing discount to customers. The following table provides further information as required by Ind AS 115.

| Reconciliation of Revenue from sale of products with the contracted price | 2023-24 | 2022-23 |
|---|---|---|
| Contracted Price | 2,02,438.77 | 1,84,130.78 |
| Less: Trade discounts, cash discount, volume rebates, etc. | 1,001.99 | 726.52 |
| Sale of Products | **2,01,436.78** | 1,83,404.26 |

## 49 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

**(i) Title Deed of the Immovable Properties**

The title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except a piece of land (area approx.. 1913 sqm) adjacent to unit-9 at Karsanpura, Gujarat, purchased for Rs. 18.23 Lakhs from other company. The seller company require permission from the state government for registration of sale deed, which is already applied by seller company. However, the permission could not be obtained during the year under reporting. The Company is regularly following-up with the seller company for getting the registration.

**(ii) Investment Property**

The Company does not have any investment property.

**(iii) Revaluation of Property Plant and Equipment & Intangible Assets**

As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

**(iv) Disclosure on Loan Given to Specified Persons (Promotors, Directors, KMPs and their Related Parties)**

The Company had given home loan of Rs. 50.00 Lakhs at interest rate of 8.00% p.a (fixed) to joint managing director (Mr. Rajesh Sharma), which was repayable in 60 equal monthly instalment of Rs.1.05 lakhs each. Rajesh Sharma has re-paid entire home loan outstanding during the year. The amount outstanding and percentage of total loan is as below.

| | As At March 31,2024 | | As At March 31,2023 | |
|---|---|---|---|---|
| **Name of Employee** | **Amount Outstanding** | **% of Total Loan** | Amount Outstanding | % of Total Loan |
| Mr Rajesh Sharma-Joint Managing Director | - | 0% | 49.07 | 31% |
| Total Loan to Employees (Non current & current) | **99.35** | | 158.13 | |

**(v) Detail of Benami Property held.**

No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(vi) Borrowings obtained on the basis of Current Assets**

There are no drawn borrowings from banks. However, the Company has sanctioned facilities from banks on the basis of security of current assets (trade receivables and inventory). The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

**(vii) Disclosure Related to Wilful Defaulter against Borrowings**

The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

(Amount Rs in Lakhs)

**(viii) Disclosure of Transactions with Struck Off Companies**

There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended March 31, 2024.

**(ix) Disclosure of Registration of Charges or Satisfaction with ROC**

All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended March 31, 2024.

**(x) Compliance with Number of Layers of Companies**

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**(xi) Compliance with Approved Scheme's of Arrangement**

No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

**(xii) Utilisation of Borrowed Fund and Share Premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

**(xiii)** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**(xiv) Details of Crypto Currency or Virtual Currency**

The Company has not operated in any crypto currency or Virtual Currency transactions.

**(xv) Disclosure in relation to Undisclosed Income**

During the year, the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly there are no transaction which are not recorded in the books of accounts.

## 50 Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and as at March 31, 2023 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | 1,847.06 | 1,578.02 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

# Notes on Financial Statements for the year ended 31.03.2024

(Amount Rs in Lakhs)

## 51 KEY FINANCIAL RATIOS

| Particulars | Numerator | Denominator | | Current year FY 23-24 | Previous Year FY 22-23 | Variance | Reason for Variance if More than 25% (+/-) |
|---|---|---|---|---|---|---|---|
| 1. Current Ratio | Current assets | Current liabilities | Times | 2.47 | 2.27 | 8.93% | |
| 2. Debt Equity Ratio | Total debt | Equity | Times | NA | NA | NA | |
| 3. Debt Equity Service Coverage Ratio | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. | Debt service = Interest & Lease Payments + Principal Repayments | Times | NA | 7.55 | NA | |
| 4. Return on Equity | Net Profits after taxes – Preference Dividend (if any) | Average Shareholder's Equity | % | 20.16% | 19.85% | 1.59% | |
| 5. Inventory Turnover Ratio | Net sales | Avg Inventory | Times | 10.60 | 10.18 | 4.16% | |
| 6. Trade receivable Turnover Ratio | Net sales | Avg trade receivables | Times | 12.04 | 11.63 | 3.53% | |
| 7. Trade payable Turnover Ratio | Total purchases | Avg trade payables | Times | 7.17 | 5.27 | 36.12% | Lower Avg Trade payable due to timely payments to vendor resulting in Higher ratio |
| 8. Net Capital Turnover Ratio | Net sales | Working Capital ( current assets Less current liabilities) | Times | 4.90 | 6.22 | -21.15% | |
| 9. Net Profit Ratio | Net profit | Net sales | % | 8.23% | 7.61% | 8.14% | |
| 10. Return on Capital employed | Earning Before Interest and Tax (EBIT) | (Tangible Net Worth + Total Debt + Deferred Tax Liability) | % | 24.96% | 25.08% | -0.47% | |
| 11. Return on Investment | Income generated from invested funds | Average Income generated from invested funds | % | 6.94% | 6.63% | 4.66% | |

# Notes on Financial Statements for the year ended 31.03.2024

## 52 Dividend on Equity Share

(Amount Rs in Lakhs)

**(a)** Dividend on Equity Shares paid during the year

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Final dividend for the FY 2022-23 [Rs. 30 (Previous Year Rs. 20) per equity share of Rs. 10 each] | 3,947.95 | 2,631.96 |
| **Total** | 3,947.95 | 2,631.96 |

**(b)** Proposed Dividend

The Board of Directors in their meeting held on May 21,2024, have recommended a Final dividend of Rs 20 per share i.e. @ 200% of Nominal Value of Rs 10 each on 2,63,19,660 equity share of the company for F.Y. 2023-24 amounting to Rs 5263.93 lakhs (Previous year Rs 30 per share on 1,31,59,830 equity shares amounting to Rs 3947.95 Lakhs). The final dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and hence is not recognised as a liability.

## 53 Fire Incident

Part of one building of Unit-7 situated at Plot No. 1915, Phase -V, Rai Industrial Estate, Sonipat-131029 (Haryana) caught fire on June 13, 2023 around noon. There were no human casualties reported. The carrying value of inventories of Rs 2583.74 Lakhs (including GST reversals) and carrying value of property plant and equipment of Rs 2456.79 Lakhs are written off in the statement of profit and loss. The company has a valid insurance policy which adequately covers the losses for the inventories and reinstatement value of property plant and equipment. The recoverable amount pertaining to the loss of the inventory as stated above and loss to the extent of carrying amount of the property plant and equipment have been shown as receivable. An estimated claim of Rs.11270.00 Lakhs on the Reinstatement Value basis ( including contingencies value upto 5% ) had been submitted to insurer on October 13, 2023. The loss is under evaluation by the surveyor and the outcome of the claim is subject to final assessment by the insurer in due course of time. The final entries would be recorded in the books of accounts on the finalization of the claim by the insurer.

## 54

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to the effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 55 Audit Trail

In the SAP, audit trail at transaction level on application layer has an embedded audit trail in sub-ledger accounting tables which creates unique events for every transaction along with dates of creating and updating transactions with the identity of users. General ledger journals are not allowed to be modified after posting and the date and creator of journals are tracked. This feature cannot be disabled.

## 56

Previous year's figures have been regrouped/reclassified wherever necessary.The figures are rounded off to nearest rupees in lakhs unless otherwise stated.

**For and on behalf of the Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

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

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

# CONSOLIDATED
# FINANCIAL STATEMENTS

# Independent Auditor's Report

To the Members of
**Fiem Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Fiem Industries Limited (hereinafter referred to as the 'Holding Company") its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2024, and the consolidated statement of profit and loss( including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (hereinafter referred to as "the consolidated financial statements" or " financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2024, of consolidated profits and Consolidated total comprehensive income , consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

| SN | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Accounting for insurance claim recoverable on account of the fire accident**<br><br>Refer Note 51 to the consolidated financial statements. On June 13, 2023, a fire broke out at part of one building at Rai Unit, Haryana which caused damage to the property, plant and equipment and inventories. As stated in the said note, the Company is insured for fire incidents including for damage to its property, plant and equipment, inventories. The Company has submitted its claim to the insurance company and the amount of loss under the policy is being evaluated by the surveyor. The determination of the loss and the amount of insurance claim recoverable involves significant management judgement considering the nature and quantitative significance of the amounts involved. | We have performed the following principal audit procedures including:<br><br>Obtaining and examining the list of assets and inventories destroyed during the fire incident. Visiting the plant location to physically observe the damage to the property, plant and equipment and inventories. Assessing completeness and accuracy of the insurance claim by comparing the list of assets and inventories damaged with the respective registers maintained in the Company's SAP system. Verifying the Company's insurance policy and underlying documents to ascertain validity, adequacy and coverage of the claim submitted. Verifying the Company's claim with the insurance company and also inspecting the correspondences with the insurance company / surveyors with respect to the status of the claim including its admissibility.<br><br>Verifying the Management's judgement to estimate the amount accounted as recoverable from the insurance company in accordance with its accounting policy. Assessing the appropriateness of the presentation and disclosures made in relation to the related insurance claim receivable in the financial statements. |

| | | |
|---|---|---|
| 2 | **Revenue Recognition for sale of goods**<br>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer.<br>The performance obligations in the contracts are<br>fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms and conditions. Revenue is measured at fair value of the consideration | **Our audit procedures included the following**<br>• Evaluating the company's accounting Policies in relation of the revenue recognition in terms of Ind AS 115- Revenue from Contracts with Customers.<br>• Evaluating the design and implementation and testing operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems including controls over rebates agreements / arrangements, rebate payments / settlements and Company's review over the rebate accruals.<br>• Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents.<br>• Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments.<br>• Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period. |

**Other information**

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

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

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

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

## Other Matters

a) We did not audit the financial statement of two overseas 50:50 Joint Venture, Centro Ricerche Fiem Horustech Srl (CRFH) and Fiem Kyowa (HK) Mould Company Limited, whose Net loss of Rs 8.42 lakhs and Rs 3.00 lakhs respectively for the year ended 31st March 2024, are included in the accompanying consolidated financial statements, Such financial information have not been audited and have been approved by the Board of directors of the respective Companies. The management of the company has converted these financial statements as per Ind As and other accounting principle generally accepted in India, and certified these financial statements for the purpose of preparation of consolidated financial statement. Our report, in so far as it relates to these jointly controlled entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group

Our opinion on the Consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

## Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

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

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2024 taken on record by the Board of Directors of the Company, none of the directors of the Group companies, is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B and

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31(A) to the consolidated financial statements.

2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

4) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

5) As stated in Note 50 to the consolidated financial statements

(i) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(ii) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

6) Based on our examination, which included test checks, the holding company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording

audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

D. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159
UDIN 24083159BKCOHL2878

Place: Rai, Sonepat (HR.)
Dated: 21/05/2024

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

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

### Opinion

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2024, We have audited the internal financial controls over financial reporting of FIEM INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company")

2. There is no subsidiary company or jointly controlled company, which are companies Incorporated in India as of 31.03.24, therefore reporting on internal financial controls over financial reporting is given only in respect of the Holding Company.

3. In our opinion the Holding Company, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159
UDIN 24083159BKCOHL2878

Place: Rai, Sonepat (HR.)
Dated: 21/05/2024

# Consolidated Balance Sheet as at 31.03.2024

(Amount Rs in Lakhs)

| Particulars | Note No. | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **1 NON CURRENT ASSETS** | | | | | |
| (a) Property, plant and equipment | 2 | 46,399.03 | | 46,092.63 | |
| (b) Capital work-in-progress | 2 | 530.87 | | 534.61 | |
| (c) Right-of-use assets | 3 | 2,944.56 | | 3,092.02 | |
| (d) Intangible assets | 4 | 240.76 | | 177.31 | |
| (e) Investment accounted for using equity method | 5 | 11.53 | | 22.94 | |
| (f) Financial Assets | | | | | |
| (i) Investments | 5 | 2.00 | | 2.00 | |
| (ii) Trade receivables | 6 | - | | - | |
| (iii) Loans | 7 | 35.28 | | 94.31 | |
| (iv) Other Financial Assets | 8 | 1,214.74 | | 1,147.08 | |
| (g) Income tax assets (net) | | 452.12 | | 222.15 | |
| (h) Other non-current assets | 9 | 658.26 | | 718.11 | |
| **Total Non Current Assets** | | | **52,489.16** | | **52,103.16** |
| **2 CURRENT ASSETS** | | | | | |
| (a) Inventories | 10 | 20,435.91 | | 17,569.84 | |
| (b) Financial Assets | | | | | |
| (i) Investments | | - | | - | |
| (ii) Trade receivables | 6 | 19,373.16 | | 14,080.24 | |
| (iii) Cash and cash equivalents | 11 | 20,602.63 | | 18,301.69 | |
| (iv) Bank balances other than (iii) above | 12 | 9.10 | | 10.58 | |
| (v) Loans | 7 | 64.07 | | 63.82 | |
| (vi) Other Financial Assets | 8 | 5,667.02 | | 704.71 | |
| (c) Current tax assets | | 16.45 | | - | |
| (d) Other current assets | 9 | 3,187.83 | | 2,468.44 | |
| **Total Current Assets** | | | **69,356.17** | | **53,199.32** |
| **TOTAL ASSETS** | | | **1,21,845.33** | | **1,05,302.48** |
| **EQUITY AND LIABILITIES** | | | | | |
| **1 EQUITY** | | | | | |
| (a) Equity Share Capital | 13 | 2,631.97 | | 1,315.98 | |
| (b) Other Equity | 14 | 86,059.70 | | 74,800.56 | |
| Total Equity | | | **88,691.67** | | **76,116.54** |
| **2 LIABILITIES** | | | | | |
| **NON CURRENT LIABILITIES** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | | - | | - | |
| (ia) Lease liabilities | 35 | 2,209.11 | | 2,311.45 | |
| (ii) Trade payables | | - | | - | |
| (iii) Other financial liabilities | | - | | - | |
| (b) Provisions | 15 | 653.96 | | 1,316.83 | |
| (c) Deferred tax liabilities (Net) | 34 | 2,155.13 | | 2,220.37 | |
| (d) Other non-current liabilities | | - | | - | |
| **Total Non Current Liabilities** | | | **5,018.20** | | **5,848.65** |
| **CURRENT LIABILITIES** | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 16 | - | | - | |
| (ia) Lease liabilities | 35 | 102.34 | | 71.28 | |
| (ii) Trade payables | | | | | |
| -Total outstanding dues of micro and small enterprises | 17 | 1,847.06 | | 1,578.02 | |
| -Total outstanding dues of creditors other than micro and small enterprises | 17 | 17,156.11 | | 14,935.82 | |
| | | 19,003.17 | | 16,513.84 | |
| (iii)Other financial liabilities | 18 | 3,201.29 | | 2,580.91 | |
| (b) Other current liabilities | 19 | 4,870.66 | | 3,172.91 | |
| (c) Provisions | 15 | 928.00 | | 995.04 | |
| (d) Current Tax Liabilities (Net) | 20 | 30.00 | | 3.30 | |
| **Total Current Liabilities** | | | **28,135.46** | | **23,337.29** |
| **TOTAL LIABILITIES** | | | **33,153.66** | | **29,185.94** |
| **TOTAL EQUITY AND LIABILITIES** | | | **1,21,845.33** | | **1,05,302.48** |

Material 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**
**Chartered Accountants**
Firm Registration Number -004061N

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** | **(Anil Kumar Gupta)** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary | Partner |
| | | | | Membership No.:-083159 |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Consolidated Statement of Profit and Loss for the year ended 31.03.2024

(Amount Rs in Lakhs)

| | Particulars | Note No. | CURRENT YEAR FY 2023-24 | | PREVIOUS YEAR F.Y. 2022-23 | |
|---|---|---|---|---|---|---|
| | **INCOME** | | | | | |
| | **Revenue From Operations** | | | | | |
| | a) Net Sales | 21 | 2,01,528.53 | | 1,83,404.26 | |
| | b) Other Operating Income | 22 | 1,349.53 | | 1,401.73 | |
| I | Revenue from Operations (a+b) | | | 2,02,878.06 | | 1,84,805.99 |
| II | Other Income | 23 | | 1,596.72 | | 1,080.34 |
| III | **TOTAL INCOME (I+II)** | | | **2,04,474.78** | | **1,85,886.33** |
| IV | **EXPENSES** | | | | | |
| a) | Cost of Raw Materials and Components Consumed | 24 | | 1,24,277.98 | | 1,11,946.03 |
| b) | Purchase of Stock-in-Trade | 25 | | 651.00 | | 808.43 |
| c) | Changes in Inventories of Finished Goods, Work in progress and Stock in trade | 26 | | (663.49) | | 388.86 |
| d) | Employees benefits expenses | 27 | | 29,083.23 | | 24,106.58 |
| e) | Finance costs | 28 | | 293.83 | | 743.07 |
| f) | Depreciation and amortization expense | 29 | | 5,865.21 | | 6,339.02 |
| g) | Other expenses | 30 | | 22,660.90 | | 22,692.53 |
| | **TOTAL EXPENSES** | | | **1,82,168.66** | | **1,67,024.52** |
| V | **PROFIT BEFORE TAX ( III-IV )** | | | **22,306.12** | | **18,861.81** |
| VI | **TAX EXPENSES** | | | | | |
| | a) Current Tax Expense | | 5,807.10 | | 5,829.04 | |
| | b) (Excess)/Short Tax provision for earlier years | | (17.67) | | 83.22 | |
| | c) Deferred Tax Liability/ (Assets) | | (65.24) | | (1,038.13) | |
| | | | | 5,724.19 | | 4,874.13 |
| VII | **PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (V-VI)** | | | **16,581.93** | | **13,987.68** |
| VIII | **ADD:- SHARE OF PROFIT/(LOSS) OF ASSOCIATES** | | | **(11.42)** | | **(4.50)** |
| IX | **PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT OF ASSOCIATE (VII+VIII)** | | | **16,570.51** | | **13,983.18** |
| X | **OTHER COMPREHENSIVE INCOME/(LOSS)** | | | | | |
| | A) Items that will not be reclassified subsequently to the statement of profit and loss | | | | | |
| | (i) Remeasurement of Defined Benefit Plans | | (50.06) | | (171.00) | |
| | (ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss | | 12.60 | | 43.04 | |
| | | | **(37.46)** | | (127.96) | |
| | B) Items that will be reclassified subsequently to the statement of profit and loss | | - | | - | |
| | **TOTAL OTHER COMPREHENSIVE INCOME ( NET OF TAX)** | | | **(37.46)** | | **(127.96)** |
| XI | **TOTAL COMPREHENSIVE INCOME ( NET OF TAX) (IX+X)** | | | **16,533.05** | | **13,855.22** |
| | Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share) | 38 | | **62.96** | | **53.13** |

Material 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**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

As per our report of even date
for **Anil S. Gupta & Associates**
**Chartered Accountants**
Firm Registration Number -004061N
Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

# Consolidated Statement of Changes In Equity for the year ended 31.03.2024

(Amount Rs in Lakhs)

| Particulars | Note No. | Number of shares | (Amount Rs in Lakhs |
|---|---|---|---|
| **A Equity Share Capital** | | | |
| **Balance as at 1st April 2022** | | 1,31,59,830 | 1,315.98 |
| **Change in equity share capital due to prior period errors** | | - | - |
| Restated balance at the beginning of the reporting period | | - | - |
| Changes in equity share capital during the year | | - | - |
| Balance as at 1st April 2023 | | 1,31,59,830 | 1,315.98 |
| **Change in equity share capital due to prior period errors** | | - | - |
| Restated balance at the beginning of the reporting period | | - | - |
| Add bonus shares issued during the year | | 1,31,59,830 | 1,315.98 |
| **Balance as at 31st March 2024** | **13** | **2,63,19,660** | **2,631.97** |

**B Other Equity**

| Particulars | Note No. | Securities Premium Reserve | General Reserve | Translation reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| **Balance as at 1st April 2022** | | 16,722.77 | 6,140.00 | 20.56 | 40,023.88 | 62,907.21 |
| Changes in Accounting policy or prior period errors | | - | - | - | - | - |
| Restated Balance as at 1st April 2022 | | **16,722.77** | **6,140.00** | **20.56** | **40,023.88** | **62,907.21** |
| Addition during the year | | | | | | |
| 1) Profit for the year | | | | | 13,983.18 | 13,983.18 |
| 2) Remeasurement of Defined Benefit Plans ( Net of tax) | | | | | (127.96) | (127.96) |
| 3) Effect of Jv exit | | | | | 643.18 | 643.18 |
| 4) Exchange Difference on translation | | | | 26.93 | | 26.92 |
| Deduction during the year | | | | | | |
| 1) Transfer to General Reserve | | | 1,400.00 | | (1,400.00) | - |
| 2) Dividend Paid (Rs 20 per share) | | | | | (2,631.97) | (2,631.97) |
| **Balance as at 1st April 2023** | | 16,722.77 | 7,540.00 | 47.49 | 50,490.31 | **74,800.57** |
| Changes in Accounting policy or prior period errors | | - | - | - | - | - |
| Restated Balance as at 1st April 2023 | | **16,722.77** | **7,540.00** | **47.49** | **50,490.31** | **74,800.57** |
| Addition during the year | | | | | | |
| 1) Profit for the year | | | | | 16,570.51 | 16,570.51 |
| 2) Remeasurement of Defined Benefit Plans ( Net of tax) | | | | | (37.46) | (37.46) |
| 3) Exchange Difference on translation | | | | (10.00) | | (10.00) |
| Deduction during the year | | | | | | |
| 1) Utilization for Bonus shares issue | | (1,315.98) | | | | (1,315.98) |
| 2) Transfer to General Reserve | | | 1,700.00 | | (1,700.00) | - |
| 3) Dividend Paid (Rs 30 per share) | | | | | (3,947.95) | (3,947.95) |
| **Balance as at 31st March 2024** | 14 | **15,406.79** | **9,240.00** | **37.49** | **61,375.42** | **86,059.70** |

Material 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**
**Chartered Accountants**
Firm Registration Number -004061N

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** | **(Anil Kumar Gupta)** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary | Partner |
| | | | | Membership No.:-083159 |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Consolidated Cash Flow Statement as at 31.03.2024

(Amount Rs in Lakhs)

| | PARTICULARS | Year ended 31st March, 2024 | Year ended 31st March, 2023 |
|---|---|---|---|
| | **Cash flow from Operating Activities:** | | |
| | **Profit (Loss) Before Tax** | 22,306.12 | 18,861.81 |
| | Adjustments for: | | |
| | Depreciation & amortisation expense | 5,865.21 | 6,339.02 |
| | Net loss (gain) on sale of property plant and equipment | (14.61) | (9.66) |
| | Loss on discarded of property plant and equipment | 92.62 | 90.33 |
| | Unrealised foreign exchange (gain)/Loss | (54.89) | (59.99) |
| | Provision (Reversal) for bad and doubtful debt | (23.91) | 633.98 |
| | Provision for doubtful advances | - | 40.05 |
| | Provision (Reversal/utilisation) for Warranties | (931.60) | 1,180.00 |
| | Bad debts written-off | 15.64 | 37.09 |
| | Finance costs | 293.83 | 743.07 |
| | Interest Income on fixed deposits, Mutual fund and others deposits | (1,517.77) | (1,051.53) |
| | **Operating Profit (Loss) before Working Capital changes** | **26,030.65** | **26,804.17** |
| | **Adjustment for changes in Working Capital:** | | |
| | Decrease/(Increase) in loans (non-current) | 59.03 | (38.21) |
| | Decrease/(Increase) in other financial assets (non-current) | (67.66) | (185.34) |
| | Decrease/(Increase) in other non-current assets | (7.86) | 59.46 |
| | Decrease/(Increase) in inventories | (2,866.07) | 903.95 |
| | Decrease/(Increase) in trade receivables | (5,245.23) | 2,725.60 |
| | Decrease/(Increase) in trade receivables (non-current) | - | 192.67 |
| | Decrease/(Increase) in loans (current) | (0.25) | (7.43) |
| | Decrease/(Increase) in other financial assets (current) | (2,505.52) | (610.98) |
| | Decrease/(Increase) in other current assets | (719.40) | (1,069.03) |
| | (Decrease)/Increase in non-current provisions | 67.94 | 79.48 |
| | (Decrease)/Increase in trade payables | 2,504.81 | (9,553.32) |
| | (Decrease)/Increase in other financial liabilities (current) | 452.81 | 102.12 |
| | (Decrease)/Increase in current provisions | 83.68 | (170.41) |
| | (Decrease)/Increase in other current liabilities | 1,697.75 | 190.59 |
| | **Cash generated from Operating Activities** | **19,484.67** | **19,423.32** |
| | Income tax paid | (5,996.55) | (6,334.63) |
| | **Net cash from/(used in) Operating Activities (A)** | **13,488.12** | **13,088.69** |
| B | **Cash flow from Investing Activities:** | | |
| | Payments for purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances | (8,428.99) | (5,517.17) |
| | Proceeds from sales of property, plant and equipment | 45.62 | 28.01 |
| | Exit from Joint Venture (JV) | - | 2,600.00 |
| | Maturity from (Investment in) Liquid Mutual Fund | - | 5,689.40 |
| | Maturity from (Investment in) other bank balance | 1.48 | (1.47) |
| | Interest Income on fixed deposits, Mutual fund and others deposits | 1,517.77 | 1,051.53 |
| | **Net cash from/(used in) Investing Activities (B)** | **(6,864.12)** | **3,850.30** |
| C | **Cash flow from Financing Activities:** | | |
| | Repayment of long term borrowings | - | (2,049.21) |
| | Finance cost paid other than finance lease | (150.87) | (599.84) |
| | Payment of Final dividend on equity shares | (3,947.95) | (2,631.97) |
| | Payment of finance lease | (214.25) | (214.25) |
| | **Net cash from/(used in) Financing Activities ( C )** | **(4,313.07)** | **(5,495.27)** |

# Consolidated Cash Flow Statement as at 31.03.2024

(Amount Rs in Lakhs)

| | | | |
|---|---|---|---|
| **D** | **Net Increase/(Decrease) in cash & cash equivalents (A+B+C)** | **2,310.93** | **11,443.72** |
| | Add:-Cash and cash equivalents at the beginning of the period | 18,301.69 | 6,831.03 |
| | Exchange difference on traslation (Loss) | (10.00) | 26.94 |
| | Cash and cash equivalents at the end of period | **20,602.63** | **18,301.69** |
| **E** | **Component of cash and cash equivalents** | | |
| | Cash on hand | 39.08 | 34.12 |
| | Balance with Banks: | | |
| | Balance with bank in Cash Credit Account | 775.23 | 398.16 |
| | Deposit with Banks | 19,542.07 | 17,456.80 |
| | Balance with bank in current accounts | 246.24 | 412.60 |
| | **Total cash and cash equivalents** | **20,602.63** | **18,301.69** |

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

Note:2. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure

**For and on behalf of the Board of Directors**

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

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** | **(Anil Kumar Gupta)** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary | Partner |
| | | | | Membership No.:-083159 |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 1. General Information

Fiem Industries Limited ("The Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is D-5, Mansarover Garden, New Delhi-110015. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is in the business of manufacturing and supply of auto components comprising of automotive lighting & signalling equipments, rear-view mirror, prismatic mirror, plastic moulded parts, bank angle sensor, canister and sheet metal components for motorised vehicles, and LED luminaries comprising of indoor and outdoor lighting, display panels and integrated passengers information system.

**Basis of Preparation, Material Accounting Policies and Critical Accounting Estimates and Judgement.**

### (A) Statement of Compliance

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

These consolidated financial statements are approved by the Company's Board of Directors on May 21, 2024.

### (Aa) Accounting Policies Applicable in Consolidated Financial Statement

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

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

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

- assets and liabilities are translated at the closing rate at the date of that Balance Sheet
- income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in statement of profit & loss

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

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

(vi) The company has two wholly owned foreign subsidiary i.e. Fiem Industries Japan Co. Ltd. incorporated in Japan and Fiem Research & Technology SRL incorporated in Italy and two joint venture i.e. Centro Ricerche Fiem Horustech SRL and Fiem Kyowa (HK) Mould Company Limited and which have been considered for consolidation.

### (B) Accounting Convention

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

### (C) Use of Estimates and Judgements

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

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

# Notes to the Consolidated Financial Statements as at 31.03.2024

**Material Estimates and Judgments**

The Areas involving critical estimates or judgement are:-

(i) Defined Benefits Obligation refer note 42

(ii) Estimation of useful life of property plant and equipment (PPE)

(iii) Estimation and evaluation of provisions and contingencies

(iv) Recognition of deferred tax assets and provision for income tax refer note 34

(v) Measurement of lease liabilities and right-of-use assets refer note 35

**Recent Accounting Developments**

Ministry of Corporate Affairs (MCA), notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

**(D) Current-Non Current Classification**

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

**Assets**

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the reporting date; or;

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for a least 12 months after the reporting date

**Liabilities**

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

(a) it is expected to be settled in the Company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the reporting date; or;

(d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**Operating Cycle**

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

**(E) Property, Plant and Equipment**

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

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

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

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

Depreciation is calculated using the straight-line method on a pro-rata basis from the date in which each asset is put to use to allocate their cost, net of their residual values, over their useful life generally in accordance with that provided in the Schedule II to the Act. The estimated useful lives of property, plant and equipment are as follows.

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

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

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

**Capital Work-in-Progress**

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date & expenditure during construction period pending allocation and fixed assets in transit that are not yet received for their intended use at the balance sheet date. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

**Capital Advances**

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

**(F) Intangible Assets**

**Intangible assets acquired separately**

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

**Intangible Assets Under Development**

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

# Notes to the Consolidated Financial Statements as at 31.03.2024

## (G) Financial Instruments

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

**Cash and cash equivalents**

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

**Financial assets:- Initial Recognition and Measurement**

All financial assets are recognized initially at fair value, plus transaction costs that are attributable to the acquisition of the financial asset.

**Financial assets at amortised cost**

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

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss.

**Financial assets at fair value through profit or loss**

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

**Trade Receivables**

Trade receivables are initially recognised at transaction price as they do not contain to a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the company applies lifetime expected credit loss model for measurement of trade receivables.

**Investment in Joint Ventures**

Investment in joint ventures are measured by using equity method. Cost represents amount paid for acquisition of the said investment.

**Financial liabilities**

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

**Equity instruments**

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

**Reclassification of Financial Assets**

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

**Impairment of Financial Assets**

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

(i)financial assets measured at amortised cost (ii) financial assets measured at FVOCI (iii) trade receivables under Ind-As 18

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

**Write-off of Financial Assets**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The management considers internal and external information up to the date of approval of financial results including probability of credit impairment and economic forecast.

**Offsetting of Financial Instruments**

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

**(H) Measurement of Fair Values**

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

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

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

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

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

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

# Notes to the Consolidated Financial Statements as at 31.03.2024

**(I) Inventory**

(i) Raw materials, components, stores and spares are valued at lower of cost or net realizable value. However, raw materials and other supplies held for use in the production of finished products are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. In determining the cost, moving weighted average method is used.

(ii) Semi-finished goods and finished goods are valued lower of cost or net realizable value. Cost includes direct materials and direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(iii) Moulds, block & dies are valued at lower of cost or net realizable value. Manufactured moulds, block & dies include direct material, direct labour and a proportion of manufacturing overhead based on normal operating capacity.

(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.

(viii) The valuation of inventories of raw material & component, traded goods and stores & spares (including packaging material) has been done on the basis of moving weighted average method basis.

**(J) Revenue from contracts with customers**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and scheme offered by the Company as part of the contract. Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party. Amounts disclosed as revenue are net of goods and service tax (GST).

**Sale of Goods**

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

**Sale of Services**

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

**Insurance Claim**

In the case of loss covered by the valid insurance policies, the carrying value of property, plant & equipment and the cost of inventory are written-off in the statement of profit & loss. Simultaneously the recoverable amount pertaining to loss of inventory and loss to the extent of carrying amount of property, plant & equipment are shown as receivable from the insurer.Subsquently the insurance claims lodged with insurance companies will be accounted for on the basis of claim admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Dividend and Interest Income**

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

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

**(K) Government Grants, Subsidies and Export Incentives**

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

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

**(L) Foreign Currency Transactions**

Functional and Presentation Currency

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

**Transactions and balances**

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

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

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

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

**(M) Research and Development**

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

**(N) Employee Benefits**

Short Term Employee Benefits:

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

**Post Employment Benefits:**

Provident Fund & Employee State Insurance

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

**Earned Leave**

Leave encashment is applicable to all permanent and full time employees of the company and is provided for on the basis of actuarial valuation made at the end of each financial year using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of profit or loss in the period in which they arise. Past-service costs are recognised immediately in statement of profit or loss.

# Notes to the Consolidated Financial Statements as at 31.03.2024

**Gratuity**

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

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

**(O) Provisions and Contingent Liabilities**

**Provision**

A provision is recognized when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

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

**Product Warranties**

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes by their associated probabilities. Provisions for warranties are adjusted regularly to take account of new circumstances and the impact of any changes recognised in the statement of profit and loss.

**Contingent Liabilities**

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

**(P) Taxation**

Income Tax expense represent the sum of the tax currently payable and deferred tax

**Current Income Tax**

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

**Deferred Income Tax**

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

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

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

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

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

**Current and Deferred Tax For The Year**

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

**(Q) Borrowing Cost**

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

Borrowing costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

**(R) Impairment**

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

**(S) Cash Flow Statement**

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

**(T) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective. The Company has identified two reportable business segments viz. Automotive and Other Segment comprising LED Luminaries on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems.

# Notes to the Consolidated Financial Statements as at 31.03.2024

**(U) Lease**

The Company has applied Ind AS 116 using modified retrospective approach.

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

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

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

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

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

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

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

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

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

**(V) Dividend on Equity Share**

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

**(W) Corporate Social Responsibility (CSR) Expenditure**

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

**(X) Earnings Per Share**

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

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 2. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. In Lakhs)

| Particulars | Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipment | Electrical Installation | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | | |
| As at 31 March, 2022 | 3,636.63 | 22,402.13 | 56,634.60 | 3,095.19 | 2,004.93 | 660.13 | 2,362.97 | 721.79 | 91,518.37 |
| Additions | - | 308.77 | 3,670.15 | 124.35 | 423.62 | 77.90 | 99.53 | 130.45 | 4,834.76 |
| Disposals/adjustments | - | 72.64 | 1,138.92 | 17.17 | 156.75 | 182.11 | 5.03 | 19.74 | 1,592.35 |
| As at 31 March, 2023 | 3,636.63 | 22,638.26 | 59,165.83 | 3,202.36 | 2,271.79 | 555.92 | 2,457.47 | 832.50 | 94,760.78 |
| Additions | - | 687.07 | 6,308.34 | 303.69 | 617.09 | 144.05 | 108.71 | 313.98 | 8,482.92 |
| Disposals/adjustments | - | 1,269.11 | 4,888.32 | 691.57 | 90.36 | 34.38 | 244.94 | 318.75 | 7,537.43 |
| **As at 31 March, 2024** | **3,636.63** | **22,056.22** | **60,585.85** | **2,814.48** | **2,798.52** | **665.59** | **2,321.24** | **827.73** | **95,706.27** |
| **Depreciation** | | | | | | | | | |
| As at 31 March, 2022 | | 5,691.20 | 32,436.28 | 1,804.56 | 1,399.76 | 519.08 | 1,605.40 | 644.92 | 44,101.19 |
| For the year | | 784.80 | 4,573.97 | 255.11 | 167.76 | 70.88 | 147.81 | 49.34 | 6,049.68 |
| Disposals/adjustments | | 13.89 | 1,120.76 | 13.42 | 138.03 | 172.98 | 4.45 | 19.19 | 1,482.72 |
| As at 31 March, 2023 | - | 6,462.11 | 35,889.49 | 2,046.25 | 1,429.49 | 416.99 | 1,748.75 | 675.07 | 48,668.15 |
| **For the year** | - | 699.47 | 4,277.71 | 150.95 | 187.95 | 51.74 | 129.83 | 98.43 | 5,596.08 |
| Disposals/adjustments | - | 491.88 | 3,364.19 | 493.91 | 61.57 | 30.31 | 228.40 | 286.74 | 4,957.01 |
| **As at 31 March, 2024** | **-** | **6,669.70** | **36,803.01** | **1,703.30** | **1,555.87** | **438.42** | **1,650.19** | **486.75** | **49,307.22** |
| **Net Block** | | | | | | | | | |
| As at 31 March, 2023 | 3,636.63 | 16,176.15 | 23,276.34 | 1,156.11 | 842.30 | 138.93 | 708.72 | 157.43 | 46,092.63 |
| **As at 31 March, 2024** | **3,636.63** | **15,386.52** | **23,782.84** | **1,111.18** | **1,242.65** | **227.16** | **671.05** | **340.98** | **46,399.03** |

1. Gross block to land includes an amount of Rs.18.23 Lakhs for purchase of factory land, the registration of which is still pending in the name of Company
2. Property, plant and equipment amounting to Rs 1889.77 Lakhs (31 March 2023-Rupee 1976.45 Lakhs) have been pledged as security by the Company.

**CAPITAL WORK-IN PROGRESS**

| Particulars | As at 31 March, 2024 | As at 31 March, 2023 |
|---|---|---|
| Building | 416.75 | 85.33 |
| Plant & Equipment | 114.11 | 449.29 |
| **Total** | **530.87** | **534.61** |

| (i) **Ageing of Capital work-progress as at 31.03.2024** | Amount in Capital work-in progress for a period of | | | | |
|---|---|---|---|---|---|
| **Particulars** | **<1year** | **1-2 years** | **2-3 year** | **More than 3 years** | **Total** |
| Building | 416.75 | - | - | - | 416.75 |
| Plant & Equipment (Projects In progress) | 114.11 | | | | 114.11 |
| | | | | | **530.87** |

| (ii) **Ageing of Capital work-progress as at 31.03.2023** | Amount in Capital work-in progress for a period of | | | | |
|---|---|---|---|---|---|
| **Particulars** | **<1year** | **1-2 years** | **2-3 year** | **More than 3 years** | **Total** |
| Building | 85.33 | - | - | - | 85.33 |
| Plant & Equipment (Projects In progress) | 449.29 | | | | 449.29 |
| | | | | | 534.61 |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

| Gross Block | Land | Bulding | Total |
|---|---|---|---|
| As at 31 March, 2022 | 1,843.43 | 2,072.98 | 3,916.41 |
| Additions | - | - | - |
| Disposals/adjustments | - | - | - |
| As at 31 March, 2023 | 1,843.43 | 2,072.98 | 3,916.41 |
| Additions | - | - | - |
| Disposals/adjustments | - | - | - |
| **As at 31 March, 2024** | **1,843.43** | **2,072.98** | **3,916.41** |
| **Depreciation** | | | |
| As at 31 March, 2022 | 287.71 | 388.68 | 676.40 |
| For the year | 18.42 | 129.56 | 147.99 |
| Disposals/adjustments | - | - | - |
| As at 31 March, 2023 | 306.13 | 518.24 | 824.39 |
| For the year | 17.91 | 129.56 | 147.47 |
| Disposals/adjustments | - | - | - |
| **As at 31 March, 2024** | **324.04** | **647.80** | **971.86** |
| **Net Block** | | | |
| As at 31 March, 2023 | 1,537.30 | 1,554.74 | 3,092.02 |
| **As at 31 March, 2024** | **1,519.39** | **1,425.18** | **2,944.56** |

## 4. INTANGIBLE ASSETS

(Amount Rs. In Lakhs)

| Particulars | Computer Software | Total |
|---|---|---|
| Gross Block | | |
| As at 31 March, 2022 | 904.52 | 904.52 |
| Additions | 180.24 | 180.24 |
| Disposals/adjustments | 121.77 | 121.77 |
| As at 31 March, 2023 | 962.99 | 962.99 |
| Additions | 185.55 | 185.55 |
| Disposals/adjustments | 67.23 | 67.23 |
| **As at 31 March, 2024** | **1,081.31** | **1,081.31** |
| As at 31 March, 2022 | 767.46 | 767.46 |
| For the year | 141.37 | 141.37 |
| Disposals/adjustments | 123.14 | 123.14 |
| As at 31 March, 2023 | 785.69 | 785.69 |
| For the year | 121.66 | 121.66 |
| Disposals/adjustments | 66.78 | 66.78 |
| **As at 31 March, 2024** | **840.57** | **840.57** |
| Net Block | | |
| As at 31 March, 2023 | 177.31 | 177.31 |
| **As at 31 March, 2024** | **240.76** | **240.76** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 5 NON - CURRENT INVESTMENTS

(Amount Rs in Lakhs )

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **UNQUOTED EQUITY SHARES** | | | | |
| **1 in Joint Ventures ( JVs) Overseas (at equity method )** | | | | |
| a) **Centro Ricerche FIEM Horustech S.r.l.** | | | | |
| a Limited Liability Company incorporated in Italy on 50:50 JV basis with Horustech Lighting S.r.l. Italy. Total amount invested 0.40 Lakhs Euros. ( Previous Year 0.40 Lakhs Euros) | 4.22 | | 12.64 | |
| b) **Fiem Kyowa (HK) Mould Company Limited** | | | | |
| Company incorporated in Hong Kong on 50:50 basis with Kyowa Co., ltd. Japan. 1,000 fully paid shares ( Previous Year -1000 ) of 100 Hong Kong dollar each | 7.31 | | 10.30 | |
| | | **11.53** | | **22.94** |
| **2 in Others** | | | | |
| **a) M/s Shivalik Solid Waste Management Ltd.** | | | | |
| 20,000 equity shares ( Previous Year 20,000 ) of Rs 10 each fully paid up | 2.00 | | 2.00 | |
| | | **2.00** | | **2.00** |

## 6 TRADE RECEIVABLES (Unsecured but considered Good)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Retention money with Customers | - | - | 153.81 | 307.62 |
| b) Trade receivables | | | | |
| Considered Good | | | 19,219.35 | 13,772.62 |
| Credit Impaired | | | 958.06 | 982.00 |
| Total | - | - | 20,177.41 | 14,754.62 |
| Less:- Allowances for Credit losses | - | - | 958.06 | 982.00 |
| Total | | | 19,219.35 | 13,772.62 |
| **TOTAL** | **-** | **-** | **19,373.16** | **14,080.24** |

## 7 LOANS ( Unsecured but considered Good )

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| **Loan to employees** | 35.28 | 94.31 | 64.07 | 63.82 |
| **TOTAL** | **35.28** | **94.31** | **64.07** | **63.82** |

( Includes Loan to director as on 31.03.24 -Nil , previous year Rs 49.07 Lakhs)

## 8 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

(Amount Rs in Lakhs)

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Security deposit | 1,081.04 | 1,059.47 | 1.33 | 0.49 |
| b) Term deposit held as margin money, with more than 12 months maturity | 133.70 | 87.61 | - | - |
| c) Income accrued on deposits | - | - | 616.56 | 491.31 |
| d) Export Incentive Receivables | - | - | 40.64 | 53.81 |
| e) Insurance Claim recoverable | | | 4,914.08 | |
| f) Other Advances recoverable | - | - | 94.41 | 159.09 |
| **TOTAL** | **1,214.74** | **1,147.08** | **5,667.02** | **704.71** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 9 OTHER ASSETS (Unsecured but Considered Good)

(Amount Rs in Lakhs )

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| a) Capital Advances | 648.59 | 716.30 | - | - |
| **b) Advances other than capital advances** | | | | |
| i) Advances to Suppliers | - | - | 1,540.11 | 1,388.04 |
| Less Provision for doubtful advances | | | (48.15) | (48.15) |
| Net Advances to suppliers | | | 1,491.96 | 1,339.89 |
| ii) Balance with Customs or GST departments | - | - | 756.11 | 774.25 |
| iii) Prepaid Expenses | 9.68 | 1.81 | 939.76 | 354.30 |
| **TOTAL** | **658.26** | **718.11** | **3,187.83** | **2,468.44** |

## 10 INVENTORIES

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

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Raw Materials and Components | 15,768.93 | | 13,698.36 | |
| b) Work in Progress | 1,684.25 | | 1,538.43 | |
| c) Finished Goods | 2,306.30 | | 1,788.63 | |
| d) Stores and Spares ( including Packing Material ) | 676.43 | | 544.42 | |
| | | 20,435.91 | | 17,569.84 |
| **TOTAL** | | **20,435.91** | | **17,569.84** |

## 11 CASH AND CASH EQUIVALENTS

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Balances with Banks in current account | | 246.24 | | 412.60 |
| b) Balances with Banks in Cash Credit Account | | 775.23 | | (1,070.04) |
| c) Balance with bank in deposit accounts* | | 19,542.07 | | 18,925.00 |
| d) Cash on Hand | | 39.08 | | 34.12 |
| **TOTAL** | | **20,602.63** | | **18,301.69** |

*The deposits maintained with banks and comprises time deposits, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

## 12 OTHER BANK BALANCES

(Amount Rs in Lakhs )

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| 1) Unpaid Dividend Account | 9.10 | | 9.18 | |
| 2) Earmarked balance with CSR | - | | 1.40 | |
| **TOTAL** | | **9.10** | | **10.58** |

## 13 EQUITY SHARE CAPITAL

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **Authorised** | | | | |
| As at 31.03.24 - 3,00,00,000 Equity shares ( as at 31.03.23- 3,00,00,000) of Rs 10 each | | 3,000.00 | | 3,000.00 |
| **Issued, Subscribed and Paid-up** | | | | |
| As at 31.03.24 -2,63,19,660 Equity shares ( as at 31.03.23- 1,31,59,830, of Rs. 10/- each fully paid up) | | 2,631.97 | | 1,315.98 |
| **TOTAL** | | **2,631.97** | | **1,315.98** |

**a) Terms/rights attached to equity shares**

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

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

| Name of the Shareholder | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| | No of Shares | % held | No of Shares | % held |
| 1) J.K. Jain | 54,12,000 | 20.56% | 27,06,000 | 20.56% |
| 2) Seema Jain | 54,11,766 | 20.56% | 27,05,883 | 20.56% |
| 3) Rahul Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |
| 4) Aanchal Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |

**c) Reconciliation of Number of Shares**

| Equity shares | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| | No of shares | Amount (In Rs Lakhs) | No of shares | Amount (In Rs Lakhs) |
| Opening Balance | 1,31,59,830 | 1,315.98 | 1,31,59,830 | 1,315.98 |
| Add:- Bonus shares issued during the year | 1,31,59,830 | 1,315.98 | - | - |
| **Closing balance** | **2,63,19,660** | **2,631.97** | **1,31,59,830** | **1,315.98** |

In the meeting held on January 15, 2024, the Board of Directors had recommended the issue of Bonus Shares in the ratio of 1 (one) Bonus equity share of Rs.10 each fully paid-up for every 1 (one) existing equity share of Rs.10 each fully paid-up (in the ratio of 1:1). As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024. Post allotment of Bonus shares, the equity capital of the Company stands at 2,63,19,660 Equity shares of Rs. 10 each

**d) For the period of preceding five years as on the Balance Sheet date**

| | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| | Amount (In Rs Lakhs) | Amount (In Rs Lakhs) |
| a) Aggregate number of shares allotted as fully paid up by way of bonus shares - During FY 2023-24 (in February 2024) in ratio of 1:1 | 1,315.98 | |
| | **1,315.98** | - |

**e) Shareholding of Promotors and Changes Therein**

| Promoter name | AS AT 31.03.2024 | | % change during the year | |
|---|---|---|---|---|
| | No of Shares | % held | changes in no . of shares | % change |
| 1) J.K. Jain | 54,12,000 | 20.56% | 27,06,000 | 20.56% |
| 2) Seema Jain | 54,11,766 | 20.56% | 27,05,883 | 20.56% |
| 3) Rahul Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |
| 4) Aanchal Jain | 32,51,336 | 12.35% | 16,25,668 | 12.35% |
| 5) Jagjeevan Kumar Jain (HUF) | 23,076 | 0.09% | 11,538 | 0.09% |
| 6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited) | 1,68,800 | 0.64% | 84,400 | 0.64% |

change in number of shares is due to issue of bonus issue

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 14 OTHER EQUITY

(Amount Rs in Lakhs)

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **SECURITIES PREMIUM** | | | | |
| As Per Last Balance Sheet | 16,722.77 | | 16,722.77 | |
| Less utilized in bonus issue | (1,315.98) | | - | |
| | | 15,406.79 | | 16,722.77 |
| **GENERAL RESERVE** | | | | |
| As Per Last Balance Sheet | 7,540.00 | | 6,140.00 | |
| Add :- Transferred from Surplus in the statement of Profit and Loss | 1,700.00 | | 1,400.00 | |
| Closing balance | | 9,240.00 | | 7,540.00 |
| **Translation reserve** | | 37.49 | | 47.49 |
| **SURPLUS -OPENING BALANCE** | 50,490.31 | | 40,023.88 | |
| Add:- Profit after tax | 16,570.51 | | 13,983.18 | |
| Add:- Other Comprehensive Income (Loss) | (37.46) | | (127.96) | |
| Effect of JV Exit | - | | 643.18 | |
| Amount Available for Appropriation | 67,023.36 | | 54,522.28 | |
| Less :- Appropriations | | | | |
| i) Final Dividend Paid Rs 30 per share- (Previous Year Rs 20 per share) | 3,947.95 | | 2,631.97 | |
| ii) Transfer to General Reserve | 1,700.00 | | 1,400.00 | |
| | 5,647.95 | | 4,031.97 | |
| **SURPLUS -CLOSING BALANCE** | | 61,375.42 | | 50,490.31 |
| **TOTAL** | | **86,059.70** | | **74,800.56** |

**Description of nature and purpose of each reserve**

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

2 Securities premium account is used to record the premium on issue of equity shares. Utilization of this reserve is governed by the provisions of the Companies Act 2013 and accordingly has been used in current financial year for issuing bonus shares

3 " Translation Reserve :-Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised and separately disclosed in translation reserve."

## 15 PROVISIONS

| PARTICULARS | NON -CURRENT | | CURRENT | |
|---|---|---|---|---|
| | AS AT 31.03.2024 | AS AT 31.03.2023 | AS AT 31.03.2024 | AS AT 31.03.2023 |
| 1 Provision for Retirement Benefits | | | | |
| a) Leave Encashment | 557.64 | 519.97 | 153.76 | 76.71 |
| b) Gratuity | 96.32 | 66.04 | 149.71 | 93.02 |
| 2 Provision for Warranties | - | 730.82 | 624.54 | 825.32 |
| **TOTAL** | **653.96** | **1,316.83** | **928.00** | **995.04** |

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 31.03.24 represents the amount of the expected cost of meeting such obligation of rectification or replacement. The timing of the outflow is expected to be within warranty period.

| PARTICULARS | AS AT 31.03.2024 | AS AT 31.03.2023 |
|---|---|---|
| Opening Balance | 1,556.14 | 376.14 |
| Addition | - | 1,156.14 |
| Utilization /reversal | 931.60 | 376.14 |
| Closing Balance | 624.54 | 1,556.14 |
| Current Portion | 624.54 | 825.32 |
| Non Current Portion | - | 730.82 |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs)

## 16 CURRENT BORROWINGS

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| **SECURED LOANS** | | | | |
| Cash Credit/Working Capital Loans repayable on demand from Banks | | | | |
| Indian Rupee Loan | | | | |
| | | - | | - |

**Security of Cash credit/working capital limit is as below** (Rs in Lakhs)

| | Cash cedit sanctioned | Cash cedit utilized | BG limited sanctioned | BG limited Utilized |
|---|---|---|---|---|
| 1 Citibank | 7,000 | - | 4,000 | 863.20 |
| 2 Standard chartred Bank | 3,000 | - | - | - |
| 3 HDFC Bank | 1,500 | - | 2,500 | 98.03 |
| **Total** | **11,500** | **-** | **6,500** | **961.23** |

a) From Citibank NA :- The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Standard Chartered Bank Cash Credit Loan, HDFC Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Standard Chartered Bank, HDFC Bank,

b) From Standard Chartered Bank :- The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/ Inventories with Citibank Cash Credit Loan, HDFC Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank , HDFC Bank,

c) From HDFC BANK :- . The limit is secured against First Pari Passu Charge on all present and future receivables, stocks/Inventories with Citibank Cash Credit Loan, Standard Chartered Bank Cash Credit Loan and including equitable mortgage charge on first pari passu basis on Land and Building situated at 32nd Milestone, GT Road, Kundli,Haryana and 219/2B,Thally Road Hosur,Tamilnadu with Citibank and Standard Chartered Bank.

## 17 CURRENT TRADE PAYABLES

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| - Micro and Small enterprises | 1,847.06 | | 1,578.02 | |
| -Other than Micro and Small enterprises | 17,156.11 | | 14,935.82 | |
| **TOTAL** | | **19,003.17** | | **16,513.84** |

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,

## 18 OTHER FINANCIAL LIABILITIES- CURRENT

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Trade Security Deposits | | 302.23 | | 292.43 |
| b) Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due)) | | 9.10 | | 9.18 |
| c) Creditors for Capital Expenditure | | 409.93 | | 242.36 |
| d) Payable to employees | | 1,222.29 | | 998.87 |
| e) Other payable (Includes accrued expense/liabilities) | | 1,257.74 | | 1,038.06 |
| **TOTAL** | | **3,201.29** | | **2,580.91** |

## 19 OTHER CURRENT LIABILITIES

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| a) Advances received from Customers | | 3,243.56 | | 1,607.91 |
| b) Statutory Dues payable | | 1,627.09 | | 1,565.00 |
| **TOTAL** | | **4,870.66** | | **3,172.91** |

## 20 CURRENT TAX LIABILITIES ( NET)

| PARTICULARS | AS AT 31.03.2024 | | AS AT 31.03.2023 | |
|---|---|---|---|---|
| Provision for Income tax ( Net of advance tax and Tds) | 30.00 | | 3.30 | |
| | | **30.00** | | **3.30** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 21 NET SALES

(Amount Rs in Lakhs)

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| **Sales of Products** | | | | |
| - Sales of Finished Goods | | | | |
| Automotive Segment | 1,99,979.91 | | 1,81,744.25 | |
| Others Segment comprising LED Luminaries etc. | 762.26 | | 745.65 | |
| | 2,00,742.17 | | 1,82,489.91 | |
| - Sales of Raw material/Traded goods | | | | |
| Automotive Segment | 786.35 | | 914.36 | |
| Others Segment comprising LED Luminaries etc. | - | | - | |
| | 786.35 | | 914.36 | |
| | | **2,01,528.53** | | **1,83,404.26** |

## 22 OTHER OPERATING INCOME

| Particulars | Current Year FY 23-24 | Previous Year FY 22-23 |
|---|---|---|
| 1) Scrap sales | 478.38 | 569.20 |
| 2) Testing, Design and Development charges received | 363.10 | 255.05 |
| 3) Support fee received (Aisan Fiem Automotives India Pvt Ltd) | - | 48.44 |
| 4) Duty Drawback Received | 45.73 | 104.46 |
| 5) Merchandise export and RODTEP Incentive received | 31.21 | 100.60 |
| 6) Rebate and Discount Received | 71.59 | 116.91 |
| 7) Difference in foreign exchange | 318.29 | 145.26 |
| 8) Segregation, Packing and Forwarding charges Received | 41.23 | 61.81 |
| **TOTAL** | **1,349.53** | **1,401.73** |

## 23 OTHER INCOME

| Particulars | Current Year FY 23-24 | Previous Year FY 22-23 |
|---|---|---|
| 1) Interest income on term Deposits and others | 1,517.77 | 820.21 |
| 2) Income from Mutual fund | - | 231.32 |
| 3) Sundry Creditors written back | 47.31 | 8.70 |
| 4) Rental Income received | 1.07 | 1.98 |
| 5) Profit/(Loss) on sale of Property, Plant and Equipment | 14.61 | 9.66 |
| 6) Other Non Operating Income | 15.96 | 8.47 |
| **TOTAL** | **1,596.72** | **1,080.34** |

## 24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

| Particulars | Current Year FY 23-24 | Previous Year FY 22-23 |
|---|---|---|
| Opening Stock | 13,698.36 | 14,247.56 |
| Add : Purchases | 1,26,348.55 | 1,11,396.82 |
| Less :- Inventories at the end of the year | 15,768.93 | 13,698.36 |
| **TOTAL** | **1,24,277.98** | **1,11,946.02** |

## 25 PURCHASE OF STOCK IN TRADE

| Particulars | Current Year FY 23-24 | Previous Year FY 22-23 |
|---|---|---|
| Purchase of Traded Goods | 651.00 | 808.43 |
| **TOTAL** | **651.00** | **808.43** |

## 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| **Inventories at the end of the year** | | | | |
| a) Finished Goods | 2,306.30 | | 1,788.63 | |
| b) Work -in- Progress | 1,684.25 | | 1,538.43 | |
| | | 3,990.55 | | 3,327.06 |
| **Inventories at the beginning of the year** | | | | |
| a) Finished Goods | 1,788.63 | | 2,273.19 | |
| b) Work -in- Progress | 1,538.43 | | 1,442.73 | |
| | | 3,327.06 | | 3,715.92 |
| | | **(663.49)** | | **388.86** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 27 EMPLOYEES BENEFITS EXPENSES

(Amount Rs in Lakhs)

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| Salaries,Wages and Bonus to employees | | 27,048.57 | | 22,421.37 |
| Contribution to Provident and other Funds | | 781.57 | | 640.31 |
| Staff Welfare Expenses | | 814.92 | | 742.13 |
| Gratuity Expenses | | 288.95 | | 201.03 |
| Earned Leave to staff | | 149.21 | | 101.74 |
| **TOTAL** | | **29,083.22** | | **24,106.58** |

## 28 FINANCE COSTS

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| **Interest Expense** | | | | |
| a) Interest on borrowings | 149.22 | | 580.82 | |
| b) Interest on leasehold obligation | 142.96 | | 147.00 | |
| | | 292.19 | | 727.82 |
| Other Borrowing Costs | | 1.64 | | 15.25 |
| **TOTAL** | | **293.83** | | **743.07** |

## 29 DEPRECIATION AND AMORTIZATION EXPENSES

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| Depreciation on Property,plant and equipment ( see note -2) | | 5,596.08 | | 6,049.89 |
| Depreciation on Right of Use assets ( see Note-3) | | 147.47 | | 147.98 |
| Amortization of Intangible assets (See Note-4) | | 121.66 | | 141.15 |
| | | **5,865.21** | | **6,339.02** |

## 30 OTHER EXPENSES

| Particulars | Current Year FY 23-24 | | Previous Year FY 22-23 | |
|---|---|---|---|---|
| Manufacturing Expenses | | | | |
| 1) Consumption of Stores and Spare parts | 2,323.90 | | 1,828.23 | |
| 2) Packing Expenses | 3,257.12 | | 3,213.04 | |
| 3) Power and Fuel | 6,156.17 | | 5,360.71 | |
| 4) Machinery running and Maintenance | 222.33 | | 362.13 | |
| 5) Testing Fees | 313.19 | | 311.58 | |
| 6) Job Charges | 1,158.70 | | 562.19 | |
| 7) Other Manufacturing exp | 908.24 | | 779.23 | |
| | | 14,339.65 | | 12,417.10 |
| Administrative and Selling Expenses | | | | |
| 1) Advertisement, Sub & Membership Exp. | 105.08 | | 91.80 | |
| 2) Payment to Auditors | 103.00 | | 108.40 | |
| 3) Donation | 48.95 | | 87.75 | |
| 4) Rates and taxes | 359.80 | | 306.43 | |
| 5) Insurance | 494.13 | | 323.95 | |
| 6) Bad debt written off | 15.64 | | 37.09 | |
| 7) Provision for Bad and Doubtful Debt | (23.91) | | 633.98 | |
| 8) Rent# | 364.67 | | 271.07 | |
| 9) Repair & Maintenance- Building | 95.81 | | 119.30 | |
| 10) Repair & Maintenance- Other | 155.03 | | 213.64 | |
| 11) Royalty | 93.87 | | 81.03 | |
| 12) Selling & Distribution Expenses | 2,679.76 | | 4,600.62 | |
| 13) Travelling and Conveyance Expenses | 770.72 | | 631.63 | |
| 14) Contribution toward CSR | 262.44 | | 191.74 | |
| 15) Provision for doubtful advances | - | | 40.05 | |
| 16) Other Office Expenses | 2,796.27 | | 2,536.96 | |
| | | 8,321.25 | | 10,275.43 |
| **TOTAL** | | **22,660.90** | | **22,692.53** |

# Represents lease rentals for short term leases and leases of low value assets

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 31 Contingent Liabilities

(Amount Rs in Lakhs )

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)** | | |
| (i) **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 in FY 2007-08 as a 100% EOU unit for which the company has filed an appeal with CESTAT Chennai (Net of deposit) | 43.40 | 43.40 |
| (b) Import Duty Demand towards short payment of import duty on raw material imported in FY 2020-21 for which the company has filed an appeal with Commissioner of Customs Appeals, Chennai (Net of deposit) | 3.23 | 3.23 |
| (ii) **Sales Tax** | | |
| (a) Sales Tax Demand for FY 2014-15 on Central Sales Tax Reversal under Section 19(2)(v) of the TNVAT Act, 2006 for which company has filed appeal with High Court, Chennai | 150.07 | 150.07 |
| (b) Sales Tax Demand for FY 2010-11 for which company has filed appeal with High Court of Punjab & Haryana (net of deposit) | 20.00 | 20.00 |
| | **216.70** | 216.70 |
| (iii) **Income Tax** | | |
| No demand is outstanding of Rs. 617.71 Lakhs for A.Y. 2011-12 raised by income tax department 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, New Delhi by the income tax department. 7 | | |

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

**(B) Other Money for which the Company is contingently liable**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Liability in respect of vendor discounting scheme from bank | 7,653.74 | 5,097.99 |
| | **7,653.74** | 5,097.99 |

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

## 32 Capital & Other Commitments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Estimated amount of contracts remaining to be executed on capital contracts and not provided, (net of advances)* | 1,132.45 | 579.64 |
| (ii) Estimated amount of contracts remaining to be executed on purchase contracts not provided, (net of advances)** | 1,702.33 | 813.43 |
| **Total** | **2,834.79** | 1,393.07 |

*Capital contracts primarily comprise commitments for building and plant & equipment.

**Purchase contracts primarily comprise commitments for moulds & dies for customers.

| 33 Auditor's Remuneration | 2023-24 | 2022-23 |
|---|---|---|
| (a)For statutory audit fee | | |
| For Statutory Audit | 55.00 | 53.00 |
| For Tax Audit | 8.00 | 5.00 |
| For Limited Review | 10.00 | 7.50 |
| For Other Services | 27.10 | 40.00 |
| | **100.10** | 105.50 |
| (b)For Cost Audit Fees | 2.90 | 2.90 |
| **Total (a)+(b)** | **103.00** | 108.40 |

## 34 Deferred Tax Liabilities (Net)

(Amount Rs in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property, Plant and Equipment & Intangible Assets | 3,126.62 | 3,373.59 |
| **Total (a)** | **3,126.62** | **3,373.59** |
| **Deferred Tax Assets** | | |
| Allowances for Credit Losses | 241.14 | 247.17 |
| Provision for Leave Encashment | 179.07 | 150.19 |
| Provision for Gratuity | 37.68 | 23.56 |
| Provision for Bonus | 120.09 | 121.46 |
| Welfare Fund | 0.64 | 0.57 |
| Provision for Warranties | 157.20 | 391.68 |
| Lease Liabilities | 223.08 | 208.41 |
| Others | 12.59 | 10.17 |
| **Total (b)** | 971.49 | 1,153.22 |
| **Net Deferred Tax Liability (a-b)** | **2,155.13** | **2,220.37** |

**Movement in Deferred Tax Liabilities and Deferred Tax Assets**

| Particulars | As at March 31, 2024 | Recognised in profit and loss | As at March 31, 2023 |
|---|---|---|---|
| **Movement in Deferred Tax Liabilities** | | | |
| Property, Plant and Equipment & Intangible Assets | 3,126.62 | (246.97) | 3,373.59 |
| **Total (a)** | **3,126.62** | **(246.97)** | **3,373.59** |
| **Movement in Deferred Tax Assets** | | | |
| Allowances for Credit Losses | 241.14 | (6.03) | 247.17 |
| Provision for Leave Encashment | 179.07 | 28.88 | 150.19 |
| Provision for Gratuity | 37.68 | 14.12 | 23.56 |
| Provision for Bonus | 120.09 | (1.37) | 121.46 |
| Welfare Fund | 0.64 | 0.07 | 0.57 |
| Provision for Warranties | 157.20 | (234.48) | 391.68 |
| Lease Liabilities | 223.08 | 14.67 | 208.41 |
| Others | 12.59 | 2.41 | 10.17 |
| **Total (b)** | 971.49 | (181.73) | 1,153.22 |
| **Net Deferred Tax Liability (a-b)** | **2,155.13** | **(65.24)** | 2,220.37 |

| (a) Tax expense | 2023-24 | 2022-23 |
|---|---|---|
| **Current Tax** | | |
| Current tax on profit for the year | 5,807.10 | 5,829.04 |
| (Excess)/short current tax of prior periods | (17.67) | 83.22 |
| Total current tax expense | **5,789.43** | **5,912.26** |
| **Deferred tax** | | |
| (Increase)/Decrease in deferred tax assets | 181.73 | (592.95) |
| (Decrease)/Increase in deferred tax liabilities | (246.97) | (445.19) |
| Total deferred tax expense (benefit) | **(65.24)** | **(1,038.13)** |
| **Tax Expense (Current Tax plus Deferred tax)** | **5,724.19** | **4,874.13** |

| (b) Income Tax recognised in other comprehensive income (Loss) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Remeasurement of Defined Benefit Plans | (50.06) | (171.00) |
| Tax Expense (Benefit) | 12.60 | 43.04 |
| Remeasurement of Defined Benefit Plans (Net of Tax) | **(37.46)** | (127.96) |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs)

**(c ) Reconciliation of Effective Tax Rate**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Profit before tax | 22,306.12 | 18,861.81 |
| (b) Enacted tax rate in India | 25.17% | 25.17% |
| (c) Expected tax expenses | 5,614.45 | 4,747.52 |
| (d) difference due to | | |
| Disallowances of CSR Expenditure | 66.06 | 48.26 |
| Deferred Tax Liability (Assets) | (65.24) | (1,038.13) |
| Tax related to prior periods | (17.67) | 83.22 |
| Others | 126.60 | 1,033.27 |
| Income Tax Expenses | 5,724.19 | 4,874.13 |
| Effective tax rate | **25.66%** | **25.84%** |

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

Deferred tax assets has not been recognised in respect of deductible temporary differences arising from exit in subsidiary/joint venture and transfer of land allotment rights because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

| Assessment Year | Particulars | Nature of Loss | As at March 31, 2024 | As at March 31, 2023 | Available up to A.Y. |
|---|---|---|---|---|---|
| **2019-20** | Transfer of land allotment rights | Long-term capital loss | 185.03 | 185.03 | **2027-28** |
| **2019-20** | Unquoted equity share | Long-term capital loss | 0.06 | 0.06 | **2027-28** |
| **2023-24** | Unquoted equity share | Long-term capital loss | 473.57 | 473.57 | **2031-32** |
| | | | **658.66** | 658.66 | |

## 35 Operating Lease Transaction

**A. Lease as Lessee**

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

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Total of future minimum lease payments under non-cancellable operating lease for following periods: | | |
| Not later than one year | 5.10 | 84.50 |
| Later than one year and not later than five years | 10.92 | - |
| later than five years | - | - |
| **Total** | **16.02** | 84.50 |

**Information about leases for which the Company is a lessee.**

| Lease liabilities | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance as at the beginning of the year | 2,382.73 | 2,449.98 |
| Add: Addition during the year | - | - |
| Less: Deletion during the year | - | - |
| Add: Finance cost | 142.96 | 147.00 |
| Less: Repayment | 214.25 | 214.25 |
| Balance as at the end of the year | 2,311.44 | 2,382.73 |
| Current | 102.34 | 71.28 |
| Non-current | **2,209.11** | 2,311.45 |

| Amounts recognised in Statement of Profit and Loss | 2023-24 | 2022-23 |
|---|---|---|
| Interest on lease liabilities | 142.96 | 147.00 |
| Depreciation expense | 147.47 | 147.98 |
| Expenses relating to short-term leases and leases of low-value assets | 364.67 | 271.07 |
| **Total** | **655.10** | **566.05** |

**B. Lease as Lessor**

The Company had leased out a portion of its building and subleased a building under a operating lease arrangement. The lease was terminated during the current year. During the year, an amount of Rupee 1.07 lakhs (previous year rupee 1.98 lakhs) was recognised as rental income in the Statement of Profit and Loss. As at March 31, 2024, there are no future minimum lease payments under non-cancellable operating lease as receivable.

(Amount Rs in Lakhs)

## 36 Trade Receivables Ageing Schedule

**The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2024**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| **Trade Receivables** | | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables-considered good | 18,676.89 | 531.42 | - | - | 164.86 | - | 19,373.16 |
| Undisputed Trade Receivables-which have significant increase in credit risk | | | | | | | |
| Undisputed Trade Receivables-credit impaired | | | 80.89 | 726.22 | 136.50 | 14.46 | 958.06 |
| Disputed Trade Receivables-considered good | | | | | | | |
| Disputed Trade Receivables-which have significant increase in credit risk | | | | | | | |
| Disputed Trade Receivables-credit impaired | | | | | | | |
| | 18,676.89 | 531.42 | 80.89 | 726.22 | 301.36 | 14.46 | **20,331.22** |

**The trade receivables (current & non current) ageing schedule for the years ended as at March, 31 2023**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| **Trade Receivables** | | Less than 6 months | 6 months-1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables-considered good | 13,450.29 | 554.53 | - | 75.42 | - | - | 14,080.24 |
| Undisputed Trade Receivables-which have significant increase in credit risk | | | | | | | |
| Undisputed Trade Receivables-credit impaired | | | 673.82 | 267.81 | 34.44 | 5.93 | 982.00 |
| Disputed Trade Receivables-considered good | - | | | | | | |
| Disputed Trade Receivables-which have significant increase in credit risk | | | | | | | |
| Disputed Trade Receivables-credit impaired | | | | | | | |
| | 13,450.29 | 554.53 | 673.82 | 343.23 | 34.44 | 5.93 | **15,062.24** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 37 Trade Payables Ageing Schedule

(Amount Rs in Lakhs )

**Ageing for trade payables outstanding as at March 31, 2024 is as follows**

| Particulars | Not Due | Outstanding for following periods from due date | | | | Total |
|---|---|---|---|---|---|---|
| Trade Payables | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 1,847.06 | - | - | - | - | 1,847.06 |
| Others | 16,735.16 | 354.82 | 10.28 | 33.26 | 22.58 | 17,156.11 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | 18,582.22 | 354.82 | 10.28 | 33.26 | 22.58 | 19,003.17 |
| Unbilled dues | | | | | | - |
| | | | | | | **19,003.17** |

**Ageing for trade payables outstanding as at March 31, 2023 is as follows**

| Particulars | Not Due | Outstanding for following periods from due date | | | | Total |
|---|---|---|---|---|---|---|
| Trade Payables | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 1,578.02 | - | - | - | - | 1,578.02 |
| Others | 14,292.67 | 251.74 | 53.51 | 12.14 | 74.04 | 14,684.10 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | 15,870.69 | 251.74 | 53.51 | 12.14 | 74.04 | 16,262.12 |
| Unbilled dues | | | | | | 251.72 |
| | | | | | | **16,513.84** |

## 38 Earning Per Share

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Net Profit after tax attributable to equity shareholders | **16,570.51** | 13,983.18 |
| Weighted average number of equity shares outstanding during the year (Nos in lakhs) | **263.20** | 263.20 |
| Basic/diluted earning per share* (In Rs.) | **62.96** | 53.13 |
| Face value per equity share (In Rs.) | **10** | 10 |

*There are no dilutive instruments issued by the Company.

In the meeting held on January 15, 2024, the Board of Directors had recommended the issue of Bonus Shares in the ratio of 1 (one) Bonus equity share of Rs.10 each fully paid-up for every 1 (one) existing equity share of Rs.10 each fully paid-up (in the ratio of 1:1). As per recommendation of Board, the shareholders of the Company approved the issue of Bonus Shares vide its resolution dated February 16, 2024 passed through Postal Ballot process. Accordingly, the Bonus Shares Committee of the Board allotted 1,31,59,830 Equity shares of Rs.10 each fully paid-up on February 29, 2024. Post allotment of Bonus shares, the equity capital of the Company stands at 2,63,19,660 Equity shares of Rs. 10 each. Accordingly, the earning per share has been adjusted for the proportionate change in the number of ordinary shares outstanding, as if the event had occurred at the beginning of the earliest year and presented in accordance with Ind AS 33 (Earning per Shares).

## 39 Government Grant

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Duty Drawback on Export in Foreign Currency | 45.73 | 96.79 |
| Merchandise Export & RODTEP Incentive on Export in Foreign Currency | 31.21 | 100.60 |
| Other Govt Subsidy | - | 7.68 |
| **Total** | **76.93** | **205.07** |

## 40 Other Segment Reporting

(Amount Rs in Lakhs )

**(a) Identification of Segments:**

**Primary-Business Segments**

The Company has identified two reportable business segments viz. Automotive and Others segment comprising LED Luminaries on the basis of the nature of products, the risk and return profile of individual business and the internal business reporting systems. The products included in each of the reported business segments are as follows:-

(i) Automotive comprising of automotive lighting & signalling equipment, rear view mirror, prismatic mirror, plastic moulded parts, sheet metal components, bank angle sensor and canisters for motorised vehicles and others parts for automotive.

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

(iii) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relates to enterprise as a whole and not allocable to a segment on reasonable basis have been disclosed as "unallocated"

(iv) Segment assets and segment liabilities represent assets and liabilities in respective segments. Income tax related assets/ liabilities, borrowings, deferred tax liabilities (net) and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

**(i) Primary-Business Segments**

**Segment Revenue**

| Particulars | 2023-24 | | | 2022-23 | | |
|---|---|---|---|---|---|---|
| | Automotive | Others Segment | Total | Automotive | Others Segment | Total |
| External Sales | 2,00,766.27 | 762.26 | 2,01,528.53 | 1,82,658.61 | 745.65 | 1,83,404.26 |
| Other Operating Income | 1,345.20 | 4.33 | 1,349.53 | 1,394.77 | 6.96 | 1,401.73 |
| Inter-Segment Sales | - | - | - | - | - | - |
| **Total** | **2,02,111.47** | **766.59** | **2,02,878.06** | **1,84,053.37** | **752.61** | **1,84,805.99** |
| **Results** | | | | | | |
| Segment Results (Earning Before Interest & Tax) | 24,271.28 | (26.04) | 24,245.24 | 20,735.35 | (54.62) | 20,680.73 |
| Unallocated corporate expenses (net of unallocable income) | | | 1,645.29 | | | 1,075.85 |
| Operating Profit | | | **22,599.95** | | | 19,604.88 |
| Cost of Finance | | | 293.83 | | | 743.07 |
| **Profit before tax** | | | 22,306.12 | | | 18,861.81 |
| Tax expense | | | 5,724.19 | | | 4,874.13 |
| Profit after tax (PAT) | | | 16,581.93 | | | 13,987.68 |
| Share of profit & (loss) of associates | | | (11.42) | | | (4.50) |
| Profit after tax but before total comprehensive income | | | 16,570.51 | | | 13,983.18 |
| Other Comprehensive Income (Loss) (Net of tax) | | | (37.46) | | | (127.96) |
| **Total Comprehensive Income** | | | **16,533.05** | | | 13,855.22 |
| | | | | | | |
| **Depreciation & Amortization** | **5,794.61** | **70.60** | **5,865.21** | 6,270.42 | 68.60 | 6,339.02 |

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| **Segment Assets** | | | | | | |
| Segment Assets | 96,852.28 | 1,272.46 | 98,124.74 | 83,093.30 | 1,612.43 | 84,705.73 |
| Unallocated Corporate Assets | | | 23,720.59 | | | 20,596.75 |
| **Total Assets** | | | **1,21,845.33** | | | **1,05,302.48** |
| Segment Liabilities | | | | | | |
| **Segment Liabilities** | 28,191.90 | 148.34 | 28,340.24 | 24,284.11 | 56.33 | 24,340.45 |
| Unallocated Corporate Liabilities | | | 4,813.42 | | | 4,845.49 |
| **Total Liabilities** | | | **33,153.66** | | | **29,185.94** |
| **Capital Employed (Total Assets Minus Total Liabilities)** | | | **88,691.67** | | | **76,116.54** |
| **Capital Expenditure During the year (Net of CWIP)** | **8,640.73** | **24.00** | **8,664.73** | 5,479.04 | - | 5,479.04 |

Note - The capital employed of Automotive and Other Segment comprising LED luminaries has been worked out by excluding the amount of common financial facilities viz. Term loans and working capital limits. The common financial facilities are reflected under unallocable corporate liabilities.

# Notes to the Consolidated Financial Statements as at 31.03.2024

**(ii) Secondary-Geographical Segments:-** (Amount Rs in Lakhs )

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

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

| (a) Revenue from External Customers | 2023-24 | 2022-23 |
|---|---|---|
| India | 1,99,877.14 | 1,79,296.27 |
| Outside India | 3,000.92 | 5,509.72 |
| **Total** | **2,02,878.06** | **1,84,805.99** |

| (b) Segment Trade Receivables | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| India | 18,690.87 | 12,095.88 |
| Outside India | 682.29 | 1,984.36 |
| **Total** | **19,373.16** | **14,080.24** |

1. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for fixed assets have not be furnished.

**(c) Major Customers**

Details of customers which accounts for more than 10% of Company's total revenue are as follows

| Particulars | Segment | 2023-24 | in % | 2022-23 | in % |
|---|---|---|---|---|---|
| Honda Motorcycle and Scooter India Pvt. Ltd. | Automotive | **52,531.63** | 25.89% | 48,731.59 | 26.37% |
| TVS Motors Company Ltd. | Automotive | **52,912.60** | 26.08% | 44,861.99 | 24.28% |
| India Yamaha Motor Pvt. Ltd. | Automotive | **28,454.42** | 14.03% | 28,131.60 | 15.22% |

## 41 Related Party Disclosures Under Ind AS 24

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

| | Name of Related Party | |
|---|---|---|
| **(i)** | **Key Management Personnel** | |
| | Mr. Jagjeevan Kumar Jain | Chairman and Managing Director |
| | Mrs. Seema Jain | Whole-time Director |
| | Ms. Aanchal Jain | Whole-time Director |
| | Mr. Rahul Jain | Joint Managing Director |
| | Mr. Kashi Ram Yadav | Whole-time Director |
| | Mr. Rajesh Sharma | Joint Managing Director |
| | Mr. Vineet Sahni | Whole-time Director (w.e.f. 01/05/2023) |
| | Mr. Ashok Kumar Sharma | Independent Director |
| | Mr. Iqbal Singh | Independent Director (up to 04/09/2023) |
| | Mr. Jawahar Thakur | Independent Director |
| | Mr. Mohan Bir Sahni | Independent Director |
| | Mr. Subodh Kumar Jain | Independent Director |
| | Mr. Vinod Kumar Malhotra | Independent Director |
| | Mr. Pawan Kumar Jain | Independent Director (w.e.f. 08/11/2023) |
| | Ms. Shobha Khatri | Independent Director |
| | Mr. Om Prakash Gupta | Chief Financial Officer |
| | Mr. Arvind Kumar Chauhan | Company Secretary |
| **(ii)** | **Relative of Key Management Personnel with whom transactions have taken place** | |
| | Mrs. Pallavi Jain | Vice President (Spouse of Mr. Rahul Jain, Joint Managing Director)) |
| **(iii)** | **Related Parties Controlled by Key Management personnel and/or their Relatives** | |
| | Fiem Applied Technologies Private Limited | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| | Jagjeevan Kumar Jain (HUF) | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| | Fiem Auto & Electrical Industries | Entity Controlled by Mr. Jagjeevan Kumar Jain |
| | | |
| **(iv)** | **Joint Ventures** | |
| | Aisan Fiem Automotives India Pvt Limited | JV incorporated in India, 26% ownership interest held by the company (The Company has exit from JV Company during the year 2022-23) |
| | Centro Ricerche Fiem Horustech S.R.L | JV incorporated in Italy, 50% ownership interest held by the company |
| | Fiem Kyowa (HK) Mould Company Ltd | JV incorporated in Hong Kong, 50% ownership interest held by the company |
| **(v)** | **Other Related Party** | |
| | Fiem Industries Limited Group Gratuity Trust | Post-employment benefit plan of Fiem Industries Limited |

**Transaction with related party** (Amount Rs in Lakhs )

| (a) | Rendering of Services to: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Aisan Fiem Automotive India Pvt Limited (For Support Fee) | Joint Venture | - | 48.44 |
| | | | **-** | **48.44** |

| (b) | Purchase of Goods from: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 54.52 | 58.97 |
| | | | **54.52** | **58.97** |

| (c) | Interest Received on unsecured loan (home loan) from: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Mr. Rajesh Sharma | Joint Managing Director | 1.49 | 3.28 |
| | | | **1.49** | **3.28** |

| (d) | Services received from | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Fiem Auto & Electrical Industries (For Brand Royalty) | Related party controlled by KMP | 50.00 | 50.00 |
| | | | **50.00** | **50.00** |

| (e) | Lease Rent Paid (for premises) to | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Ms. Aanchal Jain | Whole-time Director | 144.62 | 144.62 |
| | Mr. Rahul Jain | Joint Managing Director | 69.62 | 69.62 |
| | | | **214.24** | **214.24** |

| (f) | Dividend on Equity share Paid to | Nature of Related Party | Final Dividend | |
|---|---|---|---|---|
| | | | 2023-24 | 2022-23 |
| | Mr. Jagjeevan Kumar Jain | Chairman and Managing Director | 811.80 | 541.20 |
| | Mrs. Seema Jain | Whole-time Director | 811.76 | 541.18 |
| | Ms. Aanchal Jain | Whole-time Director | 487.70 | 325.13 |
| | Mr. Rahul Jain | Joint Managing Director | 487.70 | 325.13 |
| | Mr. Kashi Ram Yadav | Whole-time Director | 0.10 | 0.07 |
| | Mr. Iqbal Singh | Independent Director | 6.00 | 4.00 |
| | Fiem Applied Technologies Private Limited | Related party controlled by KMP | 25.32 | 16.88 |
| | Jagjeevan Kumar Jain (HUF) | Related party controlled by KMP | 3.46 | 2.31 |
| | | | **2,633.85** | **1,755.90** |

| (g) | Benefits to Key Management and their relative | 2023-24 | 2022-23 |
|---|---|---|---|
| | Short-term benefits | 1,471.90 | 769.92 |
| | Sitting Fee | 43.70 | 28.15 |
| | Total Compensation | **1,515.60** | **798.07** |

| | Short-term employee benefits | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Mr. Jagjeevan Kumar Jain | Chairman and Managing Director | 240.00 | 124.80 |
| | Mrs. Seema Jain | Whole-time Director | 120.00 | 72.00 |
| | Mr. Rahul Jain | Joint Managing Director | 120.00 | 78.00 |
| | Ms. Aanchal Jain | Whole-time Director | 120.00 | 60.00 |
| | Mr. Kashi Ram Yadav | Whole-time Director | 121.45 | 109.45 |
| | Mr. Rajesh Sharma | Joint Managing Director | 222.00 | 141.00 |
| | Mr. Vineet Sahni | Whole-time Director | 330.00 | - |
| | Mr. Om Prakash Gupta | Chief Financial Officer | 74.40 | 70.20 |
| | Mr. Arvind Kumar Chauhan | Company Secretary | 94.05 | 84.47 |
| | Mrs. Pallavi Jain | Spouse of Mr. Rahul Jain | 30.00 | 30.00 |
| | | | **1,471.90** | **769.92** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs )

| | Sitting Fee | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Mr. Iqbal Singh | Independent Director | 3.65 | 4.70 |
| | Mr. Ashok Kumar Sharma | Independent Director | 6.10 | 4.00 |
| | Mr. Jawahar Thakur | Independent Director | 5.30 | 3.40 |
| | Mr. Mohan Bir Sahni | Independent Director | 3.20 | 1.80 |
| | Mr. Subodh Kumar Jain | Independent Director | 7.85 | 4.70 |
| | Mr. Vinod Kumar Malhotra | Independent Director | 8.60 | 5.55 |
| | Ms. Shobha Khatri | Independent Director | 6.60 | 4.00 |
| | Mr. Pawan Kumar Jain | Independent Director | 2.40 | - |
| | | | **43.70** | **28.15** |

Note:1. The above short-term benefits does not include provisions for incremental gratuity and leave encashment liabilities since the provisions are based on actuarial valuations for the Company as a whole.

| (h) | Contribution to Gratuity Fund | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Fiem Industries Limited Group Gratuity Trust | Post-employment Benefit Plan | 245.95 | 350.00 |
| | | | **245.95** | **350.00** |

| (i) | Unsecured Loan Given to: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Mr. Rajesh Sharma | Joint Managing Director | - | 51.93 |
| | | | **-** | **51.93** |

| (j) | Investment received from exit of: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Aisan Fiem Automotives India Pvt Limited | Joint Venture | - | 2,600.00 |
| | | | **-** | **2,600.00** |

| (k) | Unsecured Loan recovered from: | Nature of Related Party | 2023-24 | 2022-23 |
|---|---|---|---|---|
| | Mr. Rajesh Sharma | Joint Managing Director | 49.07 | - |
| | | | **49.07** | **-** |

**Balances outstanding at Year-end**

| (a) | Other Current Assets (Advance to Suppliers other than capital goods): | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| | Fiem Kyowa (HK) Mould Company Ltd | **Joint Venture** | 5.04 | - |
| | | | **5.04** | **-** |

| (b) | Non-Current Investment: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| | Centro Ricerche Fiem Horustech Srl | Joint Venture | 4.22 | 12.64 |
| | Fiem Kyowa (HK) Mould Company Ltd | Joint Venture | 7.30 | 10.31 |
| | | | **11.52** | **22.95** |

| (c) | Security Deposit Paid Against Lease Rent on premises | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| | Ms. Aanchal Jain | Whole-time Director | 54.68 | 54.68 |
| | Mr. Rahul Jain | Joint Managing Director | 26.33 | 26.33 |
| | | | **81.01** | **81.01** |

(Amount Rs in Lakhs)

| (d) Unsecured Loan Receivables from: | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Mr. Rajesh Sharma | Joint Managing Director | - | 49.07 |
| | | - | 49.07 |

| (e) | Other Current Financial Liabilities: | | Nature of Related Party | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| | Mr. Jagjeevan Kumar Jain | Short term benefits payable | Chairman and Managing Director | 21.64 | 16.02 |
| | Mrs. Seema Jain | Short term benefits payable | Whole-time Director | 23.21 | 22.13 |
| | Ms. Aanchal Jain | Short term benefits & lease rent payable | Whole-time Director | 10.30 | 1.70 |
| | Mr. Rahul Jain | Short term benefits & lease rent payable | Joint Managing Director | 21.13 | 4.57 |
| | Mr. Rajesh Sharma | Short term benefits payable | Joint Managing Director | 11.97 | 6.67 |
| | Mr. Kashi Ram Yadav | Short term benefits payable | Whole-time Director | 7.21 | 5.98 |
| | Mr. Vineet Sahni | Short term benefits payable | Whole-time Director | 10.65 | - |
| | Mr. OP Gupta | Short term benefits payable | Chief Financial Officer | 4.87 | 4.25 |
| | Mr. Arvind Kumar Chauhan | Short term benefits payable | Company Secretary | 4.59 | 4.36 |
| | Mrs. Pallavi Jain | Short term benefits payable | Spouse of Mr. Rahul Jain | 3.97 | 1.44 |
| | Fiem Auto & Electrical Industries | For Brand Royalty | Related party controlled by KMP | 13.50 | 29.50 |
| | | | | **133.04** | 96.60 |

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 42 Post Employment Benefits Plan

(Amount Rs in Lakhs )

**Defined Contribution Plans**

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

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Employer's Contribution to Provident Fund | 558.00 | 463.59 |
| Employer's Contribution to ESI Fund | 69.51 | 67.26 |
| Employer's Contribution to Wages Welfare Fund | 11.13 | 9.91 |
| Others | 142.93 | 99.55 |
| **Total** | **781.57** | **640.31** |

**Defined Benefit Plans**

**(a) Gratuity**

The Company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with HDFC Life Insurance Company Limited in the form of qualifying insurance policy.

**(b) Earned Leave**

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

Disclosure requirement as per Indian Accounting Standard on Employee Benefits-Ind AS (19)-As per actuarial valuation as on 31/03/2024 are as follows:

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

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Current service cost | 254.75 | 208.90 | 149.21 | 101.74 |
| Interest cost | (2.16) | (7.87) | - | - |
| Actuarial (Gain)/Loss | - | - | - | - |
| Expenses recognized in Statement of Profit and Loss | **252.58** | 201.03 | **149.21** | 101.74 |

**Amount to be recognised in the Balance Sheet**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Liability at the end of the year | 2,106.57 | 1,775.94 | 711.40 | 596.68 |
| Fair value of plan assets at the end of the year | 1,956.86 | 1,682.92 | - | - |
| Amount to be recognised in Balance Sheet | **149.71** | 93.02 | **711.40** | 596.68 |
| Current | 149.71 | 93.02 | 153.76 | 76.71 |
| Non-Current | - | - | 557.64 | 519.97 |

**Reconciliation of benefit obligation**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Liability at the beginning of the year | 93.02 | 70.99 | 596.68 | 563.91 |
| Interest cost | - | - | - | - |
| Recognised in Accumulated Other Comprehensive Income | (353.49) | (182.50) | - | - |
| Current service cost | 252.58 | 201.03 | 149.21 | 101.74 |
| Employers Contribution | (245.95) | (350.00) | (34.48) | (68.98) |
| Remeasurement (gain) / loss | 403.55 | 353.49 | - | - |
| Liability at the end of the year | **149.71** | 93.02 | **711.40** | 596.68 |

**Reconciliation of fair value of plan assets:** (Amount Rs in Lakhs )

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Fair value of plan assets at the beginning of the year | 1,682.92 | 1,514.04 | - | - |
| Interest income | 126.58 | 119.01 | - | - |
| Employers Contribution | 245.95 | 350.00 | 34.48 | 68.98 |
| Benefits paid | (105.39) | (233.73) | (34.48) | (68.98) |
| Return on plan assets-gain /(loss) | 6.80 | (66.40) | - | - |
| Fair value of plan assets at the end of the year | 1,956.86 | 1,682.92 | - | - |
| Actual return on plan assets | 133.38 | 52.61 | - | - |

**Amount recognised in statement of other comprehensive income (OCI)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| Opening amount recognised in OCI | 353.49 | 182.50 | - | - |
| Remeasurement for the year - Obligation (gain)/ loss | 56.85 | 104.60 | - | - |
| Remeasurement for the year - plan assets (gain)/ loss | (6.80) | 66.40 | - | - |
| Net Increasing in OCI | 403.55 | 353.49 | - | - |
| Total remeasurements cost / (credit) for the year recognised in OCI | 403.55 | 353.49 | - | - |
| Closing amount recognised in OCI | 403.55 | 353.49 | - | - |

**Principal actuarial assumptions**

| Particulars | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
|---|---|---|---|---|
| Discount rate | 7.22% | 7.53% | 7.22% | 7.53% |
| Salary escalation | 6.00% | 6.00% | 6.00% | 6.00% |
| Expected return on assets | 7.53% | 7.57% | 7.53% | 7.57% |
| Attrition rate | 2.00% | 2.00% | 2.00% | 2.00% |
| Retirement age | 58 | 58 | 58 | 58 |

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

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

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

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

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

**Expected benefit payments (discounted values/present value) for the year ending:**

| Year ending | Gratuity | | Leave | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| 31-Mar-25 | 95.03 | 65.85 | 21.32 | 15.48 |
| 31-Mar-26 | 81.96 | 67.78 | 18.02 | 14.55 |
| 31-Mar-27 | 103.40 | 65.97 | 30.14 | 15.93 |
| 31-Mar-28 | 97.94 | 88.25 | 23.45 | 25.83 |
| 31-Mar-29 | 138.06 | 75.81 | 39.51 | 17.36 |
| 31March, 2030-2034 | 457.20 | 416.20 | 103.66 | 102.38 |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs )

**(f)** Weighted Average duration of defined benefit obligation for gratuity and earned leave: 17.35 years (Previous year 17.75 years)

**(g) Sensitivity analysis:**

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

**A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:**

| A. Effect of 1% Change in the assumed discount rate | Gratuity | | | |
|---|---|---|---|---|
| | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
| Defined Benefit Obligation | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | 1,911.83 | 1,609.68 | 2,336.07 | 1,972.15 |

| B. Effect of 1% Change in the assumed salary escalation rate | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Defined Benefit Obligation | 2,313.65 | 1,955.47 | 1,923.80 | 1,619.10 |

| C. Effect of 1% Change in the assumed Attrition Rate | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Defined Benefit Obligation | 2,112.68 | 1,786.40 | 2,099.01 | 1,763.55 |

| A. Effect of 1% Change in the assumed discount rate | Leave Encashment | | | |
|---|---|---|---|---|
| | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
| Defined Benefit Obligation | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| | 665.09 | 554.26 | 765.75 | 646.60 |

| B. Effect of 1% Change in the assumed salary escalation rate | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Defined Benefit Obligation | 764.13 | 645.25 | 665.67 | 554.68 |

| C. Effect of 1% Change in the assumed Attrition Rate | 1% Increase | 1% Increase | 1% Decrease | 1% Decrease |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Defined Benefit Obligation | 709.89 | 596.23 | 712.70 | 596.75 |

## 43 Fair Value Measurements

(Amount Rs in Lakhs )

**Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments**

| Particulars | Carrying Amount | | Fair Value | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **FINANCIAL ASSETS** | | | | |
| **Financial assets measured at amortised cost** | | | | |
| Security Deposits | 1,082.37 | 1,059.96 | 1,082.37 | 1,059.96 |
| Loan to Employees | 99.35 | 158.13 | 99.35 | 158.13 |
| Trade receivables | 19,373.16 | 14,080.24 | 19,373.16 | 14,080.24 |
| Term Deposit held as margin money, with more than 12 month maturity | 133.70 | 87.61 | 133.70 | 87.61 |
| Income accrued on deposits | 616.56 | 491.31 | 616.56 | 491.31 |
| Export incentive receivables | 40.64 | 53.81 | 40.64 | 53.81 |
| Insurance Claim Recoverable | 4,914.08 | - | 4,914.08 | - |
| Other advance Recoverable | 94.41 | 159.09 | 94.41 | 159.09 |
| Cash & Cash Equivalents | 20,602.63 | 18,301.69 | 20,602.63 | 18,301.69 |
| Other Bank Balances | 9.10 | 10.58 | 9.10 | 10.58 |
| | **46,966.00** | 34,402.42 | **46,966.00** | 34,402.42 |
| **Financial assets measured at equity method** | | | | |
| Investment in joint venture (unquoted equity share) | 11.53 | 22.94 | **-** | - |
| | **11.53** | 22.94 | **-** | - |
| **Financial assets measured at FVTPL** | | | | |
| Investment in unquoted equity shares | 2.00 | 2.00 | **-** | - |
| | **2.00** | 2.00 | **-** | - |
| **FINANCIAL LIABILITIES** | | | | |
| **Financial liabilities measured at amortised cost** | | | | |
| Trade Security deposits | 302.23 | 292.43 | 302.23 | 292.43 |
| Current Maturity of Lease liability | 102.34 | 71.28 | 102.34 | 71.28 |
| Creditors for capital expenditures | 409.93 | 242.36 | 409.93 | 242.36 |
| Trade Payables | 19,003.17 | 16,513.84 | 19,003.17 | 16,513.84 |
| Unpaid Dividend | 9.10 | 9.18 | 9.10 | 9.18 |
| Liabilities for expenses | 2,480.03 | 2,036.93 | 2,480.03 | 2,036.93 |
| | **22,306.80** | 19,166.02 | **22,306.80** | 19,166.02 |

**Financial assets and liabilities measured at fair value-recurring fair value measurements**

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Non-current** | | | | | | |
| **Investment** | **-** | **-** | **2.00** | - | - | 2.00 |

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

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

**The following methods and assumptions were used to estimate fair value:**

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

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

# Notes to the Consolidated Financial Statements as at 31.03.2024

## 44 Financial Instruments and Risk Review

**Financial Risk Management Framework**

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

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company oversees the management of these financial risks. The Company's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

### i) Capital Management

**The Company's capital management objectives are:**

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

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

**Debt-to-equity ratio is as follows:** (Amount Rs in Lakhs )

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non Current/Current Borrowing | - | - |
| Net Debt (A) | - | - |
| Equity (B) | 88,691.67 | 76,116.54 |
| Debt Ratio (A/B)* | - | - |

* The Company has no outstanding borrowings as at 31/03/2024 & 31/03/2023.

### ii) Credit Risk

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

In assessing, recoverability of receivables, the management has considered the asset type, past due status and other relevant factors considering the age of receivables. The provision for expected credit losses (ECL) are revised at each reporting date by the use of practical expedients viz provision matrix.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 19,373.16 Lakhs (net of write-off/provisions) (Previous Year Rs. 14,080.24 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 15.64 lakhs (previous year Rs. 37.09 lakhs) has been written-off during the year after re-assessing long outstandings and obtaining objective evidences on the impairment of the trade receivables.

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

The Company's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Company's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 62% of total receivables as at 31 March, 2024 (50% as at 31 March, 2023), however there was no default on account of those customers in the past.

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

**Movement in the expected credit loss allowance:**

(Amount Rs in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | **982.00** | 348.02 |
| Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | **(23.94)** | 633.98 |
| Balance at the end of the year | **958.06** | 982.00 |

**iii) Liquidity Risk**

**a) Liquidity risk management**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings as at 31/03/2024. The Company believes that the working capital is sufficient to meet its current requirements. As at March 31, 2024, the Company had a working capital of Rs. 41,220.71 Lakhs including cash and cash equivalents of Rs.20,602.63 Lakhs. As at March 31, 2023, the Company had a working capital of Rs. 29,862.03 lakhs including cash and cash equivalents of Rs. 18,301.69 Lakhs.

**b) Maturities of financial liabilities**

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Less than 1 Year | 1-5 Years | Less than 1 Year | 1-5 Years |
| **Financial liabilities** | | | | |
| Trade payables | 19,003.17 | | 16,513.84 | - |
| Trade Security Deposits | 302.23 | | 292.43 | |
| Unpaid Dividend | 9.10 | | 9.18 | |
| Creditors for Capital Expenditure | 409.93 | | 242.36 | - |
| Payable to employees | 1,222.29 | | 998.87 | |
| Other Payable (includes accrued expense/liabilities) | 1,257.74 | | 1,038.06 | |
| Lease Liabilities | 102.34 | | 71.28 | - |
| | **22,306.80** | - | 19,166.02 | - |

**c) Maturities of financial assets**

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Less than 1 Year | 1-5 Years | Less than 1 Year | 1-5 Years |
| Non-derivative Financial assets | | | | |
| Trade receivables | 19,373.16 | - | 14,080.24 | - |
| Loan to employees | 64.07 | 35.28 | 63.82 | 94.31 |
| Security Deposit | 1.33 | 1,081.04 | 0.49 | 1,059.47 |
| Other Financial Assets | 751.61 | 133.70 | 704.22 | 87.61 |
| Insurance Claim Recoverable | 4,914.08 | - | - | - |
| Other Bank Balance | 9.10 | | 10.58 | - |
| Cash & Cash Equivalents | 20,602.63 | | 18,301.69 | - |
| Investment in Joint Ventures & Others | - | 13.53 | - | 24.94 |
| | **45,715.98** | **1,263.55** | **33,161.04** | **1,266.33** |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs )

**iv) Market Risk**

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

**a) Foreign Currency exchange rate risk**

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

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments. The information on foreign currency exposures that are not hedged by derivative instruments is as follows.

| | | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| **Foreign Currency exposures that are not hedged by derivative instruments** | **Currency** | **Foreign Currency** | **Rupees** | **Foreign Currency** | **Rupees** |
| (a) Trade payables and creditor for capital expenditure | USD | 44.51 | 3,711.23 | 48.06 | 3,951.56 |
| (including accrued expense) | EURO | - | - | - | - |
| | JPY | 692.37 | 381.42 | 289.66 | 179.01 |
| | AUD | 0.78 | 43.00 | 0.55 | 30.47 |
| | GBP | - | - | - | - |
| | | | **4,135.65** | | **4,161.04** |
| (b) Trade receivables & cash and cash equivalents | USD | 8.16 | 680.20 | 23.50 | 1,932.31 |
| | EURO | 0.15 | 13.69 | 0.65 | 58.44 |
| | JPY | - | - | - | - |
| | AUD | - | - | - | - |
| | GBP | 0.04 | 3.81 | 0.08 | 8.12 |
| | | | **697.71** | | **1,998.88** |
| **Total (a-b)** | USD | 36.35 | 3,031.03 | 24.56 | 2,019.25 |
| | EURO | (0.15) | (13.69) | (0.65) | (58.44) |
| | JPY | 692.37 | 381.42 | 289.66 | 179.01 |
| | AUD | 0.78 | 43.00 | 0.55 | 30.47 |
| | GBP | (0.04) | (3.81) | (0.08) | (8.12) |
| | **Total (Net)** | | **3,437.94** | | 2,162.16 |

**Foreign Currency Sensitivity**

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

| **Particulars** | As At March 31, 2024 | | | As At March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Currency** | **Change in rate** | **Effect on pre-tax equity** | **Currency** | **Change in rate** | **Effect on pre-tax equity** |
| | USD | 10.00% | 303.10 | USD | 10.00% | 201.92 |
| | USD | -10.00% | (303.10) | USD | -10.00% | (201.92) |
| | EURO | 10.00% | (1.37) | EURO | 10.00% | (5.84) |
| | EURO | -10.00% | 1.37 | EURO | -10.00% | 5.84 |
| | JPY | 10.00% | 38.14 | JPY | 10.00% | 17.90 |
| | JPY | -10.00% | (38.14) | JPY | -10.00% | (17.90) |

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

(Amount Rs in Lakhs)

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash credit/working capital loans. The Company has no long term/short term outstanding borrowings as at 31 March, 2024.

The company had access to the following undrawn borrowing facilities at the end of the reporting periods. The bank overdraft facilities may be drawn at any time by the Company.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Cash credit limit | **11,500.00** | 11,500.00 |
| (ii) Long-term loans | **-** | **-** |

**Interest rate sensitivity**

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Increase by 1.00% | - | - |
| Decrease by 1.00% | - | - |

**c) Commodity price risk**

Movement in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to auto makers (Original Equipment Manufacturer) whereby there is a regular negotiation/adjustment of prices on the basis of changes in commodity prices.

## 45 Joint Venture Company

| | | |
|---|---|---|
| **1.** | **Centro Ricerche Fiem Horustech SRL** | |
| | Description of Interest | Joint Venture |
| | Country of Incorporation | Italy |
| | Proportion of Ownership Interest | 50% |
| **2.** | **Fiem Kyowa (HK) Mould Company Ltd** | |
| | Description of Interest | Joint Venture |
| | Country of Incorporation | Hong Kong |
| | Proportion of Ownership Interest | 50% |

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

| Particulars | Centro Ricerche Fiem Horustech SRL | | Fiem Kyowa (HK) Mould Company Ltd | |
|---|---|---|---|---|
| | Year ended 31/03/24 | Year ended 31/03/23 | Year ended 31/03/24 | Year ended 31/03/23 |
| Non Current Assets | **-** | | | |
| Current Assets | **25.64** | 27.00 | **15.80** | 20.06 |
| Non Current Liabilities | **-** | | | |
| Current Liabilities | **18.91** | 11.96 | **5.52** | 5.57 |
| Revenue (total Income) | **-** | - | **25.23** | 29.95 |
| Expenses | **8.41** | 1.50 | **28.23** | 32.95 |
| Profit or (loss) from continuing operations | **-** | - | **(3.00)** | (3.00) |
| Post-tax profit or (loss) from discontinuing operations | **(8.41)** | (1.50) | | |
| Other comprehensive income (Loss) | | | **-** | |
| Total comprehensive income (Loss) | **(8.41)** | (1.50) | **(3.00)** | (3.00) |

## 46 Disclosure required by Ind AS 115

(i) Revenue from contracts with customers is disaggregated by major products and service lines and is disclosed in Note no. 21 to the standalone financial statements. Further, the revenue is disclosed in the said note is net of Rs. 1001.99 lakhs (previous year Rs. 726.52 lakhs) representing discount to customers. The following table provides further information as required by Ind AS 115.

| Reconciliation of Revenue from sale of products with the contracted price | 2023-24 | 2022-23 |
|---|---|---|
| Contracted Price | 2,02,530.52 | 1,84,130.78 |
| Less: Trade discounts, cash discount, volume rebates, etc. | 1,001.99 | 726.52 |
| Sale of Products | 2,01,528.53 | 1,83,404.26 |

# Notes to the Consolidated Financial Statements as at 31.03.2024

(Amount Rs in Lakhs)

## 47 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

**(i) Title Deed of the Immovable Properties**

The title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except a piece of land (area approx.. 1913 sqm) adjacent to unit-9 at Karsanpura, Gujarat, purchased for Rs. 18.23 Lakhs from other company. The seller company require permission from the state government for registration of sale deed, which is already applied by seller company. However, the permission could not be obtained during the year under reporting. The Company is regularly following-up with the seller company for getting the registration.

**(ii) Investment Property**

The Company does not have any investment property.

**(iii) Revaluation of Property Plant and Equipment & Intangible Assets**

As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

**(iv) Disclosure on Loan Given to Specified Persons (Promotors, Directors, KMPs and their Related Parties)**

The Company had given home loan of Rs. 50.00 Lakhs at interest rate of 8.00% p.a (fixed) to joint managing director (Mr. Rajesh Sharma), which was repayable in 60 equal monthly instalment of Rs.1.05 lakhs each. Rajesh Sharma has re-paid entire home loan outstanding during the year. The amount outstanding and percentage of total loan is as below.

| Particulars | As At March 31,2024 | | As At March 31,2023 | |
|---|---|---|---|---|
| Name of Employee | Amount Outstanding | % of Total Loan | Amount Outstanding | % of Total Loan |
| Mr Rajesh Sharma-Joint Managing Director | - | 0% | 49.07 | 31% |
| Total Loan to Employees (Non current & current) | 99.35 | | 158.13 | |

**(v) Detail of Benami Property held.**

No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**(vi) Borrowings obtained on the basis of Current Assets**

There are no drawn borrowings from banks. However, the Company has sanctioned facilities from banks on the basis of security of current assets (trade receivables and inventory). The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

**(vii) Disclosure Related to Wilful Defaulter against Borrowings**

The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

**(viii) Disclosure of Transactions with Struck Off Companies**

There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended March 31, 2024.

**(ix) Disclosure of Registration of Charges or Satisfaction with ROC**

All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended March 31, 2024.

**(x) Compliance with Number of Layers of Companies**

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**(xi) Compliance with Approved Scheme's of Arrangement**

No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

**(xii) Utilisation of Borrowed Fund and Share Premium**

(Amount Rs in Lakhs)

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

**(xiii)** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**(xiv) Details of Crypto Currency or Virtual Currency**

The Company has not operated in any crypto currency or Virtual Currency transactions.

**(xv) Disclosure in relation to Undisclosed Income**

During the year, the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly there are no transaction which are not recorded in the books of accounts.

## 48 Dues to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and as at March 31, 2023 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| The principal amount remaining unpaid to any supplier at the end of each accounting year; | 1,847.06 | 1,578.02 |
| The interest due thereon remaining unpaid to any supplier at the end of each accounting year; | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

## 49 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

| | Particulars | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit & Loss | |
|---|---|---|---|---|---|
| | | As on 31.03.2024 | | 2023-24 | |
| | | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit and Loss | Amount |
| (i) | **Parent** | | | | |
| | Fiem Industries Ltd | 99.31% | 88,079.61 | 100.01% | 16,535.44 |
| (ii) | **Foreign Subsidiary** | | | | |
| | Fiem Industries Japan Co., Ltd | 0.09% | 79.27 | -0.31% | (51.79) |
| | Fiem Research & Technology SRL | 0.60% | 532.79 | 0.30% | 49.40 |
| | **Total** | | **88,691.67** | | **16,533.05** |

# Notes to the Consolidated Financial Statements as at 31.03.2023

(Amount Rs in Lakhs)

| | Particulars | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit & Loss | |
|---|---|---|---|---|---|
| | | As on 31.03.2023 | | 2022-23 | |
| | | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit and Loss | Amount |
| (i) | **Parent** | | | | |
| | Fiem Industries Ltd | 99.18% | 75,492.09 | 99.82% | 13,830.26 |
| (ii) | **Foreign Subsidiary** | | | | |
| | Fiem Industries Japan Co., Ltd | 0.19% | 144.50 | -0.04% | (5.40) |
| | Fiem Research & Technology SRL | 0.63% | 479.95 | 0.22% | 30.36 |
| | **Total** | | **76,116.54** | | **13,855.22** |

## 50 Dividend on Equity Share

(Amount Rs in Lakhs )

(a) Dividend on Equity Shares paid during the year

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Final dividend for the FY 2022-23 [Rs. 30 (Previous Year Rs. 20) per equity share of Rs. 10 each] | 3,947.95 | 2,631.96 |
| **Total** | **3,947.95** | 2,631.96 |

(b) Proposed Dividend

The Board of Directors in their meeting held on May 21,2024, have recommended a Final dividend of Rs 20 per share i.e. @ 200% of Nominal Value of Rs 10 each on 2,63,19,660 equity share of the company for F.Y. 2023-24 amounting to Rs 5263.93 lakhs (Previous year Rs 30 per share on 1,31,59,830 equity shares amounting to Rs 3947.95 Lakhs). The final dividend is subject to the approval of shareholders in the ensuing Annual General Meeting (AGM) of the Company and hence is not recognised as a liability.

## 51 Fire Incident

Part of one building of Unit-7 situated at Plot No. 1915, Phase -V, Rai Industrial Estate, Sonipat-131029 (Haryana) caught fire on June 13, 2023 around noon. There were no human casualties reported. The carrying value of inventories of Rs 2583.74 Lakhs (including GST reversals) and carrying value of property plant and equipment of Rs 2456.79 Lakhs are written off in the statement of profit and loss. The company has a valid insurance policy which adequately covers the losses for the inventories and reinstatement value of property plant and equipment. The recoverable amount pertaining to the loss of the inventory as stated above and loss to the extent of carrying amount of the property plant and equipment have been shown as receivable. An estimated claim of Rs.11270.00 Lakhs on the Reinstatement Value basis ( including contingencies value upto 5% ) had been submitted to insurer on October 13, 2023. The loss is under evaluation by the surveyor and the outcome of the claim is subject to final assessment by the insurer in due course of time. The final entries would be recorded in the books of accounts on the finalization of the claim by the insurer.

## 52

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to the effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 53 Audit Trail

In the SAP, audit trail at transaction level on application layer has an embedded audit trail in sub-ledger accounting tables which creates unique events for every transaction along with dates of creating and updating transactions with the identity of users. General ledger journals are not allowed to be modified after posting and the date and creator of journals are tracked. This feature cannot be disabled.

## 54

Previous year's figures have been regrouped/reclassified wherever necessary.The figures are rounded off to nearest rupees in lakhs unless otherwise stated.

**For and on behalf of the Board of Directors**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

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

Sd/-
**(Anil Kumar Gupta)**
Partner
Membership No.:-083159

# AOC-1

## SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES AS PER COMPANIES ACT , 2013

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**PART "A" : SUBSIDIARIES**

(Amount Rs in Lakhs)

| | | | |
|---|---|---|---|
| 1. | **Sl. No.** | **1** | **2** |
| 2. | Name of the subsidiary | **Fiem Industries Japan Co., Ltd.** | **Fiem Research and technology S.R.L.** |
| 3. | Country of Incorporation | Japan | Italy |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period of 31.03.24 | N.A. | N.A. |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | | |
| | a) Reporting Currency | Japanese Yen | Euro |
| | b) Exchange rate as on the last date of the relevant Financial year | 0.5509 | 90.22 |
| 6. | Share capital | 29.49 | 405.46 |
| 7. | Reserves & surplus | 49.78 | 127.33 |
| 8. | Total Assets | 104.63 | 814.16 |
| 9. | Total Equity and Liabilities | 104.63 | 814.16 |
| 10. | Investments | - | - |
| 11. | Turnover | 102.27 | 1,131.06 |
| 12. | Profit/(Loss) before taxation | -51.38 | 66.49 |
| 13. | Provision for taxation | 0.41 | 17.09 |
| 14. | Profit/ (Loss) after taxation | -51.79 | 49.40 |
| 15. | Proposed Dividend | NA | NA |
| 16. | % of shareholding | 100% | 100% |
| **OTHER MATTERS** | | | |
| 1. | Names of subsidiaries which are yet to commence operations | | NIL |
| 2. | Names of subsidiaries which have been liquidated or sold during the year | | NIL |

**Part "B": Associates and Joint Ventures**

| SN | Particulars | Joint Venture | |
|---|---|---|---|
| | | **Centro Ricerche FIEM HorustecH S.r.l.** | **Fiem Kyowa(HK) Mould Company Ltd.** |
| 1 | **Latest audited Balance Sheet Date** | 31.03.24 | 31.03.24 |
| 2 | **Country of Incorporation** | Italy | Hongkong |
| 3 | **Shares of Associate/Joint Ventures held by the company on the year end** | | |
| | No. of shares | 50% | 1000 Shares |
| | Amount of Investment in Associates/Joint Venture- Rs | 33.16 | 8.40 |
| | Extend of Holding % | 50% | 50% |
| 4 | **Description of how there is significant influence** | 50: 50 Joint Venture | 50: 50 Joint Venture |
| 5 | **Reason why the associate/joint venture is not consolidated** | N.A. | N.A. |
| 6 | **Networth attributable to Shareholding as per latest audited Balance Sheet** | 6.73 | 10.27 |
| 7 | **Profit / (Loss) for the year** | | |
| | i. Considered in Consolidation | -8.41 | -3.00 |
| | ii. Not Considered in Consolidation | -8.41 | -3.00 |
| **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**
**Chartered Accountants**
Firm Registration Number -004061N

| Sd/- | Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|---|
| **( J. K. Jain )** | **(Vineet Sahni)** | **( O.P. Gupta )** | **( Arvind K. Chauhan )** | **(Anil Kumar Gupta)** |
| Chairman & Managing Director | CEO & Director | Chief Financial Officer | Company Secretary | Partner |
| | | | | Membership No.:-083159 |

**Place:** Rai, Sonepat (HR.)
**Dated:** 21/05/2024

LIGHT UP THE WORLD

## Fiem Industries Limited

**CIN: L36999DL1989PLC034928**

### Registered Office:

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New Delhi - 110015, India
Email: investor@fiemindustries.com
Tel. : +91-11-25101002/03/04/05

### Corporate Office:

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JW Marriott Hotel, Aerocity, New Delhi-110037
Tel. : 9821795327/28/29/30
Website: www.fiemindustries.com

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