

July 8, 2026

The Manager,
Dept. of Corporate Services
B S E Limited
25th Floor, P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001
[BSE Code: 532768]

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai -400051
[NSE Symbol: FIEMIND]

Dear Sir,

Sub: Annual Report for Financial Year 2025-26

**Ref: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
(Listing Regulations).**

Pursuant to Regulation 34 (1) (a) of Listing Regulations, please find attached the Annual Report for Financial Year 2025-26, being sent to shareholders through e-mail for 37th Annual General Meeting of the Company to be held on 31st July, 2026 at 10.30 am through Video Conferencing / Other Audio Video Means (VC/OAVM).

This is for your information and records please.

Yours faithfully,

For Fiem Industries Limited

Arvind K. Chauhan
Company Secretary

Encl: A/a



fiem

LIGHT UP THE WORLD

FIEM INDUSTRIES LIMITED



DRIVEN BY **INNOVATION**
POWERED BY **TECHNOLOGY**
COMMITTED TO **SUSTAINABILITY**

ANNUAL REPORT
2025-26

www.fiemindustries.com

Illuminating the Future of Mobility Through Innovation, Technology Excellence, and Sustainable Manufacturing

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Scan this QR code to view the Annual Report

Disclaimer:

This document also contains statements about expected future events, 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 undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Further, certain industry data and other information presented in this document are collected from various reports and sources publicly available. We cannot authenticate the correctness of such data and information. Accordingly, this entire document is subject to this disclaimer. Readers are cautioned that the Company is in no way responsible for any loss / adverse result caused to them attributable to any such statement in this document. Readers are requested to exercise their own judgment in assessing the risk associated with the Company.

Driving **Innovation.** Illuminating the **Future.**



Innovation is at the heart of FIEM. Backed by robust R&D, advanced engineering and close OEM collaboration, we continuously develop next-generation lighting solutions that combine intelligent technology, superior performance and sustainable design for the future of mobility.



Innovation

Driving progress through creativity, technology and continuous improvement



Customer Focus

Understanding customers and delivering reliability & high quality products

“

Together, we create
greater possibilities.

As FIEM enters this new chapter,
we're embracing closer
collaboration, faster innovation,
and success built together.



Quality

Committed to excellence
in every product
and process



Teamwork

Stronger together -
collaborating with trust,
respect and integrity

EMI/EMC Lab



Technology: Strengthening Capabilities

Technology is the foundation of FIEM's innovation journey. The commissioning of our state-of-the-art EMI/EMC Testing Laboratory, together with continued investments in advanced electronics, automation and smart manufacturing, strengthens our ability to deliver reliable, future-ready lighting solutions.



Innovate

Conceptualize smarter, efficient and future-ready lighting electronics.



Engineer

Designing robust and compact electronic solutions with precision.



Validate

Rigorous testing for performance, safety and reliability.



Ensure

In-house EMI / EMC lab for uncompromised electromagnetic compatibility.

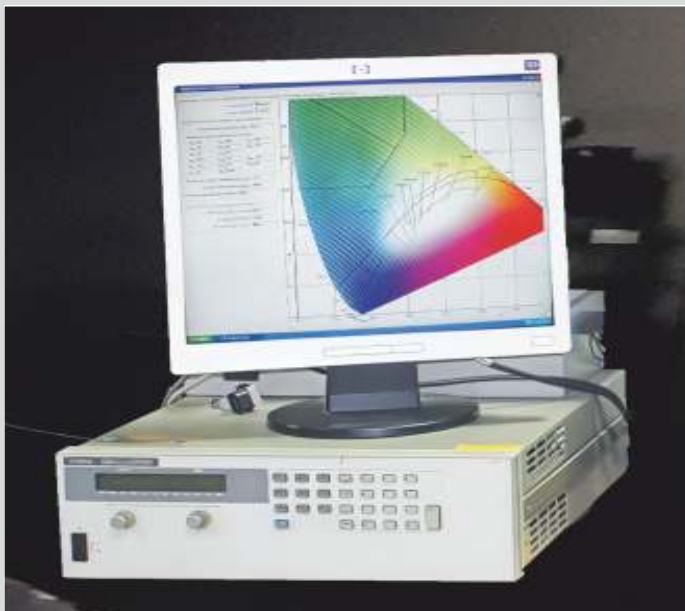




NABL Accredited Photometric Laboratory

Where Innovation Meets Validation

FIEM's state-of-the-art validation facilities, NABL accredited photometric laboratory, environmental simulation, electromagnetic compatibility, comprehensive validation laboratories ensure that our lighting products consistently meets global quality, safety and performance standards while enabling faster product development.





ENVIRONMENT CHAMBER



WATER SPRAYCHAMBER



DUST CHAMBER



HEAT CHAMBER



COLD CHAMBER



UV CHAMBER



CASS / SALT SPRAY TEST CHAMBER



VIBRATION TESTER



ELECTROPLATING THICKNESS TESTER



Electronic Facilities (SMT)



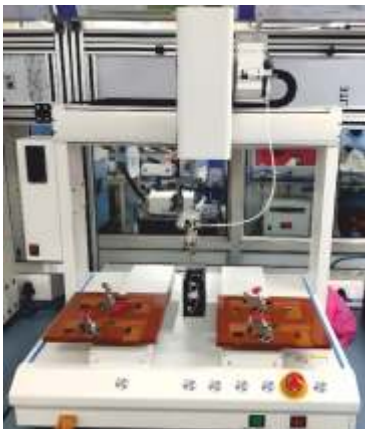
Laser Bar Code Printer



ICT



Router



Robotic Soldering



PCB Vision Testing



X-RAY Counting Machine



Injection Molding Machines - 50T ~1300T

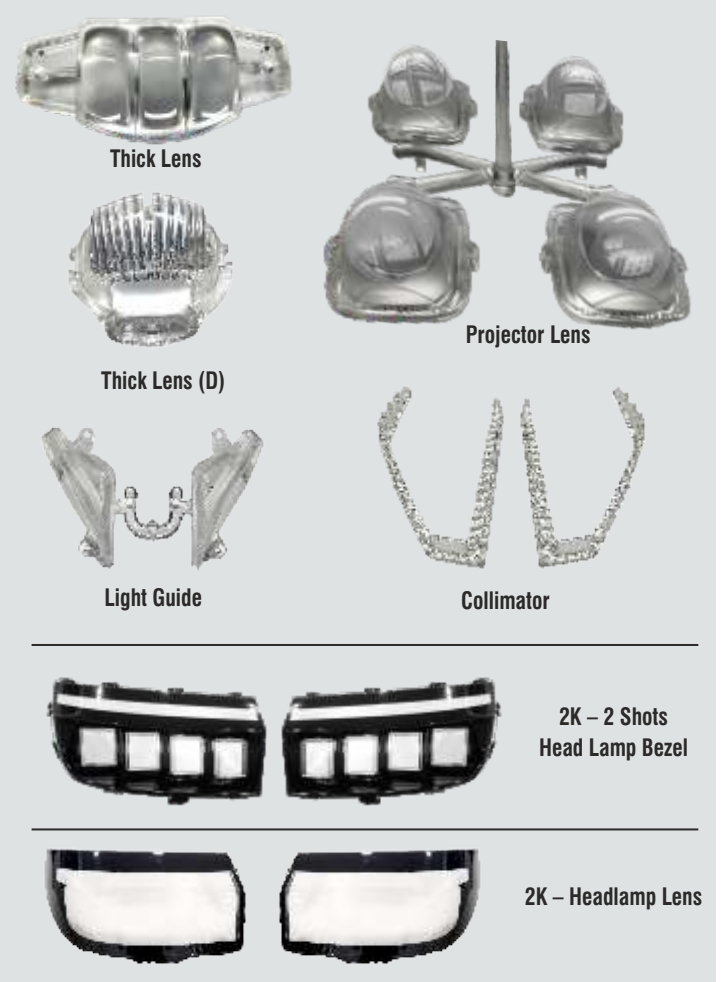
Moulding Facility



All Electric Moulding Machines - 180T ~ 230T



3K Moulding Machine 750T



Thick Lens

Projector Lens

Thick Lens (D)

Light Guide

Collimator

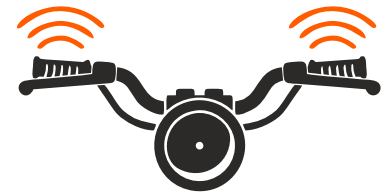
**2K - 2 Shots
Head Lamp Bezel**

2K - Headlamp Lens

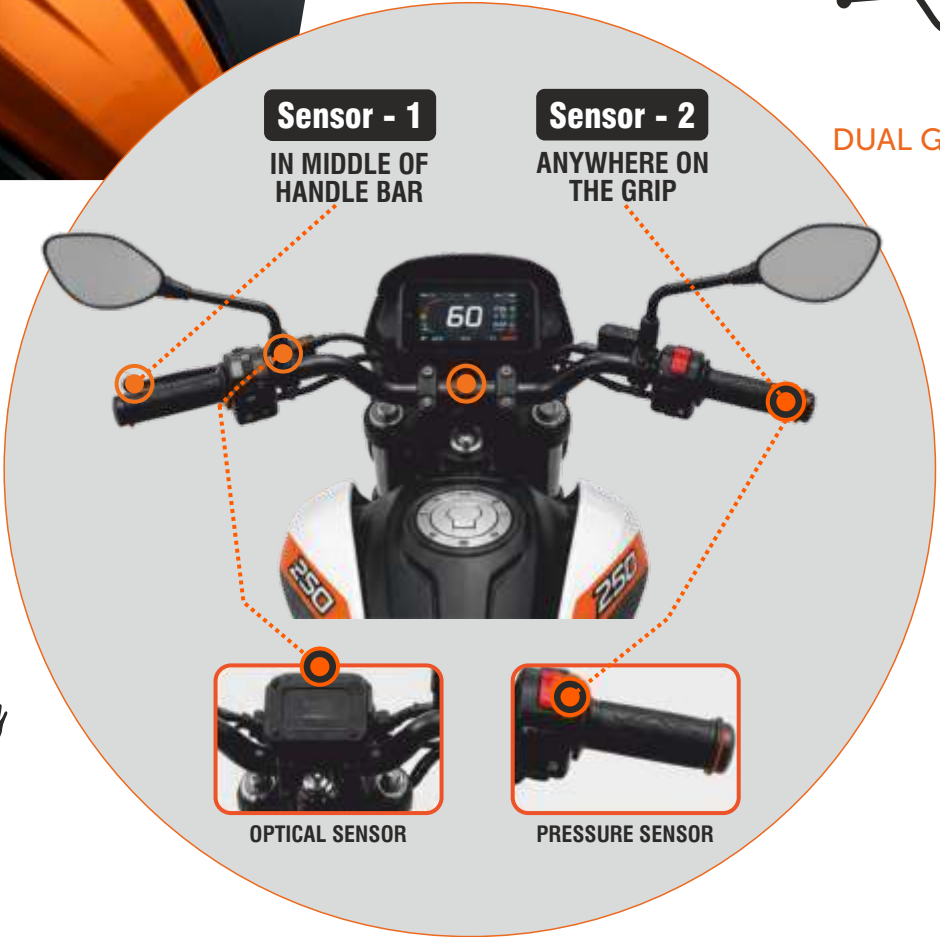


Intelligent Safety. Every Ride. Every Moment.

HANDS - OFF DETECTION SYSTEM



DUAL GRIP MONITORING



Sensor - 1
IN MIDDLE OF
HANDLE BAR

Sensor - 2
ANYWHERE ON
THE GRIP



ONE- HAND RIDING
Mild alert for rider
awareness



SUDDEN RELEASE
Smart filtering avoids
false alarms



CAN
Controller
Area Network

LIN
Local Interconnect
Network

How It Works



**Rider
Input**

Detect presence of
hand (with / without Gloves)



**Capacitive
Sensor**

Embedded in Left &
Right handle grips



**Signal
Conditioning**

Filters noise and
validates contact



**Processing
Unit**

Smart logic for
safety decision



**Vehicle
Response**

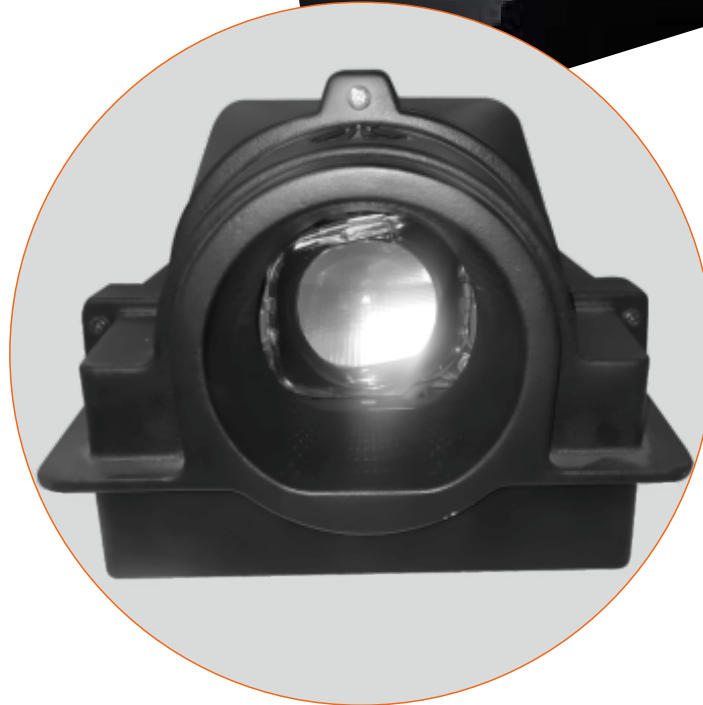
Alerts, display warning,
torque control

Matrix LED Head Lamp

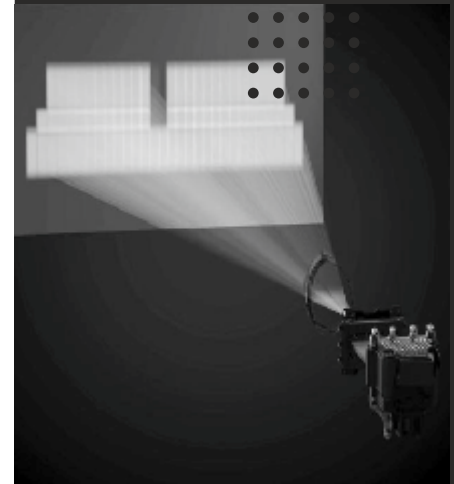
Advanced matrix LED Technology delivers the right light, in the right place, at right time



Light Output



Matrix LED



Key Features

Thousands of Pixel Level LEDs

Adaptive Anti-Glare

Lane & Zone Lighting

Long Range High Beam

Road Projection

Integrates with Driver Asst. System



Enhanced Safety



Energy Efficiency



Smart Integration



Future-Ready Updates

Adaptive Driving Beam Technology

Adaptive Driving Beam illuminates the dark spot by using advanced sensor technology - enhancing road visibility and vehicle safety for two - wheeler rider.

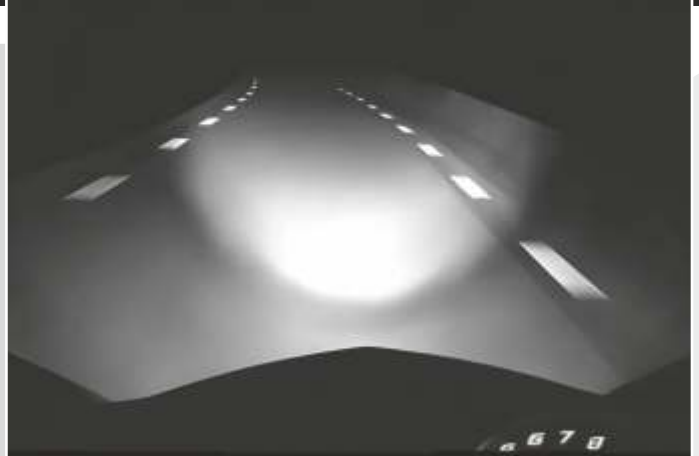


Standard Headlight Blind Spot - Corner



Rider experiences a blind spot when tilting or cornering, making it unable to detect hazards ahead.

Adaptive Driving Beam See More . Ride Safer



Adapting driving Beam illuminates the dark spot while turning - giving riders more visibility and time to react

Benefits That Protects



ENHANCED VISIBILITY



IMPROVED SAFETY



CONFIDENCE IN EVERY RIDE

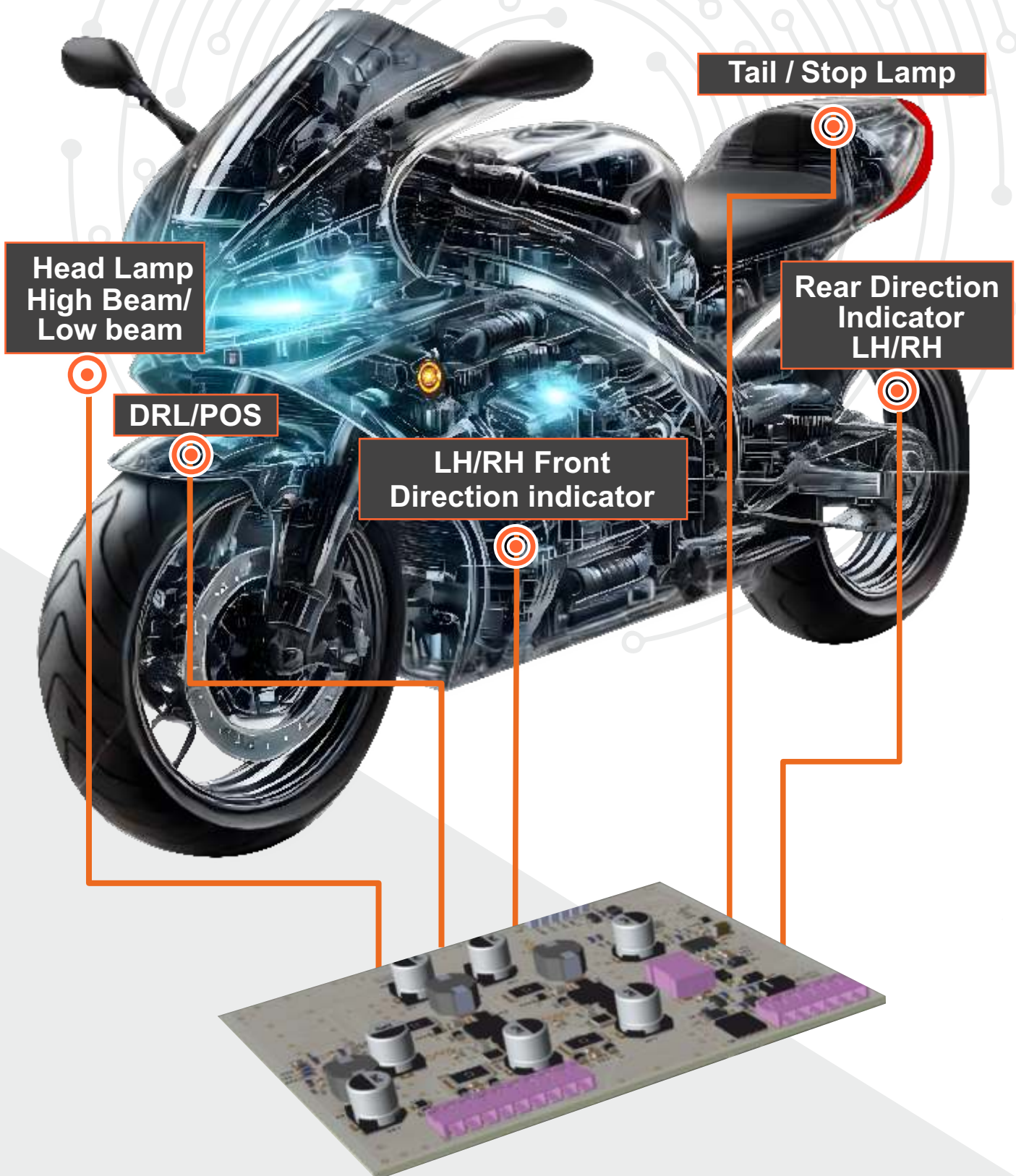


EARLY HAZARD DETECTION



Light Control Module

The intelligent brain behind next-generation automotive lighting



Awards & Recognitions...



Winner Award for Best Cost Down (2026)
from Suzuki Motorcycle India Pvt. Ltd..



Certificate of Appreciation
from TVS Motor Company Ltd.



Certificate of Appreciation,
for Winning Kaizen Contest 2025
from Yamaha Motor India Group



Appreciation Award
for Cost - 2025
from Yamaha Motor India Group



**Award for Best Supplier
"Enhancing Overall Cost Competitiveness" (2024-25)**
From Honda Motorcycle & Scooter India.



**Award for Exceptional
Performance in Cost (2024),**
from Yamaha Motor India Group



Award for Best New Model Part Development - 2025
from Suzuki Motorcycle India Pvt. Ltd.



**Certificate of Appreciation for Outstanding Efforts towards
Co-creating World Class New Products (2025)**
from Royal Enfield Pvt. Ltd.



Global Award for Excellence in Technology and Development from Yamaha Motor Co., Ltd. Japan (on 19th April, 2019 at Japan)



In recognition of outstanding achievement in the development of advanced technology in 2018 development of the "World's Smallest Bi-Function Lighting Module for Two-wheelers' with PES Lens".



Best Cost Improvement Award (2024) from Suzuki Motorcycle India Pvt. Ltd.



Consistent Quality Performance (2021-22) from TVS Motor Company Ltd.



Award for Strong Effort for Cost Reduction (2022-23) From Honda Motorcycle & Scooter India.



Appreciation Award For Special Support (2022) from Yamaha Motor India Group



Award for Delivery Management (2020) From Honda Motorcycle and Scooter India Ltd.



Appreciation Award (2024) from Hyundai Motor India



Award for 'Excellence Performance in Quality Metrics' (2022) from Daimler India Commercial Vehicles.



Award for Best Performance in Delivery (2021) from Kubota Corporation

Sustainability: Powering Progress with Renewable Energy

Sustainability is central to FIEM's vision for the future. Investments in renewable energy and energy-efficient operations are accelerating our transition towards greener manufacturing while supporting long-term environmental and business resilience.

Recognizing the critical role of clean energy in building a sustainable future, we continue to expand our renewable energy footprint across our manufacturing operations. Our Hosur manufacturing facility currently meets approximately 65% of its energy requirement through open-access solar power, with an additional 20% expected to be sourced through wind energy, significantly increasing the share of renewable energy in its overall power consumption. Similar renewable energy initiatives are being progressively implemented across our other manufacturing locations.

By integrating solar power (through both open-access and rooftop systems) and wind energy into our operations, we are reducing our dependence on conventional energy sources while strengthening the environmental sustainability of our manufacturing processes.



Norton TVS

Automotive Intelligent Lighting With Integrated Animation

Automotive Intelligent Lighting ECU with CAN-based communication and integrated DRL/Position animation for enhanced safety, reliability, and premium styling. Provides real-time lighting control, diagnostics, ECU synchronization, and advanced thermal management for stable LED performance and longer lifespan.



Norton TVS



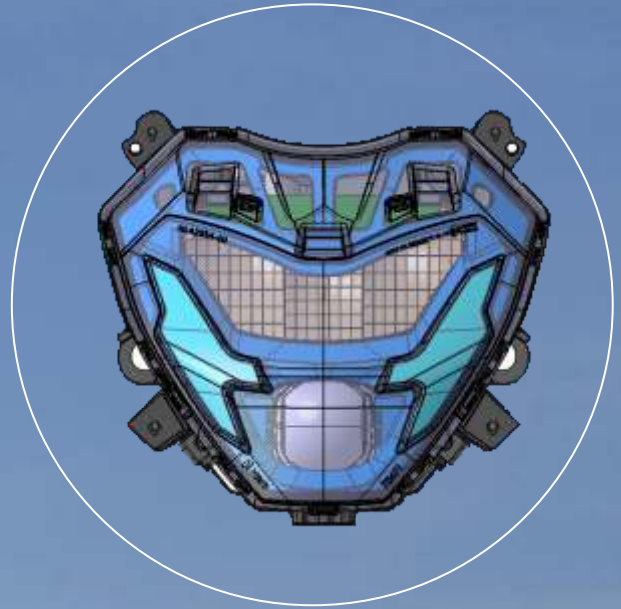
HONDA ACTIVA e:



Position Lamp & Tail Lamp



HERO Xtreme 250R



ROYAL ENFIELD FLYING FLEA - EV



Led Head Lamp, Tail Lamp, Winker & RR



SUZUKI BURGMAN STREET



LED Head Lamp



YAMAHA XSR155



LED Head Lamp & Tail Lamp



YAMAHA EC -06 EV



LED Head Lamp & Tail Lamp

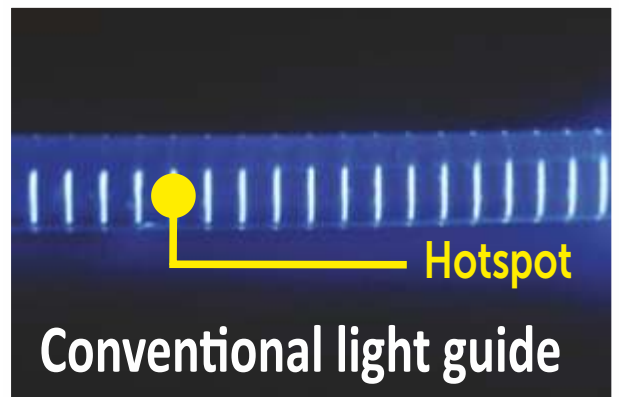
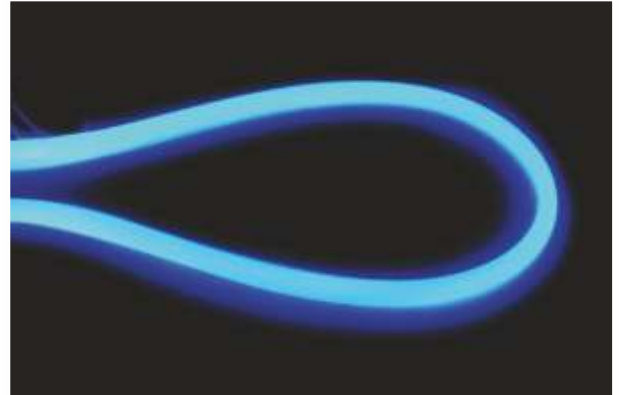
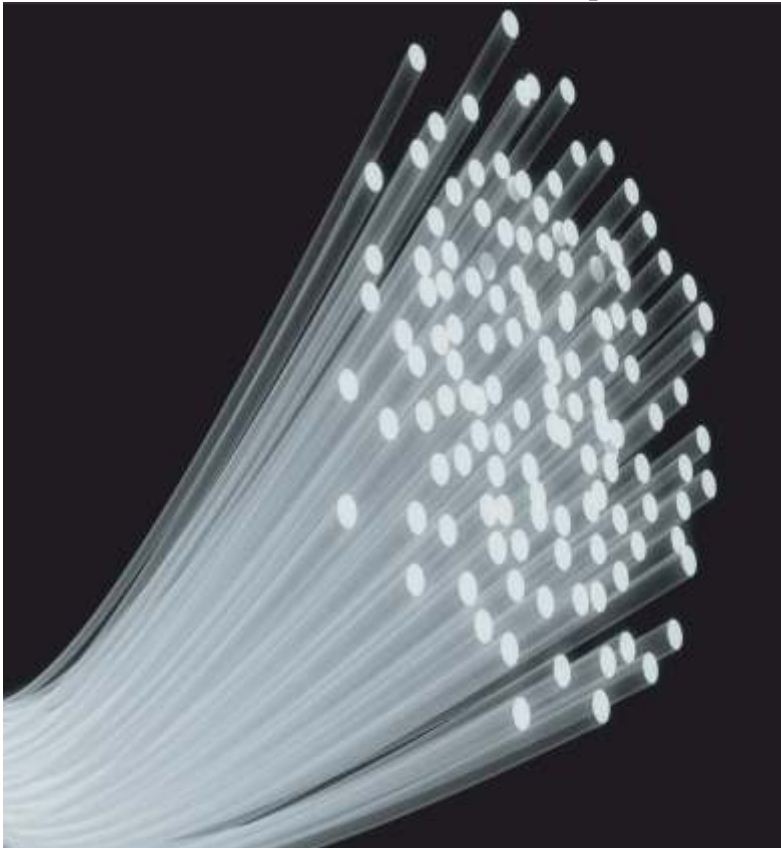


Ambient Lighting



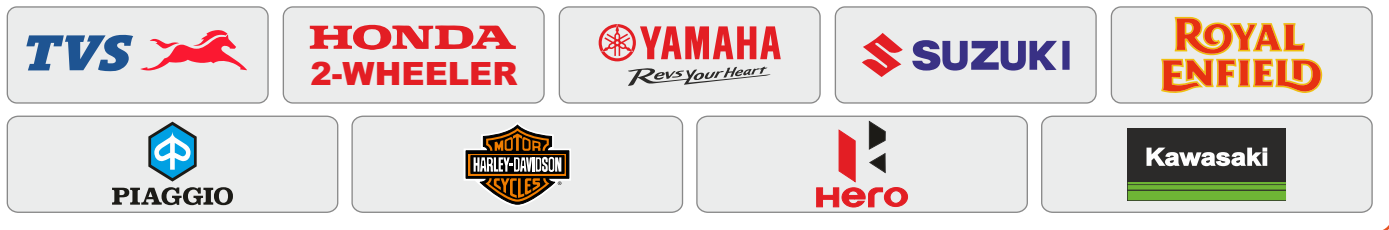
- Dynamic interior illumination.
- Smart & Intelligent RGB LED.
- Dynamic color & brightness control.
- Seamless dimming capability.
- Adjustable range of colors to cover customer demanded color points.
- Easy integration in vehicle network.
- Excellent stability over temperature, supported by a built-in temperature sensor.
- Open and freely accessible communication protocol without license fees.

Extruded Glass Fibre Optics



Our Valued OEM Customers.

2-WHEELER (DOMESTIC OEMs)



2-WHEELER (ELECTRIC VEHICLE OEMs)



2-WHEELER (GLOBAL OEMs)



4-WHEELER (DOMESTIC OEMs)



4-WHEELER (GLOBAL OEMs)





Chairman's Message

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of the Company for the financial year 2025–26, a year that marked another significant milestone in your Company's growth journey.

Economic Environment

Despite heightened geopolitical tensions arising from the conflict in West Asia, India continued to demonstrate remarkable economic resilience and retained its position as one of the fastest-growing major economies in the world. According to the Provisional Estimates released by the National Statistics Office, India's real GDP grew by 7.7% during FY 2025–26. Supported by strong domestic consumption, sustained capital expenditure, policy reforms and continued infrastructure development, the Indian economy once again displayed its ability to withstand global uncertainties while maintaining a strong growth trajectory.

Industry Outlook

The Indian automobile industry mirrored this resilience by delivering another year of robust growth. According to SIAM, overall vehicle production increased by approximately 11.8% during FY 2025–26, with the two-wheeler industry surpassing its pre-pandemic peak to reach a record production of around 26.7 million units. Growth was driven by improving rural demand, increasing premiumisation, stronger export momentum and the continued adoption of electric mobility. Healthy growth across passenger vehicles, commercial vehicles and three-wheelers further underscored the industry's strong fundamentals, supported by favourable government policies, improved financing availability and a positive demand environment.

Company Performance

Against this encouraging backdrop, I am delighted to share that FY 2025–26 has been another landmark year for your Company. FIEM delivered its highest-ever revenue, profitability and operating margins, reaffirming the strength of our customer relationships, the resilience of our integrated business model and the trust we have built with leading OEM customers over several decades.

Financial Highlights:

- **Net Sales** increased by **16.04%** to **Rs.2,790.65 crore**, compared with Rs.2,404.96 crore in the previous year.
- **EBITDA** reached a record **Rs.393.34 crore**, with an all-time high **EBITDA margin of 14.09%**, reflecting operating leverage, manufacturing efficiencies and the benefits of our integrated production capabilities.
- **Profit After Tax** increased by **24.36%** to **Rs.253.87 crore**, demonstrating our continued focus on profitable and sustainable growth.
- **LED lighting** accounted for **63%** of our automotive lighting business, compared with **59%** in the previous year, reflecting the increasing adoption of advanced lighting technologies.

These achievements are the outcome of our unwavering focus on operational excellence, customer-centric innovation and disciplined execution. Strong demand from our existing OEM partners, together with new business opportunities across both the two-wheeler and passenger vehicle segments, enabled us to deliver another year of outstanding performance.

Our four-wheeler business continues to gain significant momentum and remains an important pillar of our long-term growth strategy. During the year, we commenced supplies to Mahindra & Mahindra, marking another important milestone in expanding our presence in the passenger vehicle segment. Supported by a growing customer base and a healthy order pipeline, we remain confident of strengthening our position in this high-value business as the industry increasingly adopts premium and technology-intensive lighting solutions.

"FY 2025–26 has been another landmark year for FIEM. We achieved our highest-ever revenue, profitability and operating margins, reflecting the strength of our customer relationships, technological capabilities and operational excellence."

Innovation, Technology & Sustainability

Innovation continues to be the cornerstone of FIEM's long-term strategy. During the year, we commissioned a state-of-the-art Electromagnetic Interference and Electromagnetic Compatibility (EMI/EMC) Testing Laboratory at our R&D-Electronics, Innovation Centre, and Corporate Office in Gurugram. This strategic investment significantly enhances our in-house capability to design, validate and test advanced automotive lighting electronics in accordance with stringent automotive standards and OEM requirements. The facility will accelerate product development, strengthen our engineering capabilities, reduce dependence on external testing facilities and further reinforce customer confidence in FIEM's technological capabilities.

Sustainability remains equally integral to our long-term vision. During the year, we embarked on our green energy journey by implementing rooftop solar and open-access renewable energy initiatives across our manufacturing facilities. At our Hosur plant, nearly 65% of the Company's energy requirement is now being met through open-access solar power, with an additional 20% being supplemented through wind energy. Similar renewable energy initiatives are being extended across our other manufacturing facilities. These initiatives will not only reduce our carbon footprint but also enhance energy security, improve operational efficiency and support our long-term objective of becoming a carbon-neutral organization.

Way Forward

Looking ahead, the long-term outlook for both the Indian economy and the automotive industry remains highly encouraging. We shall continue to anticipate the evolving needs of the industry by investing ahead of the curve, strengthening our technological capabilities, expanding our manufacturing infrastructure and developing innovative products that create lasting value for our customers. Our growth strategy will continue to be supported by strong internal accruals, prudent capital allocation and a healthy balance sheet, ensuring that growth is pursued with financial discipline and long-term sustainability.

Reflecting the Company's strong financial performance and confidence in its future, your Board of Directors has recommended a final dividend of **Rs.40 per equity share (400%)** for FY 2025-26, subject to your approval at the ensuing Annual General Meeting.

Acknowledgement

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders for their continued confidence and trust, to our valued OEM customers for their enduring partnership, to our business associates for their unwavering support, and to our dedicated employees for their commitment, passion and pursuit of excellence.

As we move forward, I remain confident that FIEM's strong fundamentals, technological leadership, customer-focused approach and unwavering commitment to excellence will continue to create sustainable value for all stakeholders. Together, we shall build on the strong foundation we have established and shape an even brighter future marked by innovation, responsible growth and enduring success.

With Warm Regards,

J. K. Jain
Chairman & Managing Director
Fiem Industries Limited





VISION

To be a dominant player in...

Automotive lighting by developing innovative technologies.

To build a trusted, safe, self-reliant and sustainable global organisation to enhance value for all stakeholders.

MISSION

We are committed to providing our customers total satisfaction in terms of safety, quality, cost and on-time delivery.

We shall pursue continual improvement in product quality by upgrading technology and training to employees.

We aim to be the market leader in all our products through global competitiveness.

We aim to continuously enhance the value for stakeholders.

VALUES

Customer-focused approach.

Strive for safety & quality.

Encourage creativity and innovation.

Respect for individual and workplace ethics.

Fiem Group of Companies



Our Global Presence

R&D & Design Centres



R&D - Electronics (EMC) Laboratory, Innovation Centre & Corporate Office, Gurugram (Haryana)



Design Centre
Chinchwad, Pune (Maharashtra)



Design Centre
Manufacturing Unit-II, Hosur (Tamil Nadu)



Manufacturing Unit-VIII, Tapukara (Rajasthan)



Manufacturing Unit-I, Kundli, Sonapat (Haryana)



Manufacturing Unit-III, Hosur (Tamil Nadu)



Manufacturing Unit-IV, Mysore (Karnataka)

Wholly Owned Subsidiaries



Fiem Research and Technology S.r.l., Italy



Fiem Industries Japan Co., Ltd., Japan

JV Company



Fiem Kyowa (HK) Mould Company Ltd., Hongkong



Design Centre
Fiem Research and Technology S.r.l. Italy



Design Centre & Liaison Office
Fiem Industries Japan Co. Ltd., Japan



Registered Office
JW Marriott, Aerocity, New Delhi



Manufacturing Unit-VII & Testing Laboratory, Rai, Sonapat (Haryana)



Manufacturing Unit-V, Hosur (Tamil Nadu)



Manufacturing Unit-VI, Nalagarh (Himachal Pradesh)



Manufacturing Unit-IX, Ahmedabad (Gujarat)

Technical Assistant Agreement



TEL TOYODENSO

Toyodenso Co., Ltd., Japan & Toyota Tsusho Corp.



Aisan

Aisan Industry Co., Ltd. (Japan)

Diversified Product Portfolio - 2W

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.

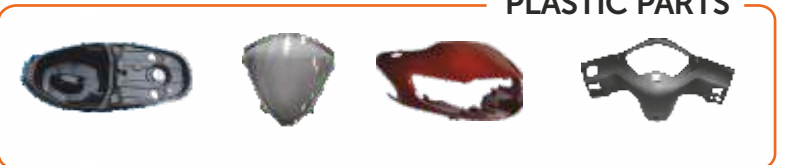
Automotive Lighting



REAR VIEW MIRRORS



PLASTIC PARTS



OTHERS

Sheet Metal Parts



Canister

Bank (Lean) Angle Sensor

Diversified Product Portfolio - 4W

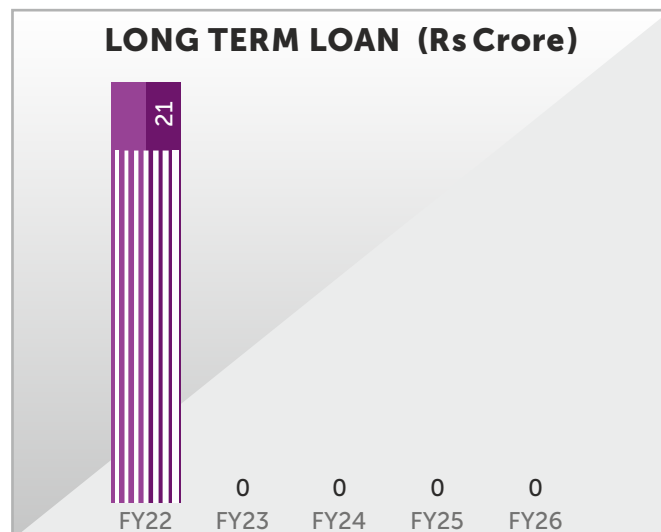
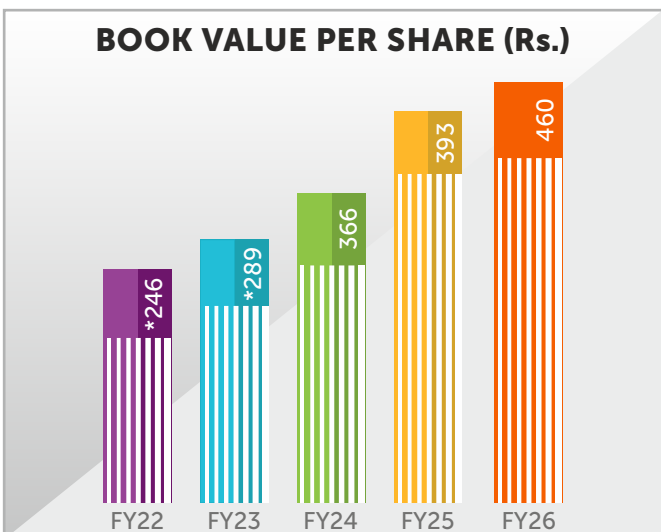
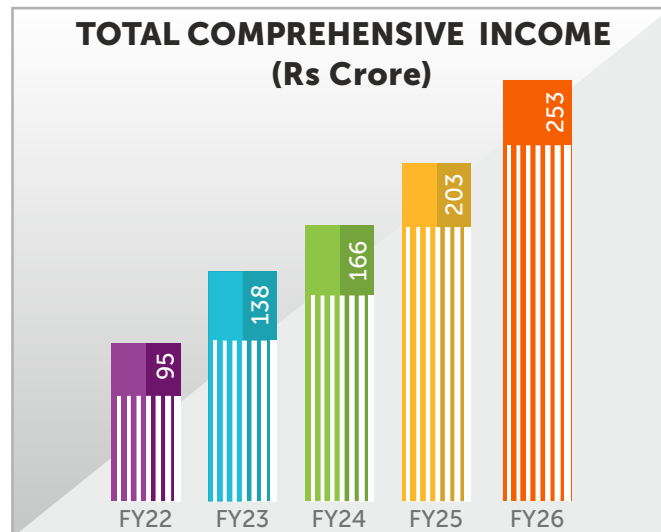
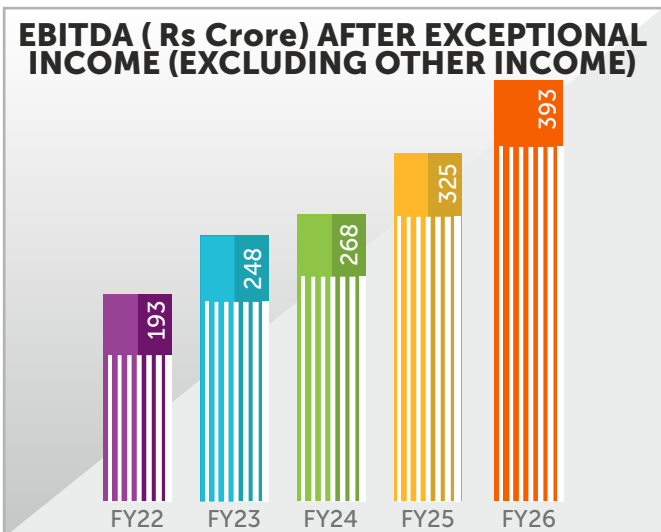
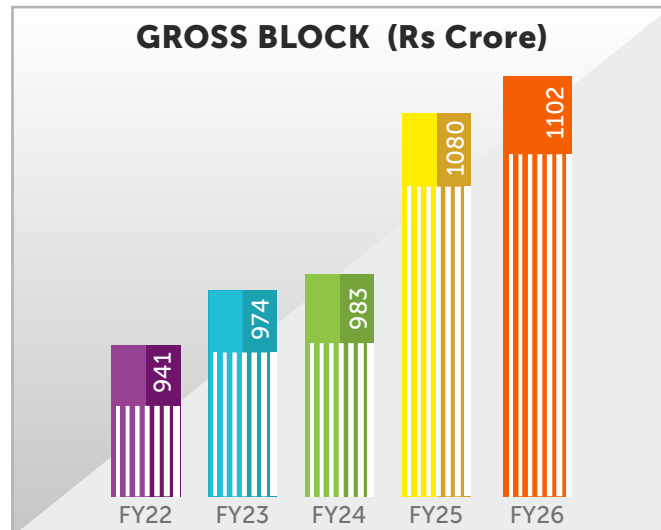
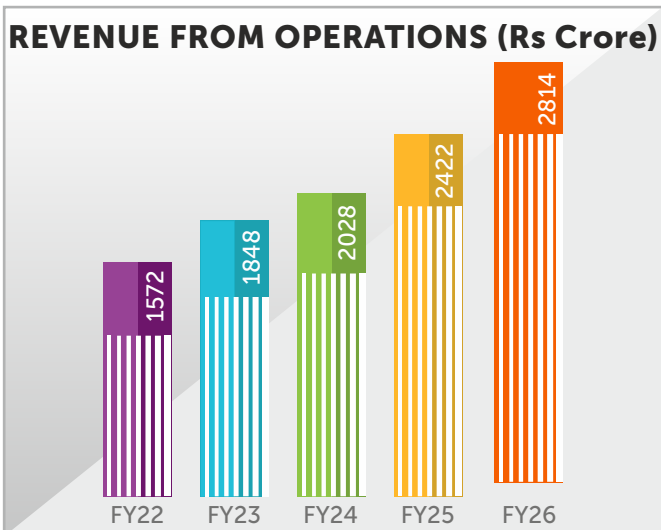
**Full LED Head Lamp
For a Sports Car**



**Bi-functional LED Headlamp
For a Prestigious European Car Manufacturer**



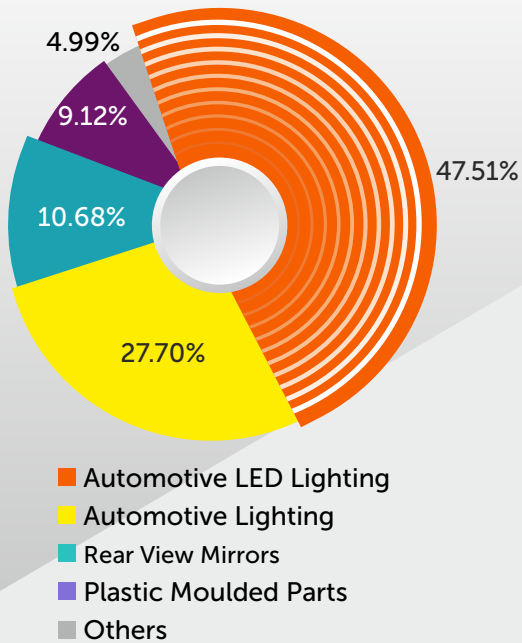
5 Years' Financial Performance Snap-shots



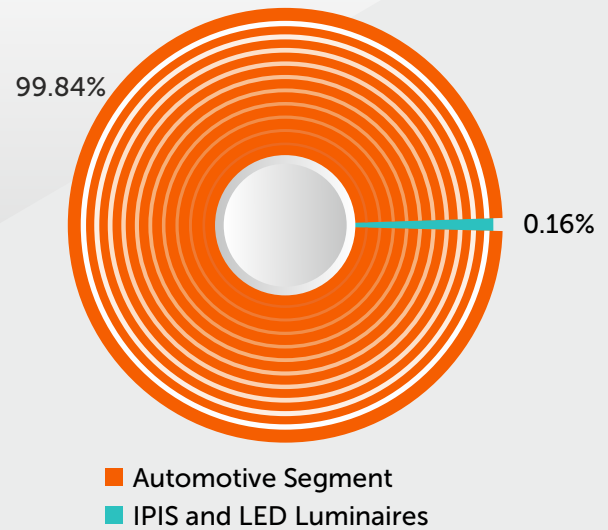
*Restated on post-bonus share capital basis.

FY26 SALES BREAKUP

AUTOMOTIVE PRODUCT MIX

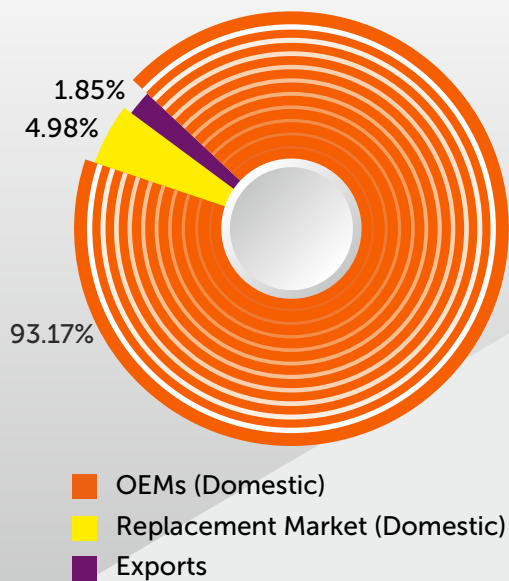


SEGMENT

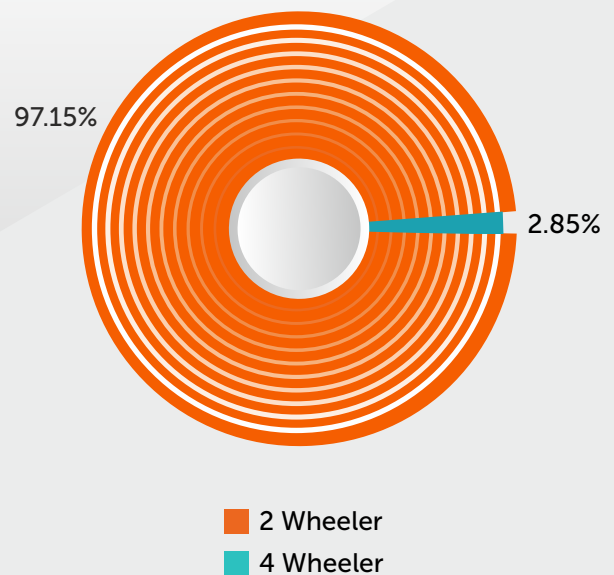


FY26 SALES BREAKUP

MARKET SEGMENT WISE



VEHICLE SEGMENT WISE



CSR



J.K. Jain

Chairman & Managing Director



Seema Jain

Whole-time Director

Corporate Social Responsibility (CSR) is an integral part of our corporate philosophy, reflecting our commitment to creating sustainable social value beyond statutory compliance. Through focused and inclusive initiatives, we strive to address critical social challenges and contribute towards the well-being and empowerment of underserved communities.

Our flagship CSR initiative is the promotion of **Menstrual Hygiene Management (MHM)**, with a focus on enhancing awareness, improving access to affordable menstrual hygiene products, and promoting dignity and well-being among women and adolescent girls, particularly those belonging to marginalized and underprivileged communities. Through awareness programmes and community outreach, we seek to address misconceptions surrounding menstruation and encourage the adoption of safe and hygienic menstrual practices.

Furthering our commitment to community empowerment, we are also establishing a **Training & Skill Centre** as an ongoing CSR project. The Centre will focus on vocational training and skill development for women and other underprivileged and marginalized sections of society, enabling them to enhance their livelihood opportunities and move towards greater self-reliance.

Women Empowerment

Sanitary Pad Projects

In collaboration with public stakeholders and civil society organisations, we have established **13 Sanitary Pad Manufacturing Plants** across different parts of India. These units not only facilitate the production of affordable sanitary pads but also serve as centres for creating awareness on menstrual hygiene, contributing to improved health outcomes, enhanced self-confidence, and greater social inclusion. The initiative also promotes community participation and strengthens local capacities, making menstrual hygiene products more accessible to underserved sections of society.



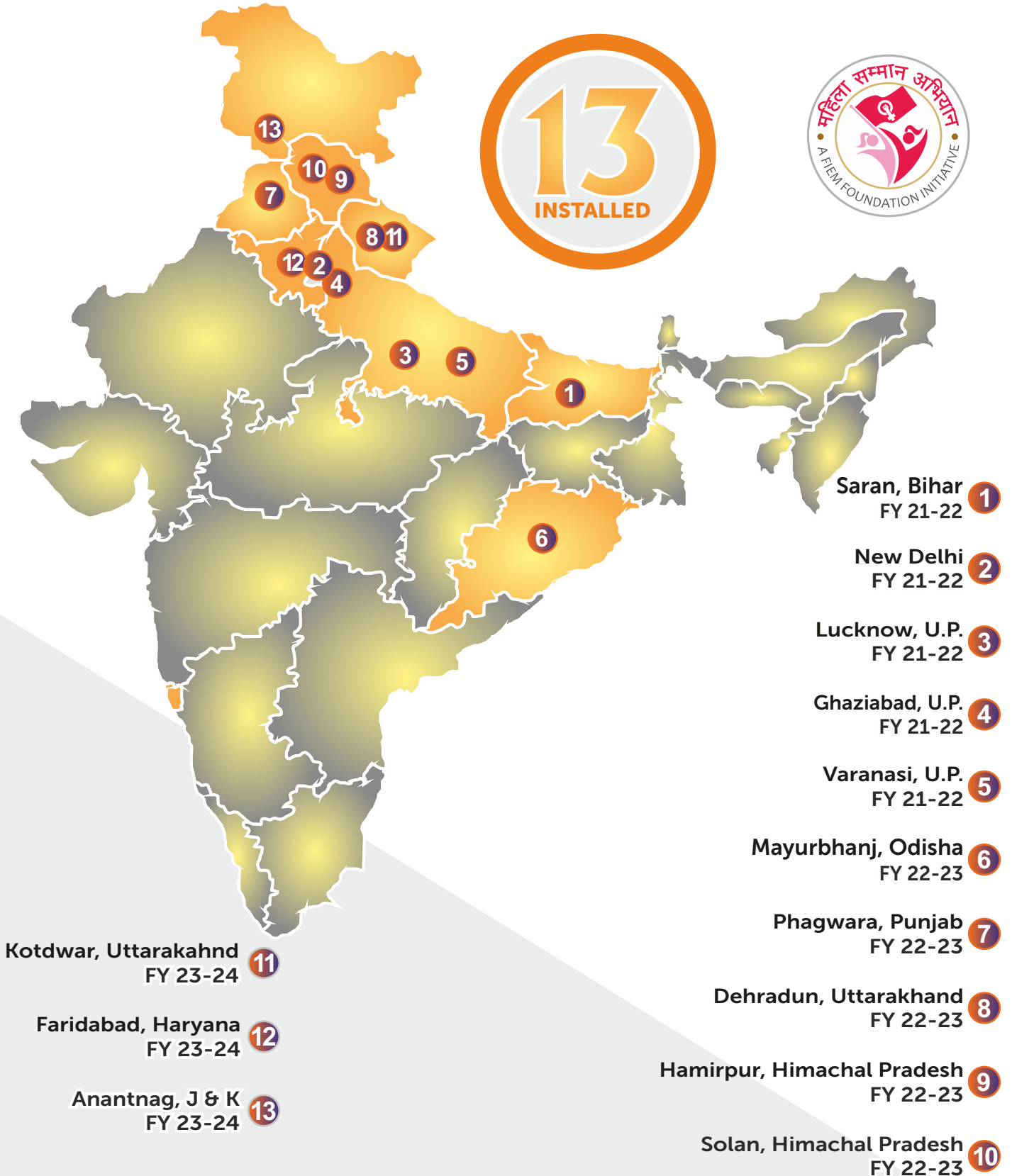
- | Manufacturing of Sanitary Pads
- | Livelihood Opportunities
- | Free Distribution
- | Awareness Campaign



Sanitary Pad Manufacturing Units



13
INSTALLED



Map not to scale

Sanitary Pad Distribution





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Eye Care Camps

Under another CSR initiative, the Fiem Foundation collaborated with Kutch Vikas Trust (NGO) to support eye care services for communities in various villages of the Kutch region, where eye ailments are prevalent due to the dusty and sandy environmental conditions. During the year, eye screening and treatment camps were organised through the Trust, **benefiting more than 1,700 individuals**. The initiative also facilitated necessary eye surgeries for beneficiaries requiring corrective intervention, thereby contributing to improved vision, better health, and an enhanced quality of life for the local community.



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. Kashi Ram Yadav
Whole-time Director



Mr. Pawan Kumar Jain
Independent Director



Mr. Rakesh Chand Jain
Independent Director



Mr. Sanjiv Rai Mehra
Independent Director



Mr. Pradeep Bhagat
Independent Director



Mr. Satinder Manocha
Independent Director



Ms. Shobha Khatri
Independent Director



Mrs. Rita Arora
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
Mr. Rajesh Sharma	–	Joint Managing Director
Mr. Vineet Sahni	–	CEO & Director (up to 31.05.2026)
Ms. Aanchal Jain	–	Whole-time Director
Mr. Kashi Ram Yadav	–	Whole-time Director
Ms. Shobha Khatri	–	Independent Director
Mr. Pawan Kumar Jain	–	Independent Director
Mr. Pradeep Bhagat	–	Independent Director
Mr. Rakesh Chand Jain	–	Independent Director
Mr. Satinder Manocha	–	Independent Director
Mr. Sanjiv Rai Mehra	–	Independent Director
Mrs. Rita Arora	–	Independent Director

Chief Financial Officer

Mr. O.P. Gupta

Company Secretary & Compliance Officer

Mr. Arvind K. Chauhan

Audit Committee

Mr. Pawan Kumar Jain	–	Chairman
Mr. Sanjiv Rai Mehra	–	Member
Ms. Shobha Khatri	–	Member

Stakeholders Relationship Committee

Mr. Pradeep Bhagat	–	Chairman
Mr. Rahul Jain	–	Member
Mr. Rakesh Chand Jain	–	Member

Nomination & Remuneration Committee

Ms. Shobha Khatri	–	Chairperson
Mr. Pradeep Bhagat	–	Member
Mrs. Rita Arora	–	Member

Corporate Social Responsibility (CSR) Committee

Mr. Rahul Jain	–	Chairman
Mr. Kashi Ram Yadav	–	Member
Mr. Rakesh Chand Jain	–	Member

Risk Management Committee

Mr. Rajesh Sharma	–	Chairman
Mr. Rakesh Chand Jain	–	Member
Mrs. Rita Arora	–	Member

Statutory Auditors

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

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Unit No. 1A & 1C, First Floor, Commercial Towers, Hotel JW Marriott, Aerocity, New Delhi-110037 Tel: +91-9821795327/28/29/30 Email: info@fiemindustries.com Website: www.fiemindustries.com CIN: L36999DL1989PLC034928	2nd Floor, Tower A, Plot No. 243, SP Infocity, Udyog Vihar Phase-1, Gurugram, Haryana-122016 (INDIA) Tel: +91-124-4792550/51/52/53/54 Email: corporate@fiemindustries.com Website: www.fiemindustries.com	MUFG Intime India Pvt. Ltd. Noble Heights, 1st Floor, Plot No. 2 C-1 Block ISC, Near Savitri Market Janakpuri, New Delhi – 110058 Ph: 011-41410592/93/94 Fax No: 011-41410591

Plant Locations:

Unit I	: 32 Mile Stone, G. T. Road, Kundli, Distt. Sonapat - 131028, Haryana
Unit II	: 219/2B, Hosur-Thally Road, Kalukondapalli Village, Belagondapalli Post, Hosur - 635 114, Tamil Nadu
Unit III	: Kelamangalam Road, Achettipalli Post, Hosur - 635 110, Tamil Nadu
Unit IV	: Plot No. 133, KIADB, Kadakola Industrial Area, Kadakola Post, Mysore - 571 311, Karnataka
Unit V	: Fiem Industrial Complex, Kelamangalam Road, Achettipalli Post, Hosur - 635 110, Tamil Nadu
Unit VI	: Village - Bhatian, Tehsil - Nalagarh, Distt. Solan - 174 101, Himachal Pradesh
Unit VII	: Plot No. 1915, Rai Industrial Estate, Phase-V, Sonapat - 131029, Haryana
Unit VIII	: SP1-C, RIICO Industrial Area, Tapukara, Distt. Alwar - 301 707, Rajasthan
Unit IX	: Karsanpura Village, Taluka-Mandal, Distt. Ahmedabad - 382140, Gujarat

Director's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the 37th Annual Report of the Company, along with standalone and consolidated audited financial statements for the financial year ended March 31, 2026. 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 Company are consolidated in Consolidated Financial Statements.

SN	Name of Entity	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

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

SN	Particulars	(Rs in Lakh)			
		Standalone		Consolidated	
		FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
1	Income from Operations				
	a) Net Sales	279065.46	240495.64	279213.96	240536.78
	b) Other Operating Income	2345.31	1724.38	2346.91	1724.38
	Total Income from operations (Net)	281410.77	242220.02	281560.87	242261.16
2	Total Expenses (Excluding dep. and finance cost)	242076.54	210146.76	241969.42	210041.50
3	Profit from operations before other income, finance costs, depreciation and exceptional items (1-2)	39334.23	32073.26	39591.45	32219.66
4	Add :- Other income	2078.51	1611.36	2078.89	1611.68
5	Profit from ordinary activities before finance costs, depreciation and exceptional items (3+4)	41412.74	33684.62	41670.34	33831.34
6	Less :- Finance costs	278.68	154.33	278.68	154.33
	Less :- Depreciation	7206.19	6389.88	7248.81	6426.17
7	Profit from ordinary activities after finance costs, depreciation but before exceptional items (5-6)	33927.87	27140.41	34142.85	27250.84
8	Exceptional Items	-	374.95	-	374.95
9	Profit/(Loss) from Ordinary Activities Before Tax (7+8)	33927.87	27515.36	34142.85	27625.79
10	Tax expense	8540.11	7101.56	8583.00	7129.31
11	Net Profit/(Loss) from Ordinary Activities After Tax (9-10)	25387.76	20413.80	25559.85	20496.48
12	Share of profit/(loss) of associates	-	-	-1.41	-4.50
13	Profit after tax for the year after share of profit/loss of associate	25387.76	20413.80	25558.44	20491.98
14	Other comprehensive income/(loss) (net of tax)	-91.65	-145.50	-91.65	-145.50
15	Total other comprehensive income (net of tax)	25296.11	20268.30	25466.79	20346.48
16	Weighted Earnings Per Share (EPS) (in Rs.)	96.46	77.56	97.11	77.86

State of the Company's affairs and Business Review

a) Financial and Operational Review:

FY 2025-26 has marked an important milestone as industry production exceeded the pre-pandemic peak achieved in FY 2018-19. According to SIAM, the Indian automobile industry recorded healthy growth across all vehicle segments during FY2025-26. Passenger vehicle production reached **5.5 million units**, reflecting a **9.4% year-on-year growth**, driven by sustained demand for utility vehicles, increasing premiumization, and robust export performance. The **two-wheeler** segment registered a strong performance, with production rising to **26.7 million units**, marking a **11.8% growth** over the previous year. **Three-wheeler** production stood at **1.3 million units**, recording an impressive **23.9% growth**, while **commercial vehicle** production increased to **1.17 million units**, registering a **13.1% year-on-year growth**, supported by continued demand across key end-user sectors.

Against this backdrop, the Company has delivered its strongest performance to date. This achievement reflects the strength of the Company and its deep customer relationships, the resilience of business model, and the enduring value of the capabilities Company has built over the years.

The Company's financial performance highlights are as under:

- For FY 2025-26, Company has achieved Net Sales of Rs. 2790.65 Crore as compared to Rs. 2404.96 Crore in previous financial year, representing a growth of 16.04%
- EBIDTA for FY 2025-26 stood at Rs. 393.34 Crore, as compared to Rs. 320.73 Crore last year. This translates into an EBDITA margin of 14.09% for the FY 2025-26.
- For FY 2025-26, PAT of the Company stood at Rs. 253.87 Crore as compared to Rs. 204.14 Crore during last financial year, which is higher by 24.36%.
- As a percentage of total Automotive Lighting, the LED Lighting stands at 63% in FY 2025-26, as compared to 59% during last year.

As part of long-term commitment to responsible manufacturing, Company has started its journey into green power by rolling the rooftop solar and open-access renewable energy initiatives across the plants. At Hosur facility of the Company, around 65% of energy needs are being met through open access solar power, with a further 20% being added through wind energy. Company is in the process rolling renewable energy initiatives across other plants.

During the year, the Company has commissioned and inaugurated new state-of-the-art **Electromagnetic Interference (EMI) and Electromagnetic Compatibility (EMC) Testing Laboratory** at its R&D-Electronics, Innovation Centre & Corporate Office in Gurugram.

The facility has been established to support the Company's growing focus on automotive lighting electronics for two-wheelers and four-wheelers, particularly as LED lighting systems and electronic controls are becoming increasingly integral to modern automotive lighting solutions. The laboratory will

enable FIEM to conduct critical EMI and EMC validation tests in-house for automotive lighting products, ensuring compliance with automotive regulatory standards and OEM specifications.

The in-house facility will deliver following strategic benefits:

- Enhanced Electronic Design capabilities for advanced automotive lighting systems.
- Accelerated product development timelines, enabling faster project development.
- Reduced Dependence on external testing facilities, improving efficiency and flexibility in product validation.
- Strengthening of backward Integration in engineering and validation infrastructure.
- Higher confidence of OEM customers through in-house testing & validation capabilities.

Update on Fire Incidents, Re-instatement and Insurance

Rai Plant – Unit-VII:

On June 13, 2023, a fire incidence had happened in Rai Plant of the Company resulting in significant damage to stock, plant machinery, equipments etc. and part of the building.

The work of re-instatement of building, machines, equipments and other assets has already been completed during the financial year and assessment of insurance claim is in final stages. During FY 2024-25, Company had received two interim payments from insurance company, respectively for Rs. 30 Crore and Rs. 20 Crore each, totalling Rs. 50 Crore.

Tapukara Plant – Unit VIII:

Unfortunately, one fire incident happened on August 23, 2025 in Unit-VIII situated at Plot No. SP1-C, Industrial Area Tapukara, Distt. Alwar - 301707 (Rajasthan). Fortunately, there was no injury or loss of human life and the fire was controlled in few hours with the help of fire tenders. Majorly, the damage was contained to the First Floor of the building, and the damage has happened to building, plant & machinery, stocks and furniture etc.

The Ground Floor and Basement of the building, which have all major plant & machinery, production and assembly lines etc. were saved from fire and majorly remained unaffected. The Management took swift measures to resume the operations of the Unit at the earliest. On August 29, 2025, production has been resumed on undamaged floors (Ground Floor and Basement) of the building.

Reinstatement work of building construction, machines and equipment installation is under progress. Due to immediate requirement, production set-up for Bank Angle Sensor (BAS) and 4-Wheeler (especially for M&M), has been reinstated in Rai Plant and production has already been started in the month September, 2025.

The Company has initiated necessary procedure for insurance claim as Company's assets are adequately covered with the insurance. An estimated Claim of Rs. 82.30 Crore has been filed to the Insurer / Surveyor on January 30, 2026 and request for ad-hoc payment has also been made.

Dividend:

The Company has been consistently declaring higher dividends every year since listing. In line with the same, and in terms of Dividend Distribution Policy of the Company, the Board of Directors in its meeting held on May 30, 2026, had recommended a Final Dividend at the rate of 400% i.e. Rs. 40/- per equity share of Rs. 10/- each for the financial year ended on March 31, 2026. 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 10527.86 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 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/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 2025-26, four (4) 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, 2026, 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, 2026 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 2025-26.

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-II**. 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 and 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 2025-26 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 have 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

Pursuant to Section 204 of the Companies Act, 2013 and in compliance with Regulation 24A of the SEBI Listing Regulations, M/s Ranjana Gupta & Associates, Company Secretaries were appointed as Secretarial Auditors of the Company at 36th AGM of the Company held on July 31, 2025, for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30.

(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 2025-26. The Report in Form No. MR-3 given by the Secretarial Auditors is annexed as **Annexure-III** 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' for FY 2025-26 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, in compliance with Regulation 24A of Listing Regulations and as per format prescribed under SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/II/3762/2026 dated January 30, 2026.

During the year under review, the Secretarial Auditors have 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 30, 2026 has re-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 2026-27 at a remuneration of Rs. 3,50,000/-.

The Company had received his consent that his re-appointment 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 standalone 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://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.2550 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, 2026 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 - IV** 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, cyber security risks, foreign currency exchange rate risk, natural calamities etc. and measures and controls that have been implemented to manage and 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. Several senior management team members are actively involved in the process.

A brief about the risks 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.

In its continued support for the programs connected to Women Empowerment and Menstrual Hygiene Management (MHM) awareness, company continued its support for successful running of Sanitary Pad Projects set-up in previous years for following Projects:

- Sanitary Pad Project-Dehradun, Uttarakhand
- Sanitary Pad Project-Delhi
- Sanitary Pad Project-Ghaziabad, U.P.
- Sanitary Pad Project-Hamirpur, H.P.
- Sanitary Pad Project- Mayurbhanj, Orissa
- Sanitary Pad Project-Phagwara, Punjab
- Sanitary Pad Project- Saran, Bihar
- Sanitary Pad Project-Solan, HP
- Sanitary Pad Project-Kotdwar, UK
- Sanitary Pad Project-Anantnag, J&K

Company also undertook other CSR programs in Medicare Support, Eye Operation Camp in Kutch, Gujarat, support in Disaster Relief etc.

Company is also setting-up one Skill & Training Centre in Delhi as an On-going CSR Project for three years. The Project started

in December, 2024 and targeted to be completed by November, 2027.

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-V** 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 of Directors 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 its own performance (self-assessment), performance of Board as whole, performance of Chairman and performance of respective Committee(s) where he/she is a member.

As per Performance Evaluation Framework of the Company read with Section 178(2) of the Act, 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. the NRC conduct the performance evaluation of every Individual Director on the basis of filled questionnaires 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 2025-26, there was 1 Joint Venture Company (JVC) and 2 Wholly-owned subsidiaries (WOS) as listed in initial paragraph of this Report. The highlights of performance of JV and subsidiary 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. 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:

Particulars	(Rs. in Lakh)	
	FY 2025-26	FY 2024-25
% of shareholding	50%	50%
Total Income	33.96	9.84
Total Expenses	35.37	14.34
Profit or (loss) after tax	(1.41)	(4.50)
Total comprehensive income	(1.41)	(4.50)

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

This WOS was set-up in Japan as an extended arm of the Company for Design and R&D Services for new projects / products and liaison with Japanese customers like Honda, Suzuki and Yamaha etc. Fiem Industries Ltd. (India) is getting full support in above areas and activities are progressing at good scale. The financials of the subsidiary are as under:

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

Particulars	(Rs. in Lakh)	
	FY 2025-26	FY 2024-25
% of shareholding	100%	100%
Revenue	520.61	285.18
Total Income	520.84	285.20
Total expenses	415.67	246.66
Profit/(Loss) before taxation	105.17	38.54
Provision for taxation	10.19	6.57
Profit/ (Loss) after taxation	94.98	31.97

c) 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 was set-up under this Company in Turin, Italy. Fiem Industries is getting Design Services from this WOS on regular basis on LED Automotive 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)

Particulars	(Rs. in Lakh)	
	FY 2025-26	FY 2024-25
% of shareholding	100%	100%
Total Income	1364.41	1094.09
Total expenses	1254.61	1022.19
Profit/(Loss) before taxation	109.80	71.90
Provision for taxation	32.71	21.18
Profit/ (Loss) after taxation	77.09	50.72

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

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

- i. Financial summary/ highlights of the Company are already mentioned in the beginning of the Report.
- ii. There is no change in the nature of business of the Company during the year under review.
- iii. **Change in Directors and Key Managerial Personnel:**
 - Pursuant to provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mr. Rahul Jain, Joint Managing Director and Ms. Aanchal Jain, Whole time Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment and they are not disqualified under Section 164 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 to the shareholders for re-appointment of above Directors.
 - On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 30, 2026, have re-designated and appointed Mr. J.K. Jain (DIN:00013356), as 'Executive Chairman' (Key Managerial Personnel) of the Company in the Category of Whole-time Director w.e.f. June 1, 2026 till the completion of his current term i.e. till August 6, 2030, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company by way of Special Resolution.
 - On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 30, 2026, has re-designated and appointed Mr. Rahul Jain (DIN:00013566), as 'Managing Director' (Key Managerial Personnel) of the Company, w.e.f. June 1, 2026 till the completion of his current term i.e., till September 30, 2030, 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 30, 2026, has re-designated Ms. Aanchal Jain (DIN: 00013350) as 'Joint Managing Director' in the category of Whole-time Director of the Company, w.e.f. June 1, 2026 and also approved her re-appointment for the next term of 5 years effective from April 1, 2027, 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 30, 2026, has re-appointed Mrs. Seema Jain (DIN: 00013523), as Whole-time Director of the Company for a term of 5 years effective from April 1, 2027, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company by way of Special Resolution.
- On recommendation of Nomination & Remuneration Committee, Board of Directors at their Meeting held on May 30, 2026, has re-appointed Mr. K.R. Yadav (DIN: 02379958), as Whole-time Director of the Company for a term of 3 years effective from October 25, 2026, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company by way of Special Resolution.
- The requisite details of Directors being proposed for appointment / re-appointment / change in designation are provided in the Notice convening the ensuing Annual General Meeting of the Company. Board of Directors recommend the shareholders to approve the respective resolution contained in the Notice of AGM.
- Mr. Vineet Sahni (DIN: 03616096), CEO & Whole-time Director (Key Managerial Personnel) of the Company, has resigned from the Directorship of the Company on May 19, 2026. In his resignation letter, he cited personal reasons and decision to pursue other interests. The Board, in its meeting held on May 30, 2026, accepted his resignation from the position of CEO & Whole-time Director (Key Managerial Personnel) w.e.f. the end of day on May 31, 2026.

The Board of Directors placed on record its deep appreciation for the valuable contributions made by Mr. Vineet Sahni during his tenure and wished him success in his future endeavours.

- During the year, Mr. J.K. Jain, Chairman & Managing Director, Mr. Vineet Sahni, CEO & Whole-time 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 2025-26, no new 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. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year (inserted vide amendment effective from July 14, 2025).

No new Independent Director was appointed during the year under review and neither proposed in the ensuing Annual General Meeting. Hence, the statement required under Rule 8(5)

(iia) of the Companies (Accounts) Rules, 2014 (as amended), is not applicable.

However, as a matter of robust corporate governance and good practice, the Board has reviewed the composition of its existing Independent Directors. In the opinion of the Board, all existing Independent Directors continue to possess the high standards of integrity, expertise, and rich experience necessary to guide the Company effectively.

Furthermore, with respect to proficiency (as explained under the newly inserted amended instant Rule) all the current Independent Directors either have passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs under Section 150(1) of the Companies Act, 2013 or exempt from taking this test, due to their experience and qualification.

Please refer to the Corporate Governance Report annexed to this Board's Report for specific skills / expertise matrix for existing Independent Directors.

v. 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.

Following are the additional details relating to Deposits as required under Rule 8(5) of the Companies (Accounts) Rules, 2014 (inserted vide amendment effective from July 14, 2025):

(a)	accepted during the year;	:	Nil
(b)	remained unpaid or unclaimed as at the end of the year;	:	Nil
(c)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	:	NA
	(i) at the beginning of the year;	:	Nil
	(ii) maximum during the year;	:	Nil
	(iii) at the end of the year;	:	Nil
	(vi) the details of deposits which are not in compliance with the requirements of Chapter V of the Act;	:	NA

- vi.** 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.

vii. 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.

- viii. 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.
- ix. 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 ("POSH Act").

The disclosure in relation to POSH Act are as under (inserted vide amendment effective from July 14, 2025):

Sr.	Particulars	Nos.
(a)	Number of complaints of sexual harassment received during the year	Nil
(b)	Number of complaints disposed off during the year	Nil
(c)	Number of cases pending for more than ninety days	Nil

- x. 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.
- xi. It is confirmed that there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- xii. It is confirmed that no settlements have been done with banks or financial institutions.
- xiii. **Statement by the company with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961 (inserted vide amendment effective from July 14, 2025):** The Company is compliant with the applicable provisions of the Maternity Benefit Act, 1961 (subsumed under The Code on Social Security, 2020) and has policies, systems and processes in place to ensure ongoing compliance.
- xiv. **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-VI**, forming part of this Report.

- In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may request the same to Company at investor@fiemindustries.com.
- 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 financial statements of Wholly-owned Subsidiary companies and JV Company are consolidated with the financial statements of the Company.

Acknowledgement

The Board of Directors extends its sincere appreciation to the Company's valued OEM customers for their continued trust and partnership, which have been instrumental to the Company's growth and strong market position in the automotive lighting industry.

The Board likewise thanks its employees, whose commitment to excellence remains the cornerstone of the Company's success; its suppliers, dealers, business partners and government authorities, for their ongoing support and collaboration, vital to the Company's progress and resilience; and its shareholders and investors, for their unwavering confidence in the Company's vision, leadership and long-term strategy.

Furthermore, the Board acknowledges the co operation of local communities and other stakeholders, whose encouragement and goodwill reinforce the Company's commitment to responsible and sustainable growth.

For and on behalf of the Board of
Fiem Industries Limited

Place: Gurugram
Dated: 30/05/2026

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

ANNEXURE-I

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

The objective of Dividend Distribution Policy ('Policy') is to provide guidance document to the Board of Directors for recommending / declaration of dividend (final and interim) considering all relevant factors, circumstances and broad parameters. Further, the Policy shall also act as informative document to shareholders about relevant factors, circumstances and broad parameters governing dividend payment. However, the Policy is subject to applicable law on dividend distribution.

2. LEGAL FRAMEWORK

- a) Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") vide amendment dated 5th May, 2021, mandated top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed on Company's website and web-link shall also be provided in annual reports of the company.
- b) The Company being among the top 1000 companies as explained above, hence, in compliance of amended Regulation 43A of the Listing Regulations, the Board of Directors of Fiem Industries Limited (the "Company") approved this Policy in their meeting held on June 30, 2021.
- c) All terms in context of dividend, whether interim, final or special dividend referred here in will have the same meaning as ascribed to them under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

3. THIS POLICY HAS INCLUDED THE FOLLOWING PARAMETERS

- a) The circumstances under which the shareholders of the Company may or may not expect dividend;
- b) The financial parameters that shall be considered while declaring dividend;
- c) Internal and external factors that shall be considered for declaration of dividend;
- d) Policy as to how the retained earnings shall be utilized; and
- e) Parameters that shall be adopted with regard to other classes of shares. (In case Company issues such share in future).

In case the Company proposes to declare dividend on the basis of parameters, in addition to above or proposes to change such additional parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

4. BACKGROUND AND WAY FORWARD

The Company has remained a dividend paying Company since listing of shares on the stock exchanges and aim to keep this practice in future as well by regularly rewarding the shareholders

in the form of dividends. At the same time Company utilized the retained earnings and internal accruals for working capital, capital nature expenditure and other corporate purposes along with the external resources in the form of funds raised by issuance of equity shares and also debt availed from banks / financial institutions from time to time. The Company has prudently maintained all these factors and aim to maintain the same in future as well.

With above background, following parameters will be considered by the Board, while declaring / recommending the dividend:

a) Internal Factors and Financial Parameters:

- Performance of the Company in terms of turnover and profitability in comparison to previous years and outlook in next year;
- Net operating profit after tax and cash profits for the year;
- Reserves / retained earnings available with the Company;
- Outstanding borrowings, repayment schedules, financial leverage and liquidity ratios;
- Capital expenditure requirements of all nature;
- Funds requirement for brown field, green field expansion and organic, inorganic growth opportunities and investment plans;
- Cash flow requirements and liquidity position;
- Past dividend paying trends of the Company;
- Contractual provisions in the business agreements including financing and banking agreements;
- Any other similar internal factor and financial parameter that may be prevailing at the time of declaration / recommendation of dividend.

b) External Factors and Regulatory Provisions:

- Government policies, technological trends, customer preference and market dynamics impacting the industry in which Company operates;
- Government policies, regulatory framework impacting the Company and its performance;
- Legal provisions applicable on dividend under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law, as amended from time to time;
- Taxation laws applicable on the dividend or profits of the Company;

- Any other similar external factor and regulatory provision that may be prevailing at the time of declaration / recommendation of dividend.
- c) The circumstances under which the shareholders of the Company may or may not expect dividend:**
- Subject to this Policy, and considering the past trends of dividend payment by the Company, the shareholders of the Company can have optimistic expectation of dividend, if the Internal Factors. Financial Parameters as well as External Factors remain favorable in that year. However, in case of unfavorable or adverse Financial Parameters, Internal and External Factors, the shareholders may not expect the dividend for that year.
- d) Utilization of Retained Earning:**
- Subject to applicable law, and as per need of the Company from time to time, the retained earnings of the Company would be utilised for working capital requirements, capital expenditure requirements of all nature, debt repayment, business expansion and other business purposes and investments.
 - Subject to applicable law, the Board may declare / recommend the dividend out of the profits of the Company for that year or out of the profits for any previous year(s) or out of free reserves or retained earnings.

e) Parameters that shall be adopted with regard to various other classes of shares:

- Presently Company has only one type of shares i.e Equity Shares of face value of Rs. 10/- each, all fully paid-up.

5. REVISIONS/ AMENDMENTS

- a)** Subsequent amendment in any applicable provision of Act or Listing Regulations, requiring change in this Policy shall have impact as if Policy stand amended to give effect to that amendment. Further, the Policy will be revised in due course of time by Board of Directors.
- b)** In the event of any conflict between the provisions of applicable law and the Policy, the provisions of law shall prevail over the Policy.
- c)** The Board of Directors of the Company can revise the Policy at any time, as they may think fit and proper.

For and on behalf of the Board of
Fiem Industries Limited

Sd/-

(J. K. Jain)

Chairman & Managing Director

(DIN: 00013356)

Place: Gurugram
Dated: 30/05/2026

ANNEXURE-II

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: Gurugram

Dated: 30/05/2026

ANNEXURE-III SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[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)
Unit No. 1A & 1C, First Floor, Commercial Towers,
Hotel JW Marriott, Aerocity,
New Delhi - 110037

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fiem Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us with 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, 2026** (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.

- 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, 2026 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 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.
- 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-

- 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 Automobile 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.
- 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.

- 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.
- 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 at 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.
- 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.

- 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.

Further, there were no instances of:

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

For **RANJANA GUPTA & ASSOCIATES**
COMPANY SECRETARIES
ICSI Unique Code : S2011DE154200
Peer Review No. 7160/2025

Sd/-
RANJANA GUPTA
Proprietor

Place : New Delhi
Date : 29th May, 2026

FCS No : 8613 | CP No : 9920
UDIN : F008613H000535513

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)

Unit No. 1A & 1C, First Floor, Commercial Towers,
Hotel JW Marriott, Aerocity,
New Delhi - 110037

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

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
- d) We have obtained the Management Representation, wherever required, about the compliance 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 No. 7160/2025

Sd/-
RANJANA GUPTA
Proprietor

Place : New Delhi
Date : 29th May, 2026

FCS No : 8613 | CP No : 9920
UDIN : F008613H000535513

ANNEXURE-IV

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:

During FY 2025-26 the Company continued to implement a range of energy-efficiency and conservation initiatives across its manufacturing facilities. Key measures included upgrading to energy-efficient motors and drives, optimizing utility systems (compressed air, pumps and HVAC), improving process equipment use, and enhancing controls and behavioral practices. These improvements are expected to significantly lower energy consumption and costs going forward.

Following is the summary of major steps taken for conservation of energy:

- (i) **Motor and Drive Upgrades:** Conventional induction motors have been replaced with energy-efficient servo or other high-efficiency motors on injection-molding and other machines. Variable Frequency Drives (VFDs) were installed on new air compressors, cooling tower blowers and AC units. These retrofits reduce power draw during part-load operation. For example, at Unit II a VFD on a 150 T IMM cut power by 230 kWh/day and a servo retrofit on another 150 T IMM cut 140 kWh/day. Use of efficient motors and drives is being standardized across all Units.
- (ii) **Compressed Air and Pneumatic Systems:** Air compressors were upgraded to VFD-driven units, and air boosters or hydro-pneumatic systems were introduced to optimize pressure and flow. Several 5 HP and 10 HP electric pumps have been replaced with gravity-feed or hydro-pneumatic systems in molding and casting areas (Units III, V). These measures eliminate wasteful bypass and ensure pumps only run as needed.
- (iii) **Process Equipment Optimization:** Redundant or separate equipment was consolidated. In the Powder Coating area (Unit VI) the number of baking ovens was reduced from two to one by combining operations. These measures cut electricity usage of ovens and heaters. Similarly, production presses machines were modified (e.g. using a hydro-pneumatic press instead of a 3 HP motor) to eliminate idle motor load.
- (iv) **Pumps and Water Systems:** One of two 7.5 HP cooling tower pumps was removed (Unit VI) and water supply lines were reconfigured for gravity flow in various areas (Units III, V), saving pump energy. In conjunction, float sensors and auto cut-offs were installed on circulation pumps (Units III, V) to stop motors when tanks or systems are full. Several small dosing pumps were replaced with lower-wattage DC units (e.g. 30 W replaced by 10 W), reducing auxiliary power draw.
- (v) **HVAC and AC Units:** Non-essential air conditioners were decommissioned or replaced. For example, a 2-ton air conditioner was removed from one department and replaced with a high-efficiency fan and exhaust system (Unit VI). AC units serving water cooling towers and

ovens were run with VFDs to modulate fan speed. In all, wherever possible natural ventilation (ducts, fans) has been substituted for air-conditioning.

- (vi) **Controls and Automation:** Various control devices were implemented to prevent waste. Temperature cut-off controls were added to ovens (Units III/V) to avoid overheating, and timers were installed on hot-melt dispensers and similar equipment to shut off during idle periods (Unit VIII). These automatic shut-offs ensure machines do not run unnecessarily.
- (vii) **Employee Awareness:** On a regular basis, training is imparted periodically to all employees for energy saving and avoid wastage of energy or any other resources. They are reminded to switch off idle machines and lights, reinforcing a culture of energy conservation awareness across all Units and Offices.
- (viii) **UPS/DG Optimization:** Non-critical UPS units were switched to offline/standby mode during holidays. The use of diesel generators was minimized by closely coordinating with the power utility; short-duration outages were bridged without DG run, limiting diesel use. These practices reduce both electricity costs and fuel consumption.

These initiatives have collectively contributed towards reduction in electricity and fuel consumption, improved operational efficiency and enhanced sustainability across the Company's manufacturing facilities. While there is no precise quantification of the impact of these measures on energy consumption and the resulting effects on production costs, it is clear that energy is one of the major cost components in both production and overall operations. As such, all energy-saving efforts contribute to a reduction in overall costs.

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

In line with our sustainability strategy, FY 2025-26 saw the introduction of open access solar power for the Hosur factories. This initiative increases the renewable component of our energy mix and is expected to reduce grid electricity consumption. It also positions the Company to benefit from long-term tariff stability and lower carbon emissions, supporting our environmental commitments.

(3) The Capital Investment on Energy Conservation Equipment:

The Company continues to integrate energy-efficient technologies into its capital expenditures. Specific investments in energy conservation equipment (motors, VFDs, drives, controls, etc.) are capitalized within applicable fixed assets category and are not tracked as a separate line item. Accordingly, the exact capex on these measures is not disclosed separately. Notwithstanding, the Rupees 1.90 lakh equity in the solar SPVs for Hosur Solar power open access arrangement represents the explicit renewable energy-related investment for FY 2025-26.

(B) TECHNOLOGY ABSORPTION

(1) Efforts made towards Technology Absorption:

The Company continues to strengthen its technological capabilities through the adoption, localization, and advancement of modern automotive lighting technologies. Continuous investments in research, engineering, validation, and advanced manufacturing have enabled the development of innovative, reliable, and cost-effective lighting solutions for both domestic and global markets.

With the increasing adoption of intelligent and energy-efficient vehicle lighting, the Company has focused on advanced optical systems, adaptive lighting, LED packaging, electronic control technologies, thermal management, smart CAN/LIN-based lighting, automation, robotics, digital manufacturing, and world-class validation facilities, including EMC/EMI testing.

Technology absorption is further supported through continuous product innovation, process optimization, localization of advanced technologies, and enhancement of in-house capabilities across design, development, testing, and manufacturing. These initiatives have strengthened product quality, manufacturing efficiency, reliability, and competitiveness.

The key technology absorption efforts undertaken during the year are summarized below:

- (i) Adaptive lighting technology for mid-segment two-wheelers enabling high-performance illumination and glare reduction during cornering and vehicle lean without the need for multiple light sources.
- (ii) Chip-on-Heatsink (CoHS) technology for automotive LED headlamps, featuring direct mounting of LED chips onto the heatsink to form an integrated light engine.
- (iii) PCB edge connector for automotive lighting systems, utilizing plated edge contacts on the PCB to interface directly featuring the better functionality of existing connectors.
- (iv) Laser Ambient Lighting for 4W interiors offers designers greater freedom to shape light across door panels, floor wells, dashboard trims, roof headliners and other design possibilities.
- (v) Infrared Fog Modules (4W) designed to enhance visibility in dense fog, heavy rain, or snow, where white or yellow light may reduce visibility.
- (vi) Further optimization of bi-functional projector module technology incorporating fragmented optics to integrate low- and high-beam functions within a compact optical module for two-wheeler headlamp applications.
- (vii) Micro-optics and collimator technology utilizing precision optical elements for controlled light distribution and the creation of three-dimensional lighting effects in automotive lighting applications.

- (viii) Hot Foiling Color Emblem technology utilizing a controlled thermal foil transfer process to integrate colored and metallic decorative finishes onto automotive lighting bezels.
- (ix) Precision laser engraving for permanent integration of logos and graphical features onto automotive lighting bezels.
- (x) Commissioned Fully Automated Turn Signal Assembly Lines to improve productivity, process consistency, traceability, and product quality.
- (xi) End-of-Line (EOL) electrical simulations to ensure functionality and reduce failures.
- (xii) Implementation of Flashing & LED Analyzer machine for Headlamp & Tail Lamp PCBs.

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

- (i) Enabled cost-effective implementation of adaptive lighting for mid-segment two-wheelers through a simplified optical and electronic architecture, reducing component count while maintaining glare control at the cut-off during cornering and across varying vehicle lean angles.
- (ii) Micro-optics and collimator-based optical architecture enabled precise light distribution, compact packaging, and distinctive three-dimensional lighting signatures while enhancing optical performance and design flexibility.
- (iii) Fragmented modules enhance on-road visibility while reducing space and weight for two-wheeler applications, delivering high-intensity illumination and greater flexibility for vertical, horizontal, or mixed stacking configurations with minimal optical elements.
- (iv) CoHS Enabled compact light engine architectures with improved thermal management, reduced thermal resistance, simplified package construction, and enhanced reliability for high-power LED headlamp applications.
- (v) Enhanced optical efficiency, improved beam performance and premium styling through advanced micro-optics, reflector technologies and precision optical engineering allowed us to capture high volume business.
- (vi) Replaced conventional male-female connectors with a single PCB edge connector, resulting in reduced package size, fewer components, simpler assembly, and lower system cost.
- (vii) Strengthened manufacturing quality, productivity, traceability, and product reliability through automation, advanced validation, and enhanced End-of-Line quality assurance, resulting in improved consistency and reduced field failures.

(3) Following are the information on Imported technology during last 3 years reckoned from beginning of the financial year 2025-26

- 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:

The Company continues to import and absorb advanced manufacturing and validation technologies to keep pace with global developments in automotive lighting. During the year, the Company further strengthened its capabilities through the adoption of advanced SMT equipment, robotic automation, automated assembly and dispensing systems, laser processing technologies, machine vision-based inspection, End-of-Line (EOL) validation systems, and smart manufacturing solutions. The Company has also established world-class EMC/EMI Testing Laboratory with advanced validation infrastructure to support product compliance with global automotive standards. These technologies are progressively absorbed through in-house process optimization, localization, and continuous improvement initiatives, enhancing manufacturing capability, product quality, reliability, and operational efficiency.

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

The Company has also signed '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 R&D initiatives are driven by evolving OEM requirements and changing market trends in the automotive lighting industry. The Company focuses on developing **cost-optimized, high-performance lighting systems** with enhanced optical efficiency, thermal management, and compact integration for mid-segment two-wheelers, entry-level electric vehicles, and passenger vehicles. Leveraging in-house expertise in optics, electronics, validation, and manufacturing, the Company continues to deliver innovative lighting solutions that meet performance, quality, regulatory, and cost expectations of OEM customers.

The Company has R&D Centre at Rai, with Photometric Testing Laboratory, which is recognized by the DSIR, Ministry of Science and Technology, Government of India. Additionally, Fiem has increased its resources at 'Fiem Research & Technology' (FRT) in Turin, Italy, to strengthen its advance designing capabilities in automotive lighting, focusing on advanced concept development and innovation. The Company has also expanded its Japanese subsidiary, Fiem Industries Japan Co. Ltd., which functions as Design Centre & Liaison Office in Japan.

To better align with our customers' evolving needs and provide agile support, we have established customer focused Design Offices in Pune and Hosur. These facilities

facilitate region-specific technical assistance, promote collaborative development, and accelerate the delivery of customized lighting solutions.

At its R&D–Electronics, Innovation Centre & Corporate Office located in Gurugram, Company has also set-up **EMC/EMI** Testing Laboratory with advanced validation infrastructure to support product compliance with global automotive standards. With R&D & Design Centers, Testing Laboratories, coupled with hardware and software infrastructure and highly qualified and experienced engineers, Company continue to drive innovation, collaborative engineering and accelerated product development.

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) Development of an integrated red diffuser and light bar optical architecture for signature lighting, enabling a continuous and premium rear lighting effect in motorcycle applications.
- (ii) Multi-Facet LED Light Collector technology utilizing precision freeform optical surfaces to efficiently collect, guide, and redirect LED light into designated illumination zones.
- (iii) Successfully implemented Double-Sided Micro-Optics Lens with MFR Reflector technology enabling compact lighting modules with superior beam uniformity and enhanced styling flexibility.
- (iv) Advanced freeform optical architecture for Velvet Shine full-body signature lighting systems in next-generation scooters.
- (v) Intelligent CAN and LIN-controlled lighting systems for entry-level two-wheelers, incorporating sequential indicators, animated welcome lighting, and premium signature lighting.
- (vi) Dual-surface homogenizing micro-optics for multiple diffuser lenses to achieve uniform illumination across high-angle and complex body surfaces in scooter tail lamps and signature lighting.
- (vii) Next-generation smart lighting systems enabling coordinated headlamp and rear lamp functionalities through advanced electronic control and system-level optimization.
- (viii) Compact two-wheeler fog lamp optical system with optimized lens curvature and reduced optical aperture.
- (ix) Developed a compact **Class-D headlamp** with enhanced thermal efficiency by integrating advanced electronic architecture and optimized heatsink profiles, enabling high-performance lighting within a space-efficient package for next-generation vehicle applications.
- (x) Developed an ultra-slim, sleek headlamp module with a compact optical and thermal architecture, enabling reduced package size, lightweight construction, and seamless integration.
- (xi) CAN and LIN-based intelligent lighting control architecture.

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

- (i) Competence Enhancements in R&D by increasing the capacity in all areas like Design, CAE, Mechanical & Electronics.
- (ii) Improved energy efficiency and illumination uniformity through advanced optical architectures and LED light management technologies, while increasing localization and reducing dependence on imported technologies.
- (iii) Dual surface angular redistribution concept Improves light homogeneity across wider viewing angles through dual-surface micro-optical angular redistribution, enabling uniform illumination on complex three-dimensional body surfaces.
- (iv) A-typical fog lamp lens design reduces package size, enables styling freedom, maintains beam performance, and allows easier integration into scooters/motorcycles.
- (v) Developed image projection and courtesy lighting architecture with configurable bar-end and floor-mounted integration for next-generation two-wheelers.
- (vi) Enhanced system integration allows seamless communication between lighting components and the vehicle's electronic architecture, improving overall functionality.
- (vii) Smart relay lamps enhance reliability with faster response times, improve energy efficiency, and enables real-time diagnostics for fault detection.
- (viii) Integration of new advanced Lighting technologies like Welcome Lamps, 3D Holographic effects, Lit Logos, Image Projection adding into new portfolio.

(c) Future Plan of Action:

- (i) Software-configurable DRL architecture enabling programmable lighting animations, dynamic signature patterns, and vehicle-specific customization through intelligent electronic control.
- (ii) High-conductivity graphite heat spreaders for uniform heat distribution in ultra-compact LED light engines.
- (iii) Laser micro-structured diffuser optics and variable thickness utilizing precision laser-engineered surface textures for controlled light diffusion, enhanced homogenization, and customized angular light distribution in automotive lighting.
- (iv) Study of lightweight aluminum foam heatsink technology for enhanced thermal management in compact automotive LED lighting systems.

- (v) Miniature Array Projectors for high end super Premium Bikes and Scooters.
- (vi) Research on Matrix Enabled Miniature Projectors.
- (vii) Integrated bending and cornering lighting within the headlamp architecture for cost-effective adaptive illumination.
- (viii) High thermal conductivity polymer technology for compact thermal management, replacing conventional metal heatsinks to enable lightweight, space-efficient lighting modules and projector headlamps.

(d) Expenditure on R&D:

The Company has developed its R&D capabilities over the years and now possesses one of the most advanced R&D and design competencies in the industry. It has also invested in its overseas Design Centre in Italy. Furthermore, the Company is continuously enhancing its R&D, Design, and Innovation capabilities to stay ahead of industry trends. Further, during the year, the Company has commissioned and inaugurated new state-of-the-art Electromagnetic Interference (EMI) and Electromagnetic Compatibility (EMC) Testing Laboratory at its R&D–Electronics, Innovation Centre & Corporate Office in Gurugram. The following expenditures have been incurred by the Company towards R&D:

Particulars	Amount in Rs. Lakh	
	2025-26	2024-25
Capital Expenditure:	1215.81	1412.36
Recurring/Revenue Expenditure:	4042.35	3412.19
Total	5258.16	4824.55

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year was **Rs. 5,814.93** Lakh and the Foreign Exchange outgo during the year in terms of actual outflows was **Rs. 49,782.84** Lakh.

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
(J. K. Jain)

Place: Gurugram
Dated: 30/05/2026

Chairman & Managing Director
(DIN: 00013356)

ANNEXURE-V

ANNUAL REPORT ON CSR ACTIVITIES (FY 2025-26)

1. Brief outline on CSR Policy of the Company:

The Company's Corporate Social Responsibility ("CSR") Policy, formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, provides the overarching framework for planning and implementation of the Company's CSR initiatives.

Guided by its philosophy of **"Caring, Sharing & Growing,"** the Company remains committed to creating sustainable social, environmental and economic value by contributing towards the welfare and development of communities. CSR interventions are undertaken directly by the Company and/or through Fiem Foundation, the Company's CSR Trust, or through eligible implementing agencies, as permitted under the applicable statutory framework, to ensure effective implementation and enhanced social impact.

The Company's CSR initiatives are aligned with the activities specified under Schedule VII of the Companies Act, 2013, with emphasis on healthcare, women empowerment, disaster relief and the welfare of marginalized, vulnerable and underprivileged sections of society. During the year, the Company continued to accord priority to **Women Empowerment** through sustained support to its Sanitary Pad Projects by providing raw materials and operational and maintenance assistance, thereby promoting menstrual hygiene management and improving access to affordable sanitary products. The Company also continued to undertake other CSR initiatives aimed at improving the quality of life of underserved communities in furtherance of its commitment to inclusive and sustainable development.

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. Rakesh Chand Jain	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

Particulars	Web-Link
Composition of the CSR Committee	https://fiemindustries.com/csr-projects-csr-committee/
CSR Policy	https://fiemindustries.com/csr-policy/
CSR Projects	https://fiemindustries.com/csr-projects-csr-committee/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable

Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of Section 135	: Rs. 2,30,18,80,064
(b) Two percent of average net profit of the Company as per sub-section (5) of section 135	: Rs. 4,60,37,601
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	: NIL
(d) Amount required to be set off for the financial year, if any	: NIL
(e) Total CSR obligation for the financial year[5(b)+5(c)-5(d)]	: Rs. 4,60,37,601

6 (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	: Rs. 4,61,48,749
(b) Amount spent in Administrative Overheads	: Rs. 11,724
(c) Amount spent on Impact Assessment, if applicable	: NIL
(d) Total amount spent for the financial year [6(a)+6(b)+6(c)]	: Rs. 4,61,60,473
(e) CSR amount spent or unspent for the financial year	: NIL

Amount Unspent (In Rs.)					
"Total Amount Spent for the Financial Year (In Rs.)"	Amount Unspent	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,61,60,473	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set off, if any:

SN	Particular	Amount (In Rs.)
I.	Two percent of average net profit of the Company as per Section 135(5)	4,60,37,601
II.	Total amount spent for the Financial Year	4,61,60,473
III.	Excess amount spent for the Financial Year [(ii)-(i)]	1,22,872
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)]	1,22,872

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

SN	"Preceding Financial Year(s)"	"Amount transferred to Unspent CSR Account under Section 135(6)"	"Balance Amount in Unspent CSR Account under Section 135(6)"	"Amount spent in the reporting Financial Year"	"Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any"	"Amount remaining to be spent in succeeding Financial Years"	"Deficiency, if any"
					Amount	Date of transfer	
NIL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: (Yes / No)

Yes

If Yes, enter the number of Capital assets created/acquired : 1 (One)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

SN	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount of CSR amount Spent (In Rs.)	Details of entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	<p>Land acquired and building construction started for setting-up Skill & Training Centre at:</p> <p>Address as under: Khasra No. 813 (min), Harcharan Bagh, Andheria More, Village Mehrauli, Delhi-110030</p> <p>Area: 5510 S.FT</p> <p>Boundaries: South: Mahipalpur Chhatarpur Road North: Others Property East: Others Property West: Others Property</p>	110030	16-04-2025	3,45,19,360	CSR00000527	Fiem Foundation	D-5, Mansarover Garden, New Delhi-110015

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) – Not Applicable

For and on behalf of the Board of
Fiem Industries Limited

Sd/-
Rahul Jain

Chairman CSR Committee
(DIN: 00013566)

Sd/-
Jagjevan Kumar Jain

Chairman & Managing Director
(DIN: 00013356)

Place: Gurugram
Dated: 30/05/2026

ANNEXURE-VI

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 2682 direct employees on the rolls of the Company at the end of Financial Year 2025-26.
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 2025-26 in the salaries of employees (excluding managerial persons) was 14.76% (increase) . Average percentile increase /decrease during the year 2025-26 in managerial remuneration was 13.91% (increase) . For other information, please refer below 'Table-A'.
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed that the remuneration is as per the Remuneration Policy of the Company.

TABLE-A

SN	Name & Designation of Directors and KMPs	Remuneration FY 2025-26 (Rs.)	% increase/ decrease	Ratio of Remuneration with Median Remuneration of all employees
	Median Remuneration of Employees	3,71,040	15.00%	
1	Mr. J.K. Jain, Chairman & Managing Director	2,40,00,000	0.00%	64.68
2	Mrs. Seema Jain, Whole-time Director	1,20,00,000	0.00%	32.34
3	Mr. Rahul Jain, Joint Managing Director	1,80,00,000	25.00%	48.51
4	Mr. Rajesh Sharma, Joint Managing Director	2,82,00,000	14.63%	76.00
5	Mr. Vineet Sahni, CEO & Director	3,59,22,420	0.00%	96.82
6	Ms. Aanchal Jain, Whole-time Director	1,20,00,000	0.00%	32.34
7	Mr. K. R. Yadav, Whole-time Director	1,45,44,864	8.99%	39.20
8	Mr. O.P. Gupta, Chief Financial Officer	80,40,000	0.00%	-
9	Mr. Arvind K. Chauhan, Company Secretary	1,15,38,412	11.54%	-
	Total Managerial Remuneration	16,42,45,696	13.91%	

Notes:

- 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.
- 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.
- Company's Performance for FY 2025-26:** 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: Gurugram
Dated: 30/05/2026

Management Discussion & Analysis Report

GLOBAL ECONOMIC OUTLOOK

The global economic outlook remains challenging amid heightened geopolitical tensions and renewed supply-side disruptions. In its April 2026 World Economic Outlook, the International Monetary Fund (IMF) noted that the global economy has been disrupted by the outbreak of war in the Middle East, projecting global growth of 3.1% in 2026 and 3.2% in 2027, while expecting global inflation to rise modestly in 2026 before resuming its decline in 2027. The IMF highlighted that higher commodity prices, firmer inflation expectations and tighter financial conditions have increased downside risks to the global outlook, while also noting that its baseline projections assume the conflict remains limited in duration and scope, allowing global economic activity to remain resilient despite elevated uncertainty.

Consistent with this assessment, the World Bank's Commodity Markets Outlook (released in late April 2026 and updated in May 2026) projects a significant increase in global commodity prices during 2026, led by a 24% rise in energy prices due to disruptions associated with the Middle East conflict, while cautioning that prolonged supply disruptions could result in substantially higher crude oil prices and exacerbate inflationary pressures.

Accordingly, the global macroeconomic environment is expected to remain characterized by elevated uncertainty, persistent inflation risks and continued volatility in commodity and financial markets, although a contained geopolitical environment and easing inflation beyond 2026 could support a gradual improvement in global economic conditions.

INDIAN ECONOMIC OUTLOOK

India remained one of the world's fastest-growing large economies in FY2025–26. India's macroeconomic fundamentals remained relatively strong through the year. The World Bank, in its April 2026 India Development Update, stated that India remained the fastest-growing major economy in FY 2025–26, with growth accelerating to 7.6%, supported by resilient domestic demand, stable employment conditions and strengthening formal job creation.

It also noted that the current account deficit stood at 1.0% of GDP and that fiscal consolidation continued. India's external sector remained resilient, with total exports of goods and services estimated at US\$860.09 billion in FY 2025-26, including merchandise exports of US\$441.78 billion and services exports of US\$418.31 billion.

Monetary conditions were remained supportive during the year. The Reserve Bank of India reduced the policy repo rate from 6.0% in April 2025 to 5.50% in June 2025, and by February 2026 the repo rate stood at 5.25%. Inflation also remained broadly under control: RBI reported headline CPI inflation at an eight-year low of 1.6% in July 2025 and 2.1%

in August 2025, while Ministry of Statistics and Programme Implementation (MoSPI) placed CPI inflation at 3.40% in March 2026 and 3.48% in April 2026.

From a medium-term perspective, India continues to benefit from its structural strengths, including a large domestic market, public infrastructure spending, digitalisation, formalisation of the economy and improving trade integration. During the period, India also advanced its external economic engagement through conclusion of the India–UK FTA, entry into force of the India–EFTA TEPA and conclusion of negotiations on the India–EU FTA. The India–EFTA Trade and Economic Partnership Agreement (TEPA) is a historic Free Trade Agreement between India and the four European nations that make up the European Free Trade Association (EFTA): Switzerland, Norway, Iceland, and Liechtenstein.

At the same time, the outlook is not without risks. The IMF's April 2026 World Economic Outlook noted that the global economy had again been disrupted by war in the Middle East, with rising commodity prices, firmer inflation expectations and tighter financial conditions weighing on growth. The World Bank has similarly warned that higher energy prices and supply-chain disruptions arising from the Middle East conflict could moderate India's growth to 6.6% in FY 2026–27. In this backdrop, the Iran-Israel flare-up and wider West Asia conflict remain important risk factors for oil-importing economies such as India. Nevertheless, supported by sound domestic drivers and policy buffers, India remains well placed to sustain healthy growth while maintaining macroeconomic stability.

The Economic Survey 2025-26, which was tabled in Parliament on January 29, 2026, also estimated India's potential growth at around 7%. In 2025-26, GDP is estimated to grow by 7.4%, higher than 2024-25 (6.5%). Real GDP growth in 2026-27 is projected in the range of 6.8% to 7.2%.

The Economic Survey 2025-26 also highlight the following underlying data and trends: Growth in 2025-26 is largely driven by domestic demand. The share of private final consumption expenditure rose to 61.5% in 2025-26, the highest level since 2011-12. Following factors are conducive for domestic economy: (i) healthier balance sheets across households, firms, and banks, (ii) support from public investment, (iii) resilient consumption demand, and (iv) improving private investment intentions. External uncertainties remain, including slower growth in major trading partners, trade disruptions arising from tariffs, and volatility in capital flows, which may affect exports and investor sentiment. The Survey estimated India's medium term GDP growth potential at 7%. It noted that this reflects compounding effect of sustained reforms with strong macroeconomic fundamentals.

Indian Economic Highlights – at a Glance:

India's GDP Growth: Robust real GDP expansion of **7.4% in FY2025–26** (versus 6.5% in FY2024–25). Growth was broad-based, led by **services, manufacturing, construction and investment**.

Policy Support: The government continued stimulus. **The PLI scheme for automobiles & components** (extended through FY2027–28) has drawn **\$8.1 billion** in committed investment (vs. \$5.1 billion target). Infrastructure spending remained elevated, and strategic trade agreements are being negotiated to boost exports. These measures bolster industry confidence and competitiveness.

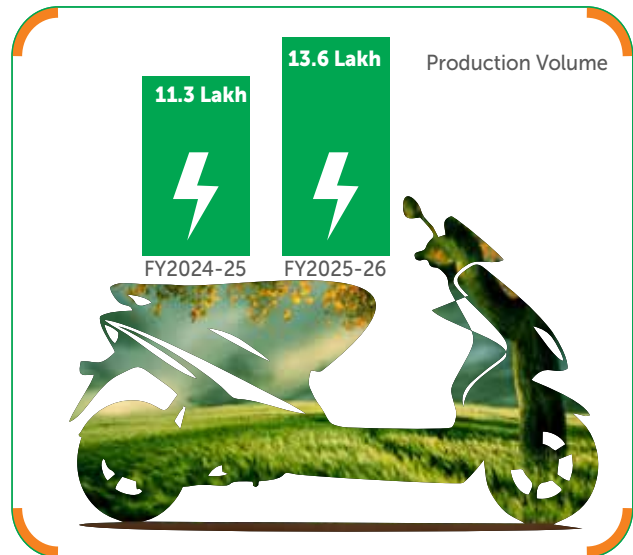
INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Automobile Industry

The automobile sector is a key economic pillar and innovation engine. India is the world's largest two-wheeler market and among the top five for passenger and commercial vehicles. A well-developed OEM and supplier ecosystem, competitive labour costs, and improving R&D are core strengths. Demographics (a young, growing population) and rising incomes continue to drive vehicle ownership, especially in rural and small-town markets. Domestic demand is supported by government policies (e.g. enhanced road connectivity and GST relief) and a dynamic services sector.

- **Industry Landscape & Trends:** The **two-wheeler segment** dominates in volume, fuelled by new models (including premium 125cc bikes and scooters) and deep rural penetration. **The passenger vehicle (PV)** market has shifted heavily to SUVs/UVs (utility vehicles), reflecting consumer preference for space and flexibility. Strong freight and infrastructure investment have revived the **commercial vehicle (CV)** segment, leading to higher demand for trucks and buses. Across segments, digitalization (e.g. online sales) and safety/norm enhancements (BS-VI emissions, crash standards) are reshaping product lines.
- **Policy Support & Investments:** The government has extended several flagship schemes. Notably, the Production-Linked Incentive (PLI) program for Automobiles & Auto Components (now valid through FY2027–28) has spurred large investments. Over **US\$8.1 billion** of projects have been approved under the PLI scheme (exceeding the **\$5.1 billion** target), indicating strong investor interest. States continue to offer EV incentives and land to auto parks. These measures, coupled with India's low-cost manufacturing base and skilled workforce, are attracting both domestic and foreign OEMs and component makers.
- **Electric Vehicles:** Electric mobility accelerated in FY2025–26. The **electric two-wheeler (E2W)** market

led this shift; production volume surged from **~11.3 lakh units in FY2024–25** to **~13.60 lakh units in FY2025–26**, a new record. Stable subsidies (PM-EV 2.0), extended tax incentives, and expanding charging infrastructure supported this growth. Traditional automakers (TVS, Bajaj, Hero/Vida, Ather) now account for most e-2W sales, indicating growing mainstream adoption. Meanwhile, the Advanced Chemistry Cell (ACC) PLI scheme is fostering local battery manufacturing. Auto OEMs also are rolling out e-scooters, e-bikes and electric three-wheelers at scale. In passenger cars too EV sales gaining momentum and rising on new SUV/e-SUV launches and a growing network of public chargers. Overall, electrification is a clear medium-term trend, supported by policy and innovation.



- **Auto Component Industry:** India's component sector (spanning large firms to MSMEs) is a robust growth engine. Its output rose on the back of higher vehicle production. Indian suppliers are increasingly integrating into global value chains: exports of auto parts grew strongly (especially to markets in Asia and Europe) on the back of quality and price competitiveness. New technologies (connected vehicle parts, lightweight materials, advanced electronics) and PLI incentives in components (beyond ACC batteries) are encouraging firms to upgrade capabilities.

In summary, the Indian auto industry remains positioned for continued growth. Strong domestic demand (population leverage, rising income) and export opportunities (to Africa, Latin America, Southeast Asia) provide upside. Government support (PLI, infrastructure, EV roadmap) and innovation (digital sales, new mobility models) are transforming the sector. Companies investing in **electrification, sustainability and customer-centric R&D** will be best placed to capitalize on this momentum.

Indian Automobile Industry Performance for FY 2025–26:

For the automobile sector, the year’s industry performance is materially stronger than the FY 2024–25. SIAM reported that **FY 2025–26** was a landmark year, with record domestic sales across passenger vehicles, commercial vehicles, three-wheelers and two-wheelers after seven years.

- **Two-Wheelers (2Ws):** The industry logged **21.70 million** domestic two-wheeler sales in FY2025–26, up **10.70%** from FY25. This surpassed the pre-pandemic peak and was supported by brighter rural demand (post-harvest liquidity) and strong uptake of new scooter models. The recovery accelerated in H2 FY26 after GST cuts boosted affordability. Exports of 2Ws also grew, with total exports reaching ~5.1 million units (including motorcycles and scooters) as global demand recovered. The segment’s momentum was broad-based across engine sizes (both commuter motorcycles and bigger scooters).
- **Passenger Vehicles (PVs):** Domestic PV sales reached 46.43

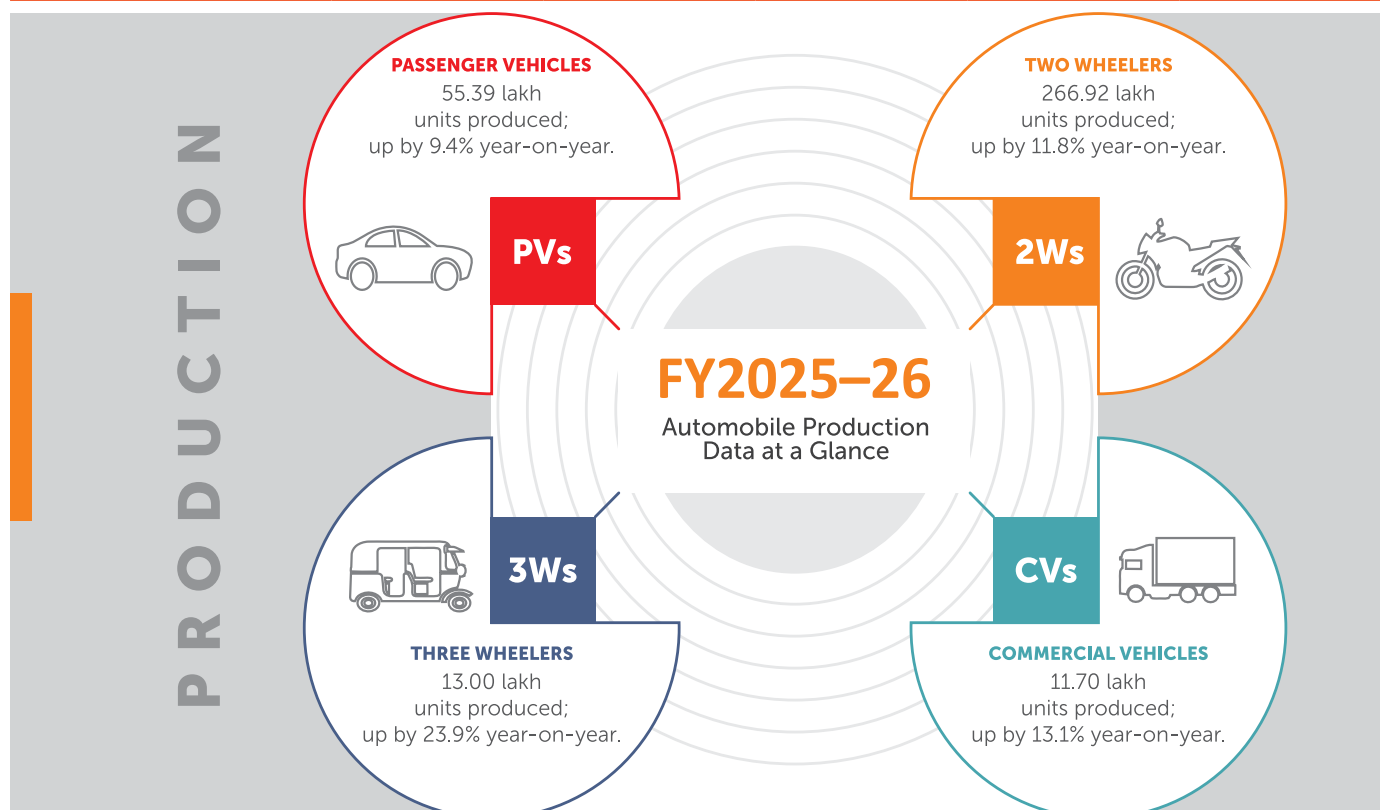
lakh units, up 7.9% year-on-year. This was a record annual tally, led by UV/SUV models (which contributed ~60% of sales). The latter half of FY26 saw especially strong demand after GST rate cuts on compact SUVs and successive rate cuts improving loan affordability. Export markets also saw robust demand (PV exports grew ~17% in FY26), driven by competitiveness in Middle East, Africa and Latin America.

- **Three-Wheelers (3Ws):** Demand for passenger carriers (rickshaws) and e-rickshaws remained strong. Overall 3W sales grew by **12.80%** in FY26, driven by improved affordability.
- **Commercial Vehicles (CVs):** CV sales also hit new highs in FY26, reversing last year’s slowdown. Total CV sales (goods and passenger vehicles) rose by **12.60%**. Truck demand was strong due to rising freight movement (infra projects and mining) and modernization of fleet. Bus sales grew as state governments upgraded public transport fleets. Key drivers were improved last-mile cargo movement and infrastructure development.

5-Years Production Data across Vehicle Categories at a Glance (in ‘000)

[Source: SIAM Data]

Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Passenger vehicles	3,651	4,579	4,902	5,061	5,539
Commercial vehicles	805	1,036	1,066	1,033	1,170
Three-Wheelers	758	856	993	1,050	1,300
Two-Wheelers	17,715	19,459	21,469	23,884	26,692
Total	22,929	25,930	28,430	31,028	34,701



OUTLOOK, OPPORTUNITIES AND THREATS

Outlook

The Indian automotive industry is entering a decisive phase of transformation, supported by resilient domestic demand, improving consumer sentiment, expanding road infrastructure, policy-led manufacturing incentives, and the rapid shift towards cleaner and technology-led mobility. While cyclical factors such as interest rates, rural income trends, commodity prices and export demand will continue to influence short-term performance, the medium to long-term growth fundamentals of the sector remain strong.

India's automotive ecosystem is expected to benefit from multiple structural drivers, including low vehicle penetration compared to developed markets, rising disposable incomes, increasing urbanisation, improved financing availability, higher replacement demand, and continued government focus on infrastructure creation. The two-wheeler segment is expected to remain central to India's mobility landscape, given its affordability, utility, and deep relevance across urban, semi-urban and rural markets. At the same time, premiumisation, connected features, safety regulations, and electric mobility are steadily reshaping customer expectations and product architecture.

The auto component industry is expected to remain a key beneficiary of this transformation. With OEMs increasingly focusing on localisation, supply-chain resilience, cost optimisation and technology partnerships, Indian component manufacturers are well positioned to capture opportunities across domestic and export markets. The growing complexity of vehicles, including higher electronic content, LED lighting systems, sensors, controllers, wiring, thermal management solutions and EV-specific components, is expected to create new avenues for value-added manufacturing.

Electrification continues to be one of the most important long-term themes for the industry. The government's continued support through schemes such as PM e-DRIVE, PLI for Automobiles and Auto Components, ACC battery manufacturing incentives, and state-level EV policies is expected to accelerate the development of the EV ecosystem. The electric two-wheeler and electric three-wheeler segments are likely to remain early beneficiaries, driven by favourable running economics, expanding product availability, and growing consumer acceptance.

For the automotive lighting industry, the outlook is particularly encouraging. The transition from conventional lighting to LED, projector lamps, DRLs, ambient lighting, adaptive lighting systems and intelligent lighting solutions is increasing the value content per vehicle. Rising safety awareness, stricter regulatory expectations, premiumisation of two-wheelers and passenger vehicles, and increasing design differentiation by OEMs are expected to support demand for advanced lighting products. Companies with strong design capabilities, engineering depth, cost competitiveness and close OEM relationships are expected to remain better positioned in this evolving environment.

Opportunities and Key Growth Drivers

The Company sees meaningful long-term opportunities emerging from the following industry trends and growth drivers:

1. Rising Mobility Demand and Favourable Demographics

India's young population, expanding middle class, rising disposable incomes and increasing need for personal mobility continue to support long-term demand for automobiles, particularly two-wheelers and passenger vehicles. In semi-urban and rural markets, two-wheelers remain a preferred mode of mobility due to affordability, fuel efficiency and ease of use. Improving rural infrastructure, better road connectivity and wider access to vehicle financing are expected to further deepen vehicle penetration.

2. Premiumisation and Higher Content per Vehicle

Across vehicle categories, customers are increasingly seeking products with better styling, safety, comfort, visibility, connectivity and convenience. This has led OEMs to differentiate models through advanced features and improved aesthetics. **In the lighting segment, this shift is resulting in greater adoption of LED headlamps, tail lamps, DRLs, fog lamps, projector lamps, ambient lighting and smart lighting solutions. As lighting becomes both a safety-critical and design-defining component, the value of lighting systems per vehicle is expected to increase steadily.**

3. Electrification and New-Age Mobility

The rapid adoption of electric mobility is creating fresh opportunities for component manufacturers. Electric vehicles require lightweight, energy-efficient and electronically integrated components. LED lighting solutions are particularly relevant in EVs due to their lower power consumption, design flexibility and compatibility with modern vehicle architecture. The growth of electric two-wheelers, electric three-wheelers, electric buses and emerging electric passenger vehicles is expected to open new product-development opportunities for agile and innovation-driven suppliers.

4. Government Policy Support and Manufacturing Push

Government initiatives such as Make in India, PLI for Automobiles and Auto Components, PM e-DRIVE, ACC PLI, vehicle scrappage policy and infrastructure-led capital expenditure are strengthening the domestic automotive ecosystem. These initiatives are encouraging localisation, technology development, domestic manufacturing, clean mobility and supply-chain integration. Such policy continuity provides a strong platform for Indian auto component companies to invest in capacity, technology, quality systems and future-ready products.

5. Localisation and Supply-Chain Rebalancing

Global disruptions over the past few years have encouraged OEMs to reduce excessive dependence on concentrated supply sources. Localisation is now being driven not only by cost considerations but also by supply security, faster development cycles and regulatory alignment. This trend is favourable for Indian component manufacturers with proven quality, engineering capability, scale and customer trust. Companies that can deliver consistent quality, cost efficiency and design support are likely to gain higher business share from OEMs.

6. Export and Global Sourcing Opportunities

India is increasingly being recognised as a reliable and cost-competitive manufacturing base for automotive components. Global OEMs and Tier-1 suppliers are actively diversifying sourcing strategies to build resilience and reduce geopolitical risk. Indian auto component manufacturers with strong process discipline, international quality certifications, competitive cost structures and product-development capabilities are well placed to expand exports and participate more deeply in global value chains.

7. Technology, R&D and Product Innovation

The automotive industry is witnessing rapid technological change across lighting, electronics, sensors, connected systems, EV components and advanced manufacturing. This creates opportunities for companies that invest consistently in research and development, tool design, electronics integration, product validation and automation. **In the lighting space, innovation in energy-efficient LEDs, optical design, thermal management, electronics, styling integration and intelligent lighting became important differentiators.**

8. Operational Excellence and Scale Benefits

As OEM expectations become more demanding, suppliers with robust manufacturing systems, lean operations, quality control, automation, cost management and timely delivery capabilities will have a competitive advantage. Operational excellence will be critical not only for profitability but also for securing repeat business, supporting new launches and meeting global customer expectations.

Threats and Risks

While the industry outlook remains positive, the Company remains mindful of the following risks and uncertainties:

1. Global Economic and Geopolitical Uncertainty

Geopolitical conflicts, trade tensions, protectionist policies, inflationary pressures and recessionary trends in key global markets may affect export demand,

investment decisions and supply-chain stability. Any prolonged weakness in global automotive demand could impact component exports and imports and production schedules.

2. Supply-Chain Disruptions

The automotive industry remains exposed to disruptions in semiconductors, electronic components, rare earth elements, battery materials and logistics networks. Since vehicles are becoming increasingly electronics-intensive, any disruption in critical components can affect production continuity.

3. Rare Earth and Critical Mineral Dependence

The global automotive industry faces a significant challenge from concentrated supply chains for rare earth elements and critical minerals. Export restrictions or supply disruptions from dominant producing countries can affect EV motors, magnets, electronics and certain advanced components. This risk is particularly relevant as electrification accelerates and the industry's dependence on specialised materials increases.

Company's Strategic Response

The Company remains confident about its medium-to-long-term growth expectations, supported by its strong customer relationships, engineering capabilities, manufacturing expertise, product-development focus and established presence in the automotive lighting space.

The Company's strategy is centred on strengthening its position as a reliable and innovation-oriented partner to OEMs. It continues to focus on advanced lighting technologies, localisation, cost optimisation, quality excellence, automation, operational efficiency and timely execution of customer programmes.

With sustained investments in research and development, process improvement, people capability, technology adoption and customer engagement, the Company is well placed to address emerging opportunities in the automotive lighting and allied components industry. Its focus on agility, innovation, resilience and prudent risk management provides a strong foundation to navigate industry challenges and create sustainable long-term value for stakeholders.

FINANCIAL AND OPERATIONAL PERFORMANCE

Despite a challenging global business environment marked by geopolitical uncertainties, and currency volatility, the Company delivered an exceptional performance during FY 2025-26, achieving its strongest financial results since inception. The year was characterized by robust execution, continued customer confidence, operational excellence and sustained investments in technology and innovation, enabling the Company to such outstanding performance.

The Company's strong performance reflects the resilience of its business model, the depth of its long-standing relationships with leading automotive OEMs, and its continued focus on technology-driven, value-added products. The steady transition of the automotive industry towards premium vehicles, LED lighting and electrification has further reinforced the Company's growth trajectory, given its strong technological capabilities and established presence across major OEM platforms.

The Financial Performance Highlights of the Company is as under:

- Company has achieved **Net Sales of Rs. 2,790.65 crore**, registering a healthy growth of **16.04%** over **Rs. 2,404.96 crore** in the previous financial year.
- **EBITDA** increased to **Rs. 393.34 crore** from **Rs. 320.73 crore** in the previous year, with the **EBITDA margin** improving to **14.09%**, reflecting the benefits of the Company's integrated manufacturing operations and disciplined cost management.
- **Profit After Tax (PAT)** for FY 2025-26 stood at **Rs. 253.87 crore**, as against **Rs. 204.14 crore** in the previous year, representing a robust growth of **24.36%**.

KEY FINANCIAL RATIOS:

Please refer to **Note No. 50** of Standalone Financial Statements forming part of this Annual Report.

The Company's product portfolio continued to evolve in line with changing customer preferences and technological advancements. LED lighting further strengthened its contribution to the automotive lighting business, accounting for 63% of total automotive lighting sales during FY 2025-26 as compared to 59% in the previous year. The increasing share of LED lighting reflects the Company's technological leadership, growing acceptance of advanced lighting solutions and continued premiumization across vehicle segments.

The Company continued to deepen its strategic relationships with its key OEM customers during the year. It further strengthened its longstanding association with TVS Motor Company across several flagship platforms, while expanding its engagement with Honda, including participation in electric vehicle models. The Company also continued to support key platforms of Royal Enfield and made further progress

in emerging electric vehicle initiatives. In addition, healthy business growth was recorded with Suzuki and Yamaha. Significantly, a majority of the new business secured during the year comprised LED-based lighting solutions, reaffirming the Company's competitive position in next-generation automotive lighting technologies.

The Company also continued to make strategic investments aimed at strengthening its technological capabilities and enhancing long-term competitiveness. During the year, it commissioned a state-of-the-art **Electromagnetic Interference (EMI) and Electromagnetic Compatibility (EMC) Testing Laboratory** at its R&D – Electronics, Innovation Centre and Corporate Office in Gurugram. The facility has been established to support the Company's growing focus on automotive lighting electronics for both two-wheelers and four-wheelers and will enable critical EMI and EMC validation of automotive lighting products in-house. The laboratory is expected to significantly enhance electronic design capabilities, accelerate product development cycles, reduce dependence on external testing facilities, strengthen backward integration in engineering and validation, and provide greater confidence to OEM customers through comprehensive in-house testing and validation capabilities.

In line with its commitment towards sustainable and responsible manufacturing, the Company also initiated its transition towards renewable energy during the year. Rooftop solar and open-access renewable energy projects are being progressively implemented across manufacturing facilities. At the Hosur plant, approximately **65%** of the energy requirement is currently being met through open-access solar power, with an additional **20%** expected to be sourced through wind energy. Similar renewable energy initiatives are being implemented across other manufacturing locations. These initiatives are expected to reduce energy costs, improve operational stability, lower the Company's carbon footprint and support its long-term sustainability objectives.

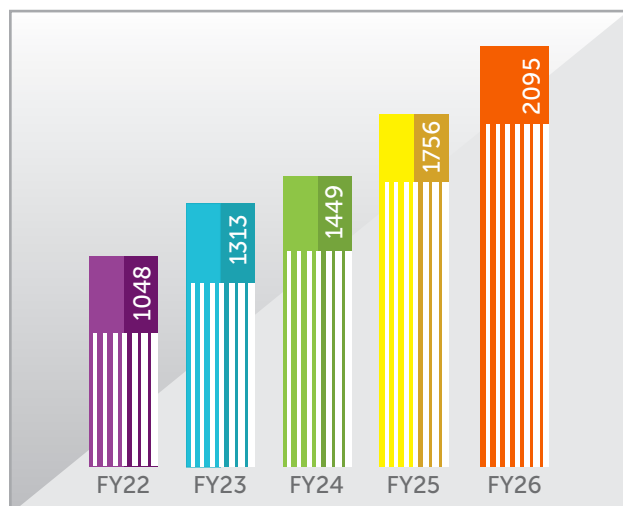
The Company also continued to strengthen its presence in the four-wheeler segment and remains well positioned to capitalize on emerging business opportunities. Execution of key orders for leading OEM customers, including Mahindra & Mahindra, is expected to further support growth in the coming years.

Backed by a healthy order book, a strong customer base, continued investments in technology and manufacturing capabilities, and increasing demand for premium and technology-rich vehicles, the Company remains confident of sustaining its growth momentum and creating long-term value for all stakeholders.

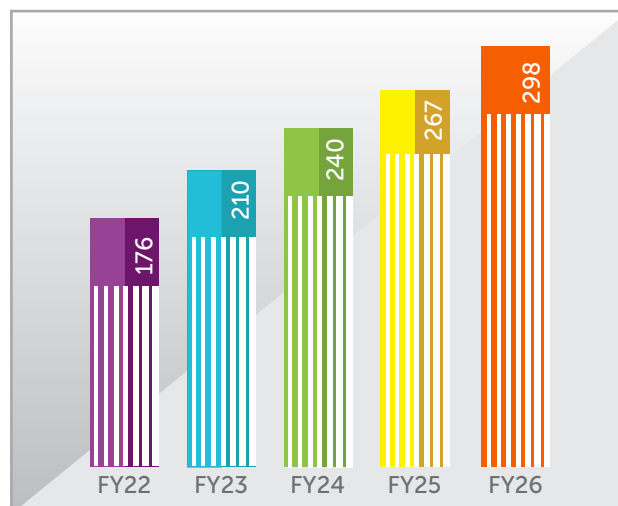
COMPANY'S PRODUCT PORTFOLIO REVIEW

Revenue Contribution (Net) (Rs. Crore)

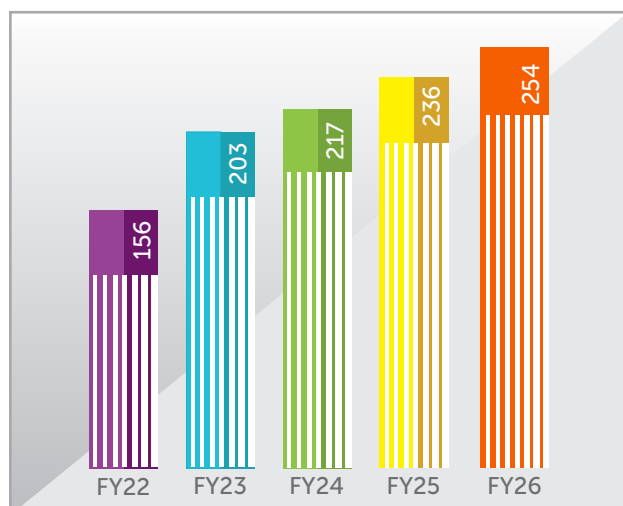
Automotive Lighting



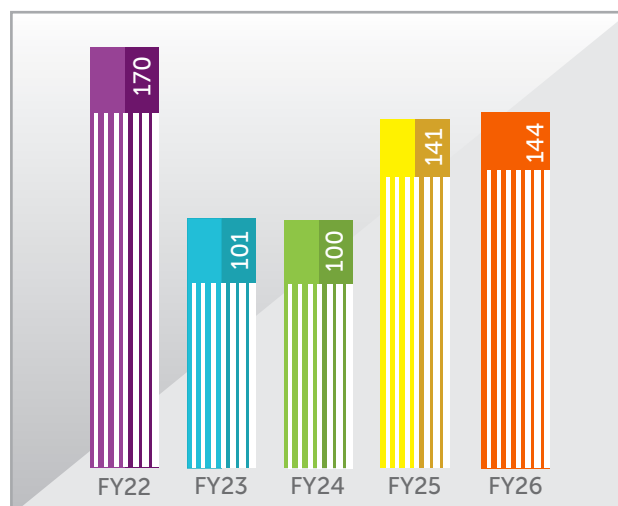
RVM



Plastic Moulded Parts



Others



(i) Automotive Lighting and Signalling Equipments

The Company has established a diversified and technology-driven product portfolio, with Automotive Lighting constituting its core business, complemented by a strong presence in Rear View Mirrors. The Company's broad product offering, supported by advanced manufacturing capabilities, integrated operations and strong customer relationships, enables it to cater to the evolving requirements of leading automotive OEMs across two-wheelers, three-wheelers and four-wheelers. Continuous investments in technology, product innovation and manufacturing excellence have further strengthened the Company's position as a preferred supplier.

Automotive Lighting and Signalling Equipments continue to be the Company's largest product segment and the primary contributor to its revenues. The Company manufactures a comprehensive range of LED and conventional lighting products, including Head Lamps, Tail Lamps, Blinker Lamps, Fog Lamps, Warning Triangles and Interior Lamps, catering to the requirements of two-wheelers, three-wheelers and four-wheelers.

Automotive lighting has evolved beyond its conventional role of illumination to become an integral element of vehicle safety, functionality and styling. The increasing adoption of LED technology and electronic integration is transforming the automotive lighting landscape by enabling enhanced safety features, improved energy efficiency, superior durability and greater design flexibility. This ongoing technological transition continues to create significant opportunities for the Company, given its strong design, engineering and manufacturing capabilities in advanced lighting solutions.

The Company's product portfolio continues to align with these industry trends. During FY 2025-26, LED lighting accounted for **63%** of total automotive lighting sales as compared to **59%** in the previous year, reflecting increasing customer preference for advanced lighting technologies and the growing penetration of LED-based solutions across vehicle segments.

(ii) Rear View Mirrors (RVM)

Rear View Mirrors represent the Company's second-largest product category and continue to be an important contributor to its revenue. The Company supplies Rear View Mirrors to almost all of its OEM customers, predominantly in the two-wheeler segment. For several of its valued OEM customers, the Company remains the sole supplier for their Rear View Mirror requirements, reflecting the trust earned through consistent quality, reliable delivery and long-standing business relationships.

The Company operates state-of-the-art mirror manufacturing facilities across four manufacturing facilities, where the complete manufacturing process—including plate making, profile cutting, washing, grinding, cleaning, aluminium or chrome coating, painting, assembly and testing—is carried out under one roof. In addition, the Company has established in-house injection moulding and rod-making facilities, enabling seamless integration of all sub-components, improved manufacturing efficiencies and stringent quality control throughout the production process.

(iii) Plastic Moulded Parts

In addition to manufacturing moulded components for Automotive Lighting and Signalling Equipments and Rear-View Mirrors, the Company also manufactures and supplies a broad range of standalone plastic parts for two-wheelers. These include Front Fenders, Floor Panels, Side Covers, Rear Fenders, Handlebars, Seat Bases and several other finished plastic parts.

The Company has established robust plastic processing capabilities through best-in-class injection moulding machines installed across its nine manufacturing plants.

(iv) Others

The "Others" category comprises products that individually contribute less than 10% of the Company's total revenue. This segment primarily includes fabricated products such as Sheet Metal Parts, Canisters, Bank Angle Sensors, Moulds and other engineering and traded components.

The Company has well-established sheet metal fabrication facilities together with dedicated mudguard rolling plant for the manufacture of front and rear mudguards for motorcycles and mopeds and for other parts. These capabilities complement the Company's core product portfolio, strengthen backward integration and enable the Company to provide comprehensive product solutions to its OEM customers.

RISKS AND CONCERNS

The automotive industry continues to operate in a rapidly evolving business environment characterised by changing customer preferences, technological advancements, geopolitical developments, supply chain disruptions, regulatory changes and macroeconomic uncertainties. While these factors present potential risks, they also reinforce the need for a resilient and agile organisation. The Company remains committed to proactively identifying, assessing and managing risks through a structured enterprise-wide risk management framework that supports sustainable growth and long-term value creation.

Risk management forms an integral part of the Company's overall governance framework and business decision-making process. The Company has established a comprehensive Enterprise Risk Management (ERM) framework that enables systematic identification, assessment, mitigation and continuous monitoring of key strategic, operational, financial and compliance risks across the organisation. This structured approach facilitates timely implementation of appropriate mitigation measures, thereby minimising the potential impact of emerging risks on business operations and performance.

The risk management process is undertaken by the Management and is overseen by the Risk Management Committee (RMC) of the Board. Based on periodic risk assessments, appropriate mitigation plans are formulated, implemented and continuously monitored. The status of key risks and mitigation measures is regularly reviewed by the RMC, which also evaluates the effectiveness of the risk management framework and recommends necessary enhancements to ensure that it remains robust, responsive and aligned with the Company's evolving business environment.

The Company's senior management team actively participates in the risk management process by continuously monitoring key business risks, evaluating their potential impact and implementing timely corrective and preventive actions. This collaborative and organisation-wide approach

strengthens the Company's ability to respond effectively to emerging challenges while reinforcing operational resilience and business continuity.

The Company's risk management framework encompasses a broad range of risks, including cybersecurity risks arising from increasing digitalisation of business processes, natural calamities that may disrupt manufacturing operations, and risks relating to the safety and security of employees, assets and infrastructure. The framework also addresses potential risks associated with fire, theft, accidents and other unforeseen events through appropriate preventive measures, established protocols and periodic reviews.

HUMAN RESOURCES

The Company's sustained growth and long-term success are underpinned by the strength of its people. Recognising that human capital is a key competitive differentiator, the Company continues to invest in building a skilled, agile and future-ready workforce capable of supporting its technology-led growth strategy and evolving business requirements. Its people philosophy is centred on attracting, developing, engaging and retaining talent while fostering a culture of innovation, accountability, collaboration and continuous improvement across the organisation.

Talent development remains an integral part of the Company's long-term strategy. The Company follows a balanced approach by nurturing internal talent through structured career development and succession planning, while selectively inducting experienced professionals into leadership positions to strengthen organisational capabilities and support future growth. Its performance management framework is designed to recognise merit, encourage excellence and create opportunities for employees to realise their full potential.

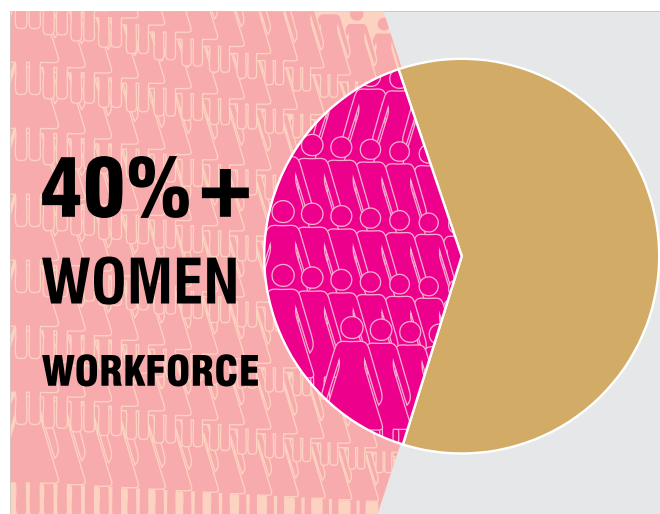
Building organisational capability continued to remain a strategic priority. The Company invested in comprehensive learning and development initiatives aimed at enhancing both technical and behavioural competencies across all levels of the organisation. These programmes are designed to equip employees with the knowledge and skills required to keep pace with technological advancements, changing customer expectations and evolving industry practices. During the year, employees participated in structured training programmes covering Environmental, Social and Governance (ESG), Fire & Safety, 5S, 7QC Tools, Total Quality Management (TQM), Environmental Awareness, Emergency Response Planning, PDCA, Kaizen, CSR Awareness and various other functional and behavioural development programmes.

The Company's people practices are closely aligned with its broader Environmental, Social and Governance (ESG) framework. It remains committed to fostering a workplace that is safe, diverse, equitable and inclusive, where employees are treated with dignity and respect and are provided equal opportunities for growth and development. The Company believes that diversity of thought, experience and perspective enhances innovation, strengthens decision-making and

contributes to sustainable long-term value creation.

The cordial industrial relations maintained across all manufacturing locations and offices during the year reflect the Company's continued emphasis on employee engagement, mutual trust and collaborative working relationships.

As on March 31, 2026, the Company had a permanent employee strength of **2,682**. In addition, on an average calculation basis **8,100 contractual workers** were engaged across its manufacturing locations during the year to support operational requirements. Significantly, **more than 40% of the Company's total workforce comprised women**, demonstrating the Company's continued commitment to promoting diversity, inclusion and equal opportunity across its operations.



Looking ahead, the Company will continue to strengthen its human capital by investing in capability development, leadership excellence, digital competencies and employee engagement while embedding sustainability and ESG principles across its people practices. By nurturing a high-performance and values-driven culture, the Company remains well positioned to support its long-term strategic objectives and create enduring value for its customers, employees, shareholders and other stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a comprehensive and robust internal control framework that is commensurate with the nature, size and complexity of its operations. The framework is designed to provide reasonable assurance regarding the reliability of financial reporting, operational effectiveness and efficiency, safeguarding of assets, compliance with applicable laws and regulations, and adherence to the Company's policies and governance standards.

The internal control framework is an integral part of the Company's overall governance structure and supports disciplined business operations across all functions. It comprises well-defined policies, standard operating

procedures, authority matrices and control mechanisms that facilitate effective decision-making, promote operational efficiency and strengthen accountability across the organisation. These controls also support timely identification and mitigation of business risks while ensuring the integrity and reliability of financial and operational information.

The Company's control environment is supported by appropriate segregation of duties, clearly defined approval and authorisation processes, documented operating procedures and continuous monitoring of key business and financial transactions. These measures help ensure that transactions are appropriately authorised, accurately recorded and executed in compliance with applicable statutory requirements and internal policies.

The effectiveness and adequacy of the internal control framework are subject to periodic evaluation through internal audits as well as reviews conducted by the Statutory Auditors, with continuous oversight by the Management and the Audit Committee of the Board.

Based on the reviews carried out during the year, the Management is of the opinion that the Company's internal control systems and internal financial controls remain adequate and are operating effectively. The framework continues to provide reasonable assurance over the orderly and efficient conduct of business, protection of assets, prevention and detection of frauds and errors, accuracy

and completeness of accounting records, and the timely preparation of reliable financial information.

The Company remains committed to continuously strengthening its internal control environment in line with evolving business requirements, regulatory expectations and emerging risks. This ongoing focus reinforces sound corporate governance practices, enhances organisational resilience and supports sustainable value creation for all stakeholders.

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, 2026)

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

At the heart of our corporate philosophy lies an unwavering commitment to the core principles of Integrity, Accountability, Fairness, and Transparency. These values are not merely aspirational; they form the foundation of our organizational culture and are deeply embedded in every aspect of our decision-making and operations. We believe that robust corporate governance is fundamental to sustainable growth, long-term value creation, and preserving the trust and confidence of all stakeholders.

Our governance framework is driven by a clear vision of excellence, innovation, and responsible leadership, ensuring that every strategic initiative contributes to sustainable and inclusive growth. We place stakeholder interests at the centre of our business strategy by integrating ethical leadership, prudent risk management, regulatory compliance, and transparent disclosures with sound business practices. This enables us to deliver superior value to our OEM customers while fostering enduring and mutually beneficial relationships with our business partners, associates, employees, shareholders, and the communities we serve.

As a law-abiding and socially responsible organization, we are committed to promoting ethical conduct, accountability, and responsible decision-making across all levels of the Company. We strive to balance business objectives with environmental stewardship and social responsibility, thereby contributing to sustainable development and nation building. Our forward-looking governance practices reinforce resilience, strengthen stakeholder confidence, and position the Company as a trusted, progressive, and responsible corporate citizen committed to the high standards of governance and business excellence.

2. BOARD OF DIRECTORS

We believe that diversified board is necessary to ensure the high standards of corporate governance. The Board oversees the Management's 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 2025-26 and as on March 31, 2026, the Board of the Company consists of 14 Directors, including two Women Independent Directors. All the Directors have diverse experience and background fulfilling the statutory as well as business requirements.

Independent Directors: The Companies Act, 2013 and the Listing Regulations 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, 2026 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. Mrs. Rita Arora is also Independent Director on the Board.
- 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 and/or Committee(s) 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, there are 5 Board 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, and
- Risk Management Committee.

The Board is authorized to constitute additional functional committee(s) depending on business needs.

Company Secretary of the Company act as the Secretary to all the Committees of the Board constituted and functioning under the Companies Act, 2013 and the Listing Regulations. The Management works under direction of the Board. Overall operations and functioning of the Company are managed by Chairman & Managing Director along with six (6) Whole-time Directors and a core group of senior level executives.

- d. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year under review and at last Annual General Meeting, the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2026 are given herein below:

SN	Name of the Director	Designation	Category	Attendance at board meetings during the financial year 2025-26	Whether attended last AGM held on July 31, 2026	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 31.03.2026)
						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	4/4	Yes	NIL	NIL	NIL	NA	5412000
2	Mrs. Seema Jain	Whole-time Director	PED	4/4	Yes	NIL	NIL	NIL	NA	5021766
3	Mr. Rahul Jain	Joint Managing Director	PED	4/4	Yes	NIL	NIL	NIL	NA	1861336
4	Mr. Rajesh Sharma	Joint Managing Director	NPED	4/4	Yes	NIL	NIL	NIL	NA	NIL
5	Mr. Vineet Sahni#	CEO & Director	NPED	3/4	Yes	NIL	NIL	NIL	NA	NIL
6	Mr. K. R. Yadav	Whole-time Director	NPED	4/4	Yes	NIL	NIL	NIL	NA	676
7	Ms. Aanchal Jain	Whole-time Director	PED	3/4	Yes	NIL	NIL	NIL	NA	1861336
8	Ms. Shobha Khatri	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	NIL
9	Mr. Pawan Kumar Jain	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	318
10	Mr. Pradeep Bhagat	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	NIL
11	Mr. Rakesh Chand Jain	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	NIL
12	Mr. Satinder Manocha	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	NIL
13	Mr. Sanjiv Rai Mehra	Independent Director	ID	3/4	Yes	NIL	NIL	NIL	NA	NIL
14	Mrs. Rita Arora	Independent Director	ID	4/4	Yes	NIL	NIL	NIL	NA	NIL

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

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

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

Mr. Vineet Sahni, CEO & Whole-time Directors of the Company had resigned from the directorship on May 19, 2026. His resignation has been accepted by the Board w.e.f the end of the day on May 31, 2026.

- e. 50% of Directors on the Board of the Company are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act.
- f. None of the Directors of the Company serves as Director or Independent Director in more than 7 listed companies.
- g. None of the Whole-time Directors or Chairman & Managing Director of the Company serve as Independent Director in any listed company.

- h. 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 of board. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2026 have been made by the Directors.
- i. 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.
- j. 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. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- k. Further, none of the Independent Directors serve as Non-Independent Director of any company on the Board of which any of the Non-Independent Director of the Company is an Independent Director.
- l. 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.
- m. Four (4) Board Meetings were held during the financial year under review and the gap between two consecutive meetings did not exceed one hundred and twenty (120) days.

Dates on which the said meetings were held are as follows: May 30, 2025, August 13, 2025, November 12, 2025 and February 11, 2026.

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.

- n. During the financial year under review one separate meeting of Independent Directors was also held on February 11, 2026 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.
- o. **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 any other Director or KMP of the Company.
- p. The Company has not issued any convertible instruments.
- q. 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, SEBI (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 first 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.

r. 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
(i)	Strategic Vision	✓	✓	✓	✓	✓	✓	✓
(ii)	Industry knowledge	✓	✓	✓	✓	✓	✓	✓
(iii)	OEM Business	✓	✓	✓	✓	✓	✓	✓
(iv)	Operational Skills	✓	✓	✓	✓	✓	✓	✓
(v)	Finance & Marketing	✓	✓	✓	✓	✓	✓	✓

Sr.	Skills / Expertise / Competencies	Mr. Pawan K. Jain	Ms. Shobha Khatri	Mr. R. C. Jain	Mr. Satinder Manocha	Mr. Pradeep Bhagat	Mr. Sanjiv Rai Mehra	Mrs. Rita Arora
(i)	Strategic Vision	✓	✓	✓	✓	✓	✓	✓
(ii)	Industry knowledge	-	-	-	-	-	-	-
(iii)	OEM Business	-	-	-	-	-	-	-
(iv)	Operational Skills	-	✓	-	✓	✓	-	✓
(v)	Finance & Marketing	✓	✓	✓	✓	✓	✓	✓

s. 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.

t. During the year under review, none of the Independent Director has resigned before expiry of his / her term.

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 statements are correct, sufficient and credible;
- b) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, 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;
 - z) review the appointment, removal and terms of remuneration of the chief internal auditor; and
 - 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. Pawan Kumar Jain, Independent Director served as the Member Chairman of the Committee. Mr. Sanjiv Rai Mehra and Ms. Shobha Khatri, Independent Directors were other members of the Committee.

The Company Secretary act as the Secretary to the Committee. Chief Financial Officer attend all the Meetings of the Audit Committee.

3.3 Meetings and Attendance

During the year, the Audit Committee met four (4) times on May 30, 2025, August 13, 2025, November 12, 2025 and February 11, 2026. The maximum gap between any two consecutive meetings was less than one hundred and twenty days.

The Chairman of the Audit Committee, Mr. Pawan Kumar Jain attended the last Annual General Meeting held on July 31, 2025, to answer the queries (if any) of shareholders at Annual General Meeting.

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 2025-26
1	Mr. Pawan K. Jain	Chairman	4/4
2	Mr. Sanjiv Rai Mehra	Member	3/4
3	Ms. Shobha Khatri	Member	4/4

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

- 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;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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;
- 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;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- 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. Ms. Shobha Khatri, Independent Director serve as the Chairperson of the Committee. Mr. Pradeep Bhagat, and Mrs. Rita Arora, Independent Directors were other members of the Committee.

The Company Secretary act as the Secretary to the Committee.

4.3 Meetings and Attendance

During the year, the Nomination & Remuneration Committee met two (2) times on May 30, 2025, and February 11, 2026. The necessary quorum was present in all the meetings.

The Chairperson of the Nomination & Remuneration Committee, Ms. Shobha Khatri attended the last Annual General Meeting held on July 31, 2025, to answer the queries (if any) of the shareholders at Annual General Meeting.

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 2025-26
1	Ms. Shobha Khatri	Chairperson	2/2
2	Mr. Pradeep Bhagat	Member	2/2
3	Mrs. Rita Arora	Member	2/2

4.4 Performance Evaluation Criteria for Independent Directors

Performance Evaluation of Directors 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 is own performance (self-assessment), performance of Board as whole, performance of Chairman and performance of respective Committee(s) where he/she is a member.

As per Performance Evaluation framework of the Company read Section 178(2) of the Act, 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. The NRC conduct the performance evaluation of every Individual Director on the basis of filled questionnaires 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.

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 reimbursement of travelling expenses etc., if any, for the meetings attended by them.

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							Total Amount
		Mr. J. K. Jain	Mrs. Seema Jain	Ms. Aanchal Jain	Mr. Rahul Jain	Mr. Rajesh Sharma	Mr. Vineet Sahni	Mr. K. R. Yadav	
		(CMD)	(WTD)	(WTD)	(JMD)	(JMD)	(CEO)	(WTD)	
1	Gross Salary	240.00	120.00	120.00	180.00	282.00	340.82	144.00	1426.82
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-
	b. Value of perquisites u/s 17(2) of Income tax Act, 1961	-	-	-	-	-	-	-	-
	c. Profit in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-	-	-	-	-
2	Commission	-	-	-	-	-	-	-	-
	• As % of profit	-	-	-	-	-	-	-	-
	• Other, specify	-	-	-	-	-	-	-	-
3	Others (Company Contribution towards PF, Medical Reimbursement)	-	-	-	-	-	18.40	1.45	19.85
	Total (1+2+3)	240.00	120.00	120.00	180.00	282.00	359.22	145.45	1446.67

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-criteria-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 the Audit Committee (if required under Related Party Transaction provisions), Board and shareholders, and are generally effective from the month of April of each year.

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

SN	Particulars of Remuneration Independent Director	Name of Directors							Total Amount
		Ms. Shobha Khatri	Mr. Pawan K. Jain	Mr. Pradeep Bhagat	Mr. Rakesh Chand Jain	Mr. Satinder Manocha	Mr. Sanjiv Rai Mehra	Mrs. Rita Arora	
		1	2	3	4	5	6	7	
1	Fee for attending Board/ Committee meetings	5.50	5.00	4.75	5.25	4.00	3.95	5.00	33.45
2	Commission	-	-	-	-	-	-	-	-
	• As % of profit	-	-	-	-	-	-	-	-
	• Other, specify	-	-	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-	-
	Total (1)	5.50	5.00	4.75	5.25	4.00	3.95	5.00	33.45

Notes:

- The Company does not have any Stock Option Scheme or performance-linked incentives for the Directors in addition to above remuneration.
- 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.
- Mr. Kashi Ram Yadav's remuneration includes Company's contribution towards Provident Fund and Bonus of Rs. 1.45 Lakh and Mr. Vineet Sahni's remuneration includes Company's contribution towards Provident Fund as shown above. No other Director receives these benefits.
- 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.
- 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:

- 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;

- review of measures taken for effective exercise of voting rights by shareholders;
- 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;
- 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 Composition of Committee

The Stakeholders' Relationship Committee comprises three (3) members. Mr. Pradeep Bhagat, Independent Director serve as the Chairman of the Committee. Mr. Rahul Jain, Joint Managing Director and Mr. Rakesh Chand Jain, Independent Director are other members of the Committee.

6.3 Meetings and Attendance

During the year, the Committee met only once on August 13, 2025. 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 2025-26
1.	Mr. Pradeep Bhagat	Chairman	1/1
2.	Mr. Rahul Jain	Member	1/1
3.	Mr. Rakesh Chand Jain	Member	1/1

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, the 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 complaints received during the Financial Year 2025-26 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	0	34	34	0	0
Received through BSE	0	0	0	0	0
Received through NSE	0	0	0	0	0
Received through SEBI	0	0	0	0	0
Total	0	34	34	0	0

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:

- formulation of CSR Policy and recommendation the same for Board's approval;
- recommend to Board the Annual Action Plan, 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;
- formulation and any subsequent modification of CSR Annual Action Plan pursuant the CSR Policy and recommend the same for Board's approval;
- Periodic review of CSR Projects implementation, any modification therein and recommendation of the same for approval by the Board.

7.2 Composition of Committee

The CSR Committee comprises three (3) Board members. Mr. Rahul Jain, Joint Managing Director, act as the Chairman of the CSR Committee. Mr. Kashi Ram Yadav, Whole-time Director and Mr.

Rakesh Chand Jain, Independent Director are other members of the Committee.

SN	Name	Designation	Designation in Committee
1	Mr. Rahul Jain	Joint Managing Director	Chairman
2	Mr. Kashi Ram Yadav	Whole-time Director	Member
3	Mr. Rakesh Chand Jain	Independent Director	Member

Company Secretary act as Secretary to the Committee.

7.3 Meetings and Attendance

During the year, the Committee met two (2) times, on May 30, 2025 and February 11, 2026. 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 2025-26
1	Mr. Rahul Jain	Chairman	2/2
2	Mr. Kashi Ram Yadav	Member	2/2
3	Mr. Rakesh Chand Jain	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.

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 Composition of Committee

The Risk Management Committee comprises three (3) members. Mr. Rajesh Sharma, Joint Managing Director, act as the Chairman of the Committee. Mr. Rakesh Chand Jain, Independent Director and Mrs. Rita Arora, Independent Director are members of the Committee.

Mr. O.P. Gutpa, Chief Financial Officer is Permanent Invitee. Company Secretary act as Secretary to the Committee.

8.3 Meetings and Attendance

During the year, the Committee met two (2) times on August 13, 2025 and February 11, 2026. 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 2025-26
1	Mr. Rajesh Sharma	Chairman	2/2
2	Mr. Rakesh Chand Jain	Member	2/2
3	Mrs. Rita Arora	Member	2/2

9. Particulars of Senior Management Personnel (SMP) and changes therein during the financial year and since the close of the financial year:

Name of SMP	Designation / Department	Remarks for changes (if any)
O P Gupta	Chief Financial Officer (KMP)	No Change
Arvind K. Chauhan	Company Secretary (KMP)	No Change
Z.A. Khan	Ex. President (LED)	No Change
Shanmugasundaram D.	Head (R&D)	No Change
Adhir Sinha	Sr. V.P. (Marketing)	No Change
Lalit Ahuja	Sr. V.P. (Design & Develop.)	No Change
Dinesh Chand Gupta	Chief Technology Officer (Electronics)	No Change

10. GENERAL BODY MEETINGS

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

Year	Date and Time	Venue	Details of Special Resolutions passed
2024-25	31.07.2025 at 10.30 am	Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM")	Following two (2) Special Resolutions were passed: <ul style="list-style-type: none"> Re-appointment and remuneration of Mr. Jagjeevan Kumar Jain (DIN:00013356), as Chairman & Managing Director of the Company. Approval of revision in the remuneration of Mr. Kashi Ram Yadav (DIN:02379958), Whole-time Director of the Company.
2023-24	31.07.2024 at 10.30 am	Meeting was held through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM")	Following seven (7) Special Resolutions were passed: <ul style="list-style-type: none"> Approval of revision in the remuneration of Mr. Kashi Ram Yadav (DIN: 02379958), Whole-time Director of the Company. Re-appointment of Ms. Shobha Khatri (DIN: 08650727), as Woman Independent Director of the Company. Appointment of Mr. Sanjiv Rai Mehra (DIN:03074093), as an Independent Director of the Company. Appointment of Mr. Pradeep Bhagat (DIN:00056330), as an Independent Director of the Company. Appointment of Mr. Satinder Manocha (DIN:00738572), as an Independent Director of the Company. Appointment of Mr. Rakesh Chand Jain (DIN:10638945), as an Independent Director of the Company. Appointment of Mrs. Rita Arora (DIN:10638873), as an Independent Director of the Company.
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: <ul style="list-style-type: none"> Approval of increase in the remuneration of Mr. J.K. Jain, Chairman & Managing Director. Approval of increase in the remuneration of Mrs. Seema Jain, Whole-time Director. Approval of re-appointment and increase in the remuneration of Mr. K.R. Yadav, Whole-time Director.

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

10.2 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 the financial year under reporting, no special resolution was passed through postal ballot.

10.3 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.

11. 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.

12. General Shareholder Information

a) Annual General Meeting for financial year 2025-26	Friday, July 31, 2026
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) Dividend Payment Date	The dividend, if declared, shall be paid/ credited on or before August 14, 2026.
d) Stock Exchanges Names and Address, where securities of the Company are listed	B S E Ltd. P.J. Towers, Dalal Street, Fort, Mumbai - 400001 National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Mumbai -400051
e) Listing Fee	Listing Fee as applicable for financial year 2025-26 has been paid to both the Stock Exchanges.

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

g) **Share Transfer Agent:**

M/s. MUFG 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

h) **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.

SEBI has mandated the listed companies to process service requests* for issue of securities in dematerialized form only, subject to folio being KYC compliant. Accordingly, members are requested to submit duly filled and signed Form ISR-4.

* Service Request means: 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.

With effect from April 2, 2026, SEBI has dispensed with the requirement of issuance of a Letter of Confirmation (LOC) by the Company/RTA while processing service request.

Accordingly, securities will be credited directly to the shareholder's demat account upon submission of valid demat account details along with the latest Client Master List.

[SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/II/4298/2026 dated February 6, 2026]

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

i) **Distribution of shareholding as on March 31, 2026:**

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	14348314	54.5156%
(B)	Public Shareholding			
1	Institutions			
	(a) Mutual Funds	12	2555632	9.7100%
	(b) Foreign Portfolio Investors	111	1807958	6.8692%
	(c) Financial Institutions / Banks	0	0	0.0000%
	(d) Alternate Investment Fund	6	366597	1.3929%
	Insurance Companies	2	78201	0.2971%
	Central/State Government(s)	0	0	0.0000%
2	Non-Institutions			
	(a) Individuals	69482	5834446	22.1676%
	(b) NBFCs registered with RBI	0	0	0.0000%
	(d) Any Other (specify) –			
	i. Hindu Undivided Family	1138	198211	0.7531%
	ii. Foreign Corporate Bodies	0	0	0.0000%
	iii. Non-Resident Indians	2620	501093	1.9039%
	iv. Clearing Members	22	18967	0.0721%
	v. Bodies Corporate	360	503531	1.9131%
	vi. IEPF	1	1363	0.0052%
	vii. Trust	8	24041	0.0913%
	viii. LLP	57	81284	0.3088%
	ix. Escrow Account	1	22	0.0001%
	Total Public Shareholding			
	TOTAL (A)+(B)	73826	26319660	100.00%

j) **Distribution by Size:**

DISTRIBUTION OF SHAREHOLDING (SHARES)					
SN	Shareholding of shares	Shareholders	% of total shareholders	Total Shares	% of total shares
1	1 to 500	73271	97.3792	3066183	11.6498
2	501 to 1000	1062	1.4114	777535	2.9542
3	1001 to 2000	437	0.5808	643063	2.4433
4	2001 to 3000	140	0.1861	353240	1.3421
5	3001 to 4000	74	0.0983	258217	0.9811
6	4001 to 5000	48	0.0638	220400	0.8374
7	5001 to 10000	93	0.1236	643654	2.4455
8	10001 and above	118	0.1568	20357368	77.3466
Total		75243	100	26319660	100
(Folios Not Consolidated on PAN Basis)					

k) **Dematerialization of shares and Liquidity status as on March 31, 2026**

SN	Demat / Physical	No. of Shares	Free to Trade / lock-in	%age of Total shares
1	NSDL	9471191	Free to trade	35.99
2	CDSL	16848449	Free to trade	64.01
3	Physical	20	Free to trade	00.00
Total		26319660		100.00

l) **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.

m) **Address for Correspondence:**

Registered Office

Unit No. 1A & 1C, First Floor, Commercial Towers,
Hotel JW Marriott, Aerocity, New Delhi-110037

Tel: +91-9821795327/28/29/30

Email: info@fiemindustries.com

Website: www.fiemindustries.com

CIN: L36999DL1989PLC034928

n) **Address of Compliance Officer**

Company Secretary

2nd Floor, Tower A, Plot No. 243, SP Infocity,
Udyog Vihar Phase-1, Gurugram -122016 (Haryana)

Tel: +91-124-4792550/51/52/53/54

Email: arvind.chauhan@fiemindustries.com

Website: www.fiemindustries.com

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

13. OTHER DISCLOSURES:

13.1 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 2025-26 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.

13.2 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.

13.3 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/>

13.4 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. The details about the adoption of the non-mandatory requirements are provided in subsequent paras herein.

13.5 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/>

13.6 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.

13.7 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 2025-26.

13.8 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.

13.9 Recommendation of Committee(s) of the Board.

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

13.10 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. Please refer **Note 34** of standalone financial statements of the Company.

13.11 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

13.12 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.

13.13 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.

14. 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.
15. The Company has duly adopted the following discretionary requirements as prescribed in Part E of Schedule II of the SEBI Listing Regulations:
- Unmodified opinion(s) in audit report:** Company endeavored to move towards a regime of financial statements with unmodified audit opinion.
 - Reporting of Internal Auditors:** The Internal Auditor also reports to the Audit Committee while submitting internal audit report.
16. 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.
17. 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.
18. The Company has adopted the Indian Accounting Standards (Ind AS).
19. 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 2025-26 to the Board under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.
20. The Management Discussion & Analysis Report form part of Annual Report.
21. **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. 2025-26, forms part of this Report. The Code of Conduct is available on the website of the Company (www.fiemindustries.com)
22. **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:
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & their Immediate Relatives (Code of Conduct-PIT),
 - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code of Fair Disclosure and Conduct).
23. **Brief profile of the Directors retiring by rotation and eligible for re-appointment form part of the Notice convening Annual General Meeting.**

24. 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
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	3.00	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
2023-24	Final	20.00	July 31, 2024	October 7, 2031
2024-25	Final	30.00	July 31, 2025	October 7, 2032

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 2018-19(Interim) 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.

25. 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, were / 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 paidup 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 762 numbers of bonus shares were credited to Fiem Industries Limited-Suspense Escrow Demat Account during the month of March, 2024 and these shares remained in this account as on March 31, 2024. After that, 7 shareholders 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 in the month of May 2024. After above transfer, only 22 number of equity shares remained in this Demat Account, which are still lying, as no request with requisite documents received thereafter.

26. 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.

27. Plant Locations:

Unit I	: 32 Mile Stone, G. T. Road, Kundli, Distt. Sonapat - 131028, Haryana
Unit II	: 219/2B, Hosur-Thally Road, Kalukondapalli Village, Belagondapalli Post, Hosur - 635 114, Tamil Nadu
Unit III	: Kelamangalam Road, Achettipalli Post, Hosur - 635 110, Tamil Nadu
Unit IV	: Plot No. 133, KIADB, Kadakola Industrial Area, Kadakola Post, Mysore - 571 311, Karnataka
Unit V	: Fiem Industrial Complex, Kelamangalam Road, Achettipalli Post, Hosur - 635 110, Tamil Nadu
Unit VI	: Village - Bhatian, Tehsil - Nalagarh, Distt. Solan - 174 101, Himachal Pradesh
Unit VII	: Plot No. 1915, Rai Industrial Estate, Phase-V, Sonapat - 131029, Haryana
Unit VIII	: SP1-C, RIICO Industrial Area, Tapukara, Distt. Alwar - 301 707, Rajasthan
Unit IX	: Karsanpura Village, 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)

Unit No. 1A & 1C, First Floor, Commercial Towers,

Hotel JW Marriott, Aerocity,

New Delhi - 110037

We have examined the compliance of the conditions of Corporate Governance by Fiem Industries Limited (“the Company”) for the year ended on March 31, 2026, as stipulated 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 (“SEBI 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 with 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the SEBI Listing Regulations for the year ended on March 31, 2026.

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 No. **7160/2025**

Place : **New Delhi**
Date : **29th May, 2026**

sd/-
RANJANA GUPTA
Proprietor
FCS No : **8613** | CP No : **9920**
UDIN : **F008613H000535172**

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)

Unit No. 1A & 1C, First Floor, Commercial Towers,
Hotel JW Marriott, Aerocity,
New Delhi - 110037

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 Unit No. 1A & 1C, First Floor, Commercial Towers, Hotel JW Marriott, Aerocity, New Delhi – 110037 (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 on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Company, by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) 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	Rajesh Sharma	08650703	01-01-2020
7	Shobha Khatri	08650727	01-01-2020
8	Vineet Sahnii	03616096	01-05-2023
9	Pawan Kumar Jain	10385208	08-11-2023
10	Pradeep Bhagat	00056330	31-07-2024
11	Satinder Manocha	00738572	31-07-2024
12	Sanjiv Rai Mehra	03074093	31-07-2024
13	Rita Arora	10638873	31-07-2024
14	Rakesh Chand Jain	10638945	31-07-2024

*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 No. 7160/2025

Place : New Delhi
Date : 29th May, 2026

sd/-
RANJANA GUPTA
Proprietor
FCS No : 8613 | CP No : 9920
UDIN : F008613H000534952

CERTIFICATION BY MANAGING DIRECTOR, CEO AND CFO FOR FINANCIAL YEAR 2025-26

(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, 2026 and that to the best of our knowledge and belief:
- these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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
- significant changes in internal control over financial reporting during the year, if any;
 - significant changes in accounting policies during the financial year and that the same have been disclosed in the Notes to the Financial Statements; and
 - 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/-
J. K. Jain
Chairman & Managing Director
(DIN: 00013356)

Sd/-
Vineet Sahni
CEO & Director
(DIN: 03616096)

Sd/-
O.P. Gupta
Chief Financial Officer

Place : Gurugram
Date : May 30, 2026

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 the compliance with the 'Code of Conduct for Board Members, Senior Management Personnel and Employees' of the Company for the financial year ended March 31, 2026.

Place : Gurugram
Date : May 30, 2026

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

Sd/-
Vineet Sahni
CEO & Director
(DIN: 03616096)

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.	Registered office address	Unit No. 1A & 1C, First Floor, Commercial Towers, Hotel JW Marriott, Aerocity, New Delhi - 110037 (INDIA)	
5.	Corporate address	2nd Floor, Tower A, Plot No. 243, SP Infocity, Udyog Vihar Phase-1, Gurugram -122016 (Haryana)	
6.	E-mail	info@fiemindustries.com	
7.	Telephone	+91-9821795327/28/29/30	
8.	Website	www.fiemindustries.com	
9.	Financial year for which reporting is being done	Start date	End date
	Current Financial Year	01-04-2025	31-03-2026
	Previous Financial Year	01-04-2024	31-03-2025
	Prior to Previous Financial year	01-04-2023	31-03-2024
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 of Automotive Parts & Components	Automotive Lights, signaling equipment and parts, Rear View Mirror and Parts, Plastic Moulded Parts etc.	94.26%

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	Automotive Lights, signaling equipment and parts	2740	75.08%
2	Automotive Rear View Mirror and Parts	2310	10.35%
3	Automotive Plastic Moulded Parts	2930	8.83%

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	4	13
International	0	3	3

19. Markets served by the entity:

A. Number of locations

Locations	Number
National(No.of States)	24
International (No.of Countries)	14
B. What is the contribution of exports as a percentage of the total turnover of the entity?	1.85%
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)	1371	1276	93.07%	95	6.93%	0	0.00%
2.	Other than Permanent(E)	0	0	0.00%	0	0.00%	0	0.00%
3.	Total employees (D+E)	1371	1276	93.07%	95	6.93%	0	0.00%
WORKERS								
4.	Permanent(F)	1311	944	72.01%	367	27.99%	0	0.00%
5.	Other than Permanent(G)	8109	4436	54.70%	3673	45.30%	0	0.00%
6.	Total workers (F+G)	9420	5380	57.11%	4040	42.89%	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)	7	7	100.00%	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)	7	7	100.00%	0	0.00%	0	0.00%
DIFFERENTLY ABLED WORKERS								
4.	Permanent(F)	1	1	100.00%	0	0.00%	0	0.00%
5.	Other than permanent(G)	3	3	100.00%	0	0.00%	0	0.00%
6.	Total differently abled workers (F + G)	4	4	100.00%	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	4	28.57%
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 2025-26				FY 2024-25				FY 2023-24			
	(Turnover rate in current FY)				(Turnover rate in previous FY)				(Turnover rate in the year prior to the previous FY)			
	Male	Female	Other	Total	Male	Female	Other	Total	Male	Female	Other	Total
Permanent Employees	19.18%	25.41%	0.00%	22.30%	19.78%	14.46%	0.00%	17.12%	27.89%	36.16%	0.00%	32.03%
Permanent Workers	9.14%	6.06%	0.00%	7.60%	14.02%	12.50%	0.00%	13.26%	16.99%	19.80%	0.00%	18.40%

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	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.)	28141077229.00
(iii) Networth (in Rs.)	11831721544.00

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 2025-26				FY 2024-25		
		(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/	34	0	NA	66	0	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 inclusiveness 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. Company's R&D and Design 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 pursue the same. Company focus on 'health care' and other initiatives under its CSR projects to benefit the poor, disadvantaged, marginalised, vulnerable and underprivileged.		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/esg-policies/	https://fiemindustries.com/esg-policies/	https://fiemindustries.com/esg-policies/	https://fiemindustries.com/esg-policies/	https://fiemindustries.com/esg-policies/	https://fiemindustries.com/esg-policies/	https://fiemindustries.com/code-of-conduct-for-board-srmps/	https://fiemindustries.com/csr-policy/	https://fiemindustries.com/esg-policies/
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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is committed to maintaining comprehensive training and awareness across its workforce, with the goal 100% coverage of its workforce.	Specific commitments, goals, and targets are yet to be structured under this principle.	<ul style="list-style-type: none"> Workforce Diversity & Gender Inclusion: Company target to sustain 40% plus percentage of female workforce, representing strong gender diversity across the workforce and will continue to progressively improve female participation. Training and Skill Development: The Company aims to increase the coverage of health and safety training and skill upgradation programmes to reach a higher proportion of employees and workers across all manufacturing units on a progressive basis. 	Specific commitments, goals, and targets are yet to be structured under this principle.	<ul style="list-style-type: none"> Human Rights Training: The Company is committed to progressively expanding the coverage of human rights training and awareness programmes to reach a higher proportion of employees and workers across all manufacturing units Value Chain Partner Assessment: Going forward, the Company intends to expand the percentage of the value chain partners to be assessed and to broaden the scope of ESG parameters. 	<p>Renewable Energy: The Company has set a target to progressively scale up the share of renewable energy in its total energy requirement, with an aim to achieve approximately 50% renewable energy contribution in the next 5 years.</p>	Specific commitments, goals, and targets are yet to be structured under this principle.	Specific commitments, goals, and targets are yet to be structured under this principle.	Specific commitments, goals, and targets are yet to be structured under this principle.
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	During the reporting year, the Company enhanced its ethics, governance, and sustainability training initiatives, expanding both the number of training sessions and workforce coverage.	Performance under this principle on the given parameters is disclosed at respective places in this report.	<ul style="list-style-type: none"> Workforce Diversity & Gender Inclusion: The Company has achieved more than 40% female employee / workers, representing strong gender diversity across the workforce and will continue to progressively improve female representation. Training and Skill Development: The Company expanded the coverage of health and safety training and skill upgradation programmes for both employees and workers in FY 2025-26, reflecting its continued focus on building a trained, safe and skilled workforce across all manufacturing units. 	Performance under this principle on the given parameters is disclosed at respective places in this report.	<ul style="list-style-type: none"> Human Rights Training: The Company progressively expanded the coverage of human rights training and awareness programmes for employees and workers in FY 2025-26, with improvement recorded across all workforce categories compared to FY 2024-25. Value Chain Partner Assessment: During the year under reporting company has assessed 19% of its Value Chain Partners (by value of business done with such partners) in comparison to 18% during previous financial year. 	<p>Renewable Energy: In a step-by-step process, Company has initiated Renewable Energy sourcing through open access solar, roof top solar energy and wind energy. During the year, the Company has executed agreements for open access solar energy in its Tamil Nadu Units. In FY 2025-26, Company recorded renewable energy (solar) consumption of 22,924 GJ in comparison to zero in FY 2024-25. The Renewable Energy initiatives in other Units are in progress.</p>	Performance under this principle on the given parameters is disclosed at respective places in this report.	Performance under this principle on the given parameters is disclosed at respective places in this report.	Performance under this principle on the given parameters is disclosed at respective places in this report.

Governance, leadership and oversight

<p>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)</p>	<p>The Company is committed to integrating Environmental, Social, and Governance (ESG) principles into its core business operations, recognizing their importance in enhancing the quality of life for the communities it serves and safeguarding the interests of all stakeholders. Safety, health, and environmental stewardship remain key areas of ongoing focus and continuous improvement across our operations. While we have achieved strong performance in promoting diversity, equity, and inclusion internally, we recognize the need to extend these values more effectively throughout our supply chain. We are dedicated to maintaining a safe and healthy workplace, strengthening community engagement, and upholding the highest human rights standards, efforts that require sustained commitment and vigilance. Looking ahead, we will continue to refine our ESG strategy, develop innovative sustainable solutions, and engage proactively with stakeholders to drive lasting, positive impact.</p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>Mr. Rajesh Sharma, Joint Managing Director and Mr. Vineet Sahni, CEO & Director</p>
<p>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.</p>	<p>Yes Mr. J.K. Jain, Chiarman & Managing Director (DIN: 00013356)</p>

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<p>Performance against above policies and follow up action</p>	<p>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.</p>									<p>Annually / as and when needed</p>								
<p>Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances</p>	<p>The Company is in compliance with the existing regulations as applicable and compliance is reported to the Board of Directros.</p>									<p>Quarterly / as and when needed</p>								
<p>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.</p>	P1	P2	P3	P4	P5	P6	P7	P8	P9	No	No	No	No	No	No	No	No	No
<p>If Yes, Provide name of the agency</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA	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
<p>The entity does not consider the Principles material to its business (Yes/No)</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<p>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<p>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<p>It is planned to be done in the next financial year (Yes/No)</p>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<p>Any other reason (please specify)</p>	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	ESG & Sustainability, Governance.	100.00%
Key Managerial Personnel	2	ESG & Sustainability, Governance, Safety.	100.00%
Employees other than BoD and KMPs	629	<ul style="list-style-type: none"> • 5S & Kaizen • 7 QC Tool Training • CSR Training • Emergency Situation Handling • Environment Awareness & Management • ESG & Sustainability • Fire Safety Training • Governance & Regulatory Updates • Health, Safety Management & HIRA • Human Rights & POSH Awareness • Induction Training • IT & Cyber Security • Facility Planning & Deployment Training • Lean Manufacturing • PDCA Training • Prohibition of Insider Trading • QMS and SQM Training • SAP Training • Soft Skills & Leadership • TPM • And Others trainings 	97.30%
Workers	385	All above training topics	98.55%

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 preferred? (Yes/No)
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

Company's Anti-Bribery & Anti-Corruption 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. Fiem Code of Conduct for Board Members, Senior Management and Employees is available on the Company's website: www.fiemindustries.com

Company's Anti-Bribery & Anti-Corruption Policy Link: <https://fiemindustries.com/esg-policies/>

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 2025-26	FY 2024-25
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 2025-26		FY 2024-25	
	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 2025-26	FY 2024-25
Number of days of accounts payables	61	56

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 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	6.75%	5.75%
	b. Number of trading houses where purchases are made from	5	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	4.97%	5.66%
	b. Number of dealers/distributors to whom sales are made	336	333
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	27.91%	26.64%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.04%	0.01%
	b. Sales (Sales to related parties/Total Sales)	0.06%	0.02%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.23%	0.61%
	d. Investments (Investments in related parties/ Total Investments made)	99.13%	99.55%

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 and Employees provide the necessary provisions to avoid conflict of interest. Company also obtain requisite 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 (2025-26)	Previous Financial Year FY (2024-25)	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	Total R&D expense for FY 2025-26 was Rs. 52.58 Crore. However, no separate amount accounted to work out the percentage of R&D and capex investments in specific technologies to improve the environmental and social impacts of product and processes.
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 2025-26	FY 2024-25
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 2025-26			FY 2024-25		
	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	1276	56	4.39%	1276	100.00%			0	0.00%	0	0.00%
Female	95	7	7.37%	95	100.00%	95	100.00%			95	100.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	1371	63	4.60%	1371	100.00%	95	6.93%	0	0.00%	95	6.93%
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	944	575	60.91%	944	100.00%			0	0.00%	0	0.00%
Female	367	263	71.66%	367	100.00%	367	100.00%			367	100.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	1311	838	63.92%	1311	100.00%	367	27.99%	0	0.00%	367	27.99%
Other than Permanent workers											
Male	4436	3980	89.72%	4436	100.00%			0	0.00%	0	0.00%
Female	3673	3667	99.84%	3673	100.00%	0	0.00%			0	0.00%
Other	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	8109	7647	94.30%	8109	100.00%	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 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the Company	0.40%	0.38%

2. Details of retirement benefits, for Current FY and FY

Benefits	FY 2025-26			FY 2024-25		
	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	91.98%	99.77%	Yes	89.44%	99.86%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	4.60%	63.92%	Yes	4.32%	66.23%	Yes
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? If so, provide a web-link to the policy.

Yes, the Human Rights Policy of the Company contains equal opportunity provisions.
 Policy Link : <https://fiemindustries.com/esg-policies/>

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 2025-26			FY 2024-25		
	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	1371	0	0.00%	1203	0	0.00%
- Male	1276	0	0.00%	1121	0	0.00%
- Female	95	0	0.00%	82	0	0.00%
- Other	0	0	0.00%	0	0	0.00%
Total Permanent Workers	1311	63	4.81%	1380	65	4.71%
- Male	944	57	6.04%	1017	59	5.80%
- Female	367	6	1.63%	363	6	1.65%
- Other	0	0	0.00%	0	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	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	1276	1230	96.39%	770	60.34%	1121	1065	95.00%	618	55.13%
Female	95	95	100.00%	59	62.11%	82	82	100.00%	48	58.54%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	1371	1325	96.64%	829	60.47%	1203	1147	95.34%	666	55.36%
Workers										
Male	944	925	97.99%	655	69.39%	1017	968	95.18%	661	65.00%
Female	367	367	100.00%	270	73.57%	363	363	100.00%	254	69.97%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Total	1311	1292	98.55%	925	70.56%	1380	1331	96.45%	915	66.30%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	1276	1276	100.00%	1121	1121	100.00%
Female	95	95	100.00%	82	82	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	1371	1371	100.00%	1203	1203	100.00%
Workers						
Male	944	944	100.00%	1017	1017	100.00%
Female	367	367	100.00%	363	363	100.00%
Other	0	0	0.00%	0	0	0.00%
Total	1311	1311	100.00%	1380	1380	100.00%

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, the Occupational Health and Safety Management System is implemented across all manufacturing facilities and is certified to ISO 45001:2018 in all major facilities.

- 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 identifies process and work-related hazards through Hazard Identification and Risk Assessment (HIRA), which is conducted annually. Based on the risk assessment, appropriate control measures are implemented to eliminate or mitigate workplace hazards and promote a safe working environment.

- 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 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.176	0.09
Total recordable work-related injuries	Employees	0	0
	Workers	4	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 2025-26			FY 2024-25		
	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.

Due to fire incidence in Rai factory of the Company during June 2023, and fire incidence in Tapukara factory in August, 2025, an over-haul review undertaken on existing fire safety and all factors connected to safety systems of all factories. External expert agencies, specialising in Risk Management are engaged and all possible measures are being undertaken to stop any such incidence in future. A substantial capex is being incurred on fire safety infrastructure modernisation to make it robust by adopting best industrial safety practices and implementing best equipments. The process of continual improvement and external assessment will remain continue to address this major risk.

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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
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 exchange intimations, earning calls and meetings, annual report, annual general meeting, quarterly results.	periodically and need based	regulatory compliance, company's business updates, financial 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 avaiement, 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 engagements on policy issues, conferences etc.	need based	Regulatory compliance requirements, policy issues, governance issues, environmental and social matters.
6	Communities	Yes	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 participation 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.

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 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1371	1085	79.14%	1203	901	74.90%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	1371	1085	79.14%	1203	901	74.90%
Workers						
Permanent	1311	1020	77.80%	1380	966	70.00%
Other than permanent	8109	5500	67.83%	7466	4854	65.01%
Total Workers	9420	6520	69.21%	8846	5820	65.79%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1371	0	0.00%	1371	100.00%	1203	0	0.00%	1203	100.00%
Male	1276	0	0.00%	1276	100.00%	1121	0	0.00%	1121	100.00%
Female	95	0	0.00%	95	100.00%	82	0	0.00%	82	100.00%
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	1311	0	0.00%	1311	100.00%	1380	64	4.64%	1316	95.36%
Male	944	0	0.00%	944	100.00%	1017	34	3.34%	983	96.66%
Female	367	0	0.00%	367	100.00%	363	30	8.26%	333	91.74%
Other	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	8109	3462	42.69%	4647	57.31%	7466	5725	76.68%	1741	23.32%
Male	4436	2181	49.17%	2255	50.83%	4200	3263	77.69%	937	22.31%
Female	3673	1281	34.88%	2392	65.12%	3266	2462	75.38%	804	24.62%
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	24000000	2	12000000	0	0
Key Managerial Personnel	2	9493422	0	0	0	0
Employees other than BoD and KMP	1269	720000	93	508200	0	0
Workers	944	270600	367	228360	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	21.58%	20.56%

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. Also, any alleged violation can also be reported through mail at whistleblower@fiemindustries.com. The Management conduct the enquiry and take appropriate remedial actions for such grievances, if any.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	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 2025-26	FY 2024-25
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
ii) Average number of female employees/workers at the beginning of the year and as at end of the year	3923	3328
iii) Complaints on POSH as a % of female employees / workers	0.00%	0.00%
iv) 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) - Yes

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.

The Company has already at place Human Rights Policy and during the year enhanced training and awareness programs focused on human rights. Additionally, we are initiating human rights compliance in our contractual agreements with suppliers.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company's HR department of respective unit adhere human rights compliance across all facilities and keep diligence and monitoring for any violation.

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	19%
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 2025-26	FY 2024-25
From renewable sources			
Total electricity consumption (A)	GJ	22924.00	0.00
Total fuel consumption (B)	GJ	0.00	0.00
Energy consumption through other sources (C)	GJ	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	GJ	22924.00	0.00
From non-renewable sources			
Total electricity consumption (D)	GJ	262724.00	270233.00
Total fuel consumption (E)	GJ	37860.60	37976.00
Energy consumption through other sources (F)	GJ	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	GJ	300584.60	308209.00
Total energy consumed (A+B+C+D+E+F)	GJ	323508.60	308209.00
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/Rs.	0.000011496	0.0000127243
"Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)"	GJ	0.0002338	0.000262
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 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)			
(i) Surface water	KL	0.00	0.00
(ii) Groundwater	KL	53484.94	54811.00
(iii) Third party water	KL	3764.64	3363.00
(iv) Seawater / desalinated water	KL	0.00	0.00
(v) Others	KL	210.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	57459.58	58174.00
Total volume of water consumption (in kilolitres)	KL	31438.58	31204.00
Water intensity per rupee of turnover (Water consumed / turnover)	KL/Rs.	0.0000011172	0.0000012883
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (total water consumption/revenue from operations adjusted for PPP)	KL	0.0000227238	0.0000266163
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 2025-26	FY 2024-25
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	26021.00	26970.00
- No treatment	KL	0.00	0.00
With treatment – (Secondary Treatment)	KL	26021.00	26970.00
(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	0.00	0.00
- No treatment	KL	0.00	0.00
- With treatment – (Secondary Treatment)	KL	0.00	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	26021.00	26970.00

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.

The Company has not obtained ZLD Certification. However, across all its manufacturing facilities, Company has set-up ETP and STP Units. Further, the treated / recycled water is re-used for non-potable purposes like toilet flushing, gardening, industrial processes etc.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	Kg	853.79	866.43
SOx	Kg	64.08	37.76
Particulate matter (PM)	Kg	125.01	126.04
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.

- HTH Laboratories Pvt. Ltd.
- Eco Care Engineering Pvt. Ltd.
- Enviro Calibration Lab Pvt. Ltd. etc.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	2794.47	2193.07
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	51814.91	53295.93
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	MtCO ₂ e / Rs.	0.0000019406	0.0000022909
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)	MtCO ₂ e / Rs.	0.000039472	0.0000473
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MtCO ₂ e	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 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)			
Plastic waste (A)	MT	678.53069	494.301
E-waste (B)	MT	13.7125	18.75
Bio-medical waste (C)	MT	0.00	0.00
Construction and demolition waste (D)	MT	0.00	0.00
Battery waste (E)	MT	3.9453	1.612
Radioactive waste (F)	MT	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	MT	38.50148	14.41
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	MT	3805.50125	3780.433
Total (A+B + C + D + E + F + G + H)	MT	4540.19122	4309.506
"Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)"	MT/Rs.	0.0000001613	0.0000001779
"Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)"		0.00000328	0.000003
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		0.00	0.00

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	0.00
(ii) Re-used	MT	0.00	0.00
(iii) Other recovery operations	MT	0.00	0.00
Total	MT	0.00	0.00

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. The waste generated from the Company's operations is segregated and handed over to authorised waste management vendors for recycling and disposal, in accordance with waste disposable practices and applicable statutory requirements. 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.
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NIL

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 conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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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
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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 2025-26	FY 2024-25
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 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	0.00	0.00
Total Scope 3 emissions per rupee of turnover	MtCO ₂ e	0.00	0.00
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MtCO ₂ e	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
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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 to handle emergency situations, natural disaster and other untoward incidences across all the Units. To address any potential risks and ensure the continuity of its business and operations, Company has Business Continuity Plan for its all Units. The company's risk mitigation strategy focuses on these strategies and practices for employee safety and overall continuity of the operations.
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 such instance in the knowledge of the Company.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. - 0.00%
8. How many Green Credits have been generated or procured:
 a. By the listed entity - NIL
 b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - NIL

Note: In Principle 6, at some places, previous year data is updated / corrected due to change in methodology for calculation / data collection.

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. - 4 (Four)
 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.	Confederation of Indian Industry (CII)	National
2.	Automotive Component Manufacturers Association of India (ACMA)	National
3.	EEPC India (Formerly Engineering Export Promotion Council)	National
4.	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
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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 escalated to Management.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	32.75%	30.22%
Sourced directly from within India	74.26%	74.53%

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 2025-26	FY 2024-25
Rural	83.26%	87.22%
Semi-urban	2.70%	4.04%
Urban	0.00%	0.00%
Metropolitan	14.05%	8.74%

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)
NA			

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.)	10000	60.00%
2	Sanitary Pad Project – Delhi (extn.)	10000	50.00%
3	Sanitary Pad Project – Ghaziabad (extn.)	10000	40.00%
4	Sanitary Pad Project – Hamirpur (extn.)	1000	60.00%
5	Sanitary Pad Project – Mayurbhanj (extn.)	2000	60.00%
6	Sanitary Pad Project – Phagwara (extn.)	5000	60.00%
7	Sanitary Pad Project – Saran (extn.)	2000	60.00%
8	Sanitary Pad Project – Solan (extn.)	5000	60.00%
9	Sanitary Pad Project – Kotdwar (extn.)	10000	60.00%
10	Eye Operation Camp - Kutch, Gujarat	1728	100.00%

Note: In Principle 8, LI - 6, CSR beneficiaries' data for 'Sanitary Pad Projects' is on estimation basis.

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 2025-26			FY 2024-25		
	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 : <https://fiemindustries.com/esg-policies/>

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. Not Applicable, being products supplied directly to OEM customers.	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. 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 2026, 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 2026, 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 matters to be communicated in our report.

SN	Key Audit Matter	Auditor's Response
1	<p>Accounting for insurance claim recoverable on account of the fire accident at Tapukara</p> <p>Refer Note 51 to the standalone financial statements. On August 23, 2025, a fire broke out at first floor of building at Tapukara, Rajasthan unit-8,, 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 judgment considering the nature and quantitative significance of the amounts involved.</p>	<p>We have performed the following principal audit procedures including:</p> <p>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</p> <p>Verifying the Management's judgment 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.</p>

2	<p>Revenue Recognition for sale of goods</p> <p>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer.</p> <p>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.</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> • Evaluating the company's accounting Policies in relation of the revenue recognition in terms of Ind AS 115- Revenue from Contracts with Customers. • 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. • Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents. • Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments. • Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.
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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, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026, 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 2026 on its financial position in its financial statements – Refer Note 33(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 softwares for maintaining its books of account for the financial year ended March 31, 2026 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 softwares, as described in note 53 to the financial statements. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.
- 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.
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the

for **Anil S. Gupta & Associates**
Chartered Accountants
 Firm Registration Number -004061N

Sd/-
(Anil Kumar Gupta)
 Partner

Membership No.: -083159
 UDIN 26083159VZKGBZ7119

Place: Gurugram
 Dated: 30/05/2026

Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(ii) The Company has maintained proper records showing full particulars of Intangible assets
- b) 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) The title deeds of all the 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	10 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) 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) 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. 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) 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 or advances in the nature of loans amounting to Rs.199.57 lakhs to its employees, the balance outstanding as at the balance sheet date in respect of these cases is Rs.149.01 lakhs. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms or Limited Liability Partnerships or any other parties.
- 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) 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) 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) 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) 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. 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) 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.
- 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) 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 Statute	Nature of Due	Period to which it Pertains	Amount Involved	Amount Deposited	Net Amount	Forum where dispute is Pending
1	CGST Act 2017	Excess ITC Credit availed under GST	FY 2019-20	131.91	11.99	119.92	Commissioner Appeal, Panchkula
2	CGST Act 2017	Multiple Eway-Bill for few sales invoices	FY 2018-19	3.78	-	3.78	Appellant authority Ahemdabad
			Total	135.69	11.99	123.70	

8. 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) 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) 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) 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.

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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
12. The Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
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). 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. The Company has not entered into any non-cash transactions with directors or persons connected with its directors, hence requirement to report on clause 3(xv) of the Order is not applicable to the Company
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are 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. On the basis of the financial ratios disclosed in note 50 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 26083159VZKGBZ7119

Place: Gurugram
Dated: 30/05/2026

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 31st March, 2026 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 2026, 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 judgment, 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 26083159VZKGBZ7119

Place: Gurugram
Dated: 30/05/2026

Standalone Balance Sheet as at 31.03.2026

(Amount Rs in Lakhs)

Particulars	Note No.	As At 31.03.2026	As At 31.03.2025
ASSETS			
1 NON CURRENT ASSETS			
(a) Property, plant and equipment	2	53,062.96	52,093.03
(b) Capital work-in-progress	2	1,487.19	2,027.45
(c) Right-of-use assets	3	6,872.39	2,797.09
(d) Intangible assets	4	333.69	312.55
(e) Financial Assets			
(i) Investments	5	447.25	445.35
(ii) Trade receivables	10	-	-
(iii) Loans	6	67.73	36.86
(iv) Other Financial Assets	7	1,859.13	1,646.78
(f) Income tax assets (net)		-	-
(g) Other non-current assets	8	1,696.54	318.85
Total Non Current Assets		65,826.88	59,677.96
2 CURRENT ASSETS			
(a) Inventories	9	26,677.00	23,333.48
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	10	38,816.37	24,240.90
(iii) Cash and cash equivalents	11	27,644.57	29,578.61
(iv) Bank balances other than (iii) above	12	15.63	12.58
(v) Loans	6	81.28	49.65
(vi) Other Financial Assets	7	5,811.73	1,478.10
(c) Current tax assets		-	-
(d) Other current assets	8	4,578.76	3,446.31
Total Current Assets		1,03,625.34	82,139.63
TOTAL ASSETS		1,69,452.22	1,41,817.59
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	13	2,631.97	2,631.97
(b) Other Equity	14	1,18,317.21	1,00,917.00
Total Equity		1,20,949.18	1,03,548.97
2 LIABILITIES			
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings			
(ia) Lease liabilities	15	6,053.00	2,095.27
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	16	1,088.48	652.98
(c) Deferred tax liabilities (Net)	36	1,474.94	2,283.39
(d) Other non-current liabilities		-	-
Total Non Current Liabilities		8,616.42	5,031.64
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	-	-
(ia) Lease liabilities	15	502.09	113.84
(ii) Trade payables			
-Total outstanding dues of micro and small enterprises	18	3,387.25	1,671.14
-Total outstanding dues of creditors other than micro and small enterprises	18	25,442.32	21,360.56
(iii) Other financial liabilities	19	28,829.57	23,031.70
(b) Other current liabilities	20	3,440.27	3,786.79
(c) Provisions	16	5,719.04	5,610.87
(d) Current Tax Liabilities (Net)	21	1,204.55	568.42
		191.10	125.36
Total Current Liabilities		39,886.62	33,236.98
TOTAL LIABILITIES		48,503.04	38,268.62
TOTAL EQUITY AND LIABILITIES		1,69,452.22	1,41,817.59

Significant Accounting Policies and Notes to financial Statements. 1 to 54

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

Standalone Statement of Profit and Loss for the year ended 31.03.2026

(Amount Rs in Lakhs)

Particulars	Note No.	Current Year F.Y. 2025-26	Previous Year F.Y. 2024-25
INCOME			
Revenue From Operations			
a) Net Sales	22	2,79,065.46	2,40,495.64
b) Other Operating Income	23	2,345.31	1,724.38
I Revenue from Operations (a+b)		2,81,410.77	2,42,220.02
II Other Income	24	2,078.51	1,611.36
III TOTAL INCOME (I+II)		2,83,489.28	2,43,831.38
IV EXPENSES			
a) Cost of Raw Materials and Components Consumed	25	1,70,893.90	1,50,227.46
b) Purchase of Stock-in-Trade	26	524.78	613.33
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	27	(476.82)	(582.58)
d) Employees benefits expenses	28	38,546.50	32,744.77
e) Finance costs	29	278.68	154.33
f) Depreciation and amortization expense	30	7,206.19	6,389.88
g) Other expenses	31	32,588.18	27,143.78
TOTAL EXPENSES		2,49,561.41	2,16,690.97
V PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)		33,927.87	27,140.41
Exceptional Item- income/(expenditure)	32	-	374.95
VI PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEM		33,927.87	27,515.36
VII TAX EXPENSES			
a) Current Tax Expense		9,321.82	6,993.93
b) (Excess)/Short Tax provision for earlier years		26.74	(20.63)
c) Deferred Tax Liability/ (Assets)		(808.45)	128.26
		8,540.11	7,101.56
VIII PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (VI-VII)		25,387.76	20,413.80
IX OTHER COMPREHENSIVE INCOME/(LOSS)			
A) Items that will not be reclassified subsequently to the statement of profit and loss			
(i) Remeasurement of Defined Benefit Plans		(122.47)	(194.43)
(ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss		30.82	48.93
		(91.65)	(145.50)
B) Items that will be reclassified subsequently to the statement of profit and loss			
		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(91.65)	(145.50)
X TOTAL COMPREHENSIVE INCOME (NET OF TAX) (VIII+IX)		25,296.11	20,268.30
Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share)	38	96.46	77.56

Significant Accounting Policies and Notes to financial Statements. 1 to 54

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

Standalone Statement of Changes in Equity for the year ended 31.03.2026

(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 2024		2,63,19,660	2,631.97
Change in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the reporting period		-	-
Bonus shares issued during the year		-	-
Balance as at 1st April 2025		2,63,19,660	2,631.97
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 31st March 2026	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 2024		15,406.79	9,240.00	61,265.86	85,912.65
Changes in Accounting policy or prior period errors		-	-	-	-
Restated Balance as at 1st April 2024		15,406.79	9,240.00	61,265.86	85,912.65
Addition during the year					
1) Profit for the year				20,413.80	20,413.80
2) Remeasurement of Defined Benefit Plans (Net of tax)				(145.50)	(145.50)
Deduction during the year					
1) Utilization for Bonus shares issue					-
2) Transfer to General Reserve			2,050.00	(2,050.00)	-
3) Dividend Paid (Rs 20 per share)				(5,263.94)	(5,263.94)
Balance as at 1st April 2025		15,406.79	11,290.00	74,220.21	1,00,917.00
Changes in Accounting policy or prior period errors		-	-	-	-
Restated Balance as at 1st April 2025		15,406.79	11,290.00	74,220.21	1,00,917.00
Addition during the year					
1) Profit for the year				25,387.76	25,387.76
2) Remeasurement of Defined Benefit Plans (Net of tax)				(91.65)	(91.65)
Deduction during the year					
1) Utilization for Bonus shares issue		-			-
2) Transfer to General Reserve			2,550.00	(2,550.00)	-
3) Dividend Paid (Rs 30 per share)				(7,895.90)	(7,895.90)
Balance as at 31st March 2026	14	15,406.79	13,840.00	89,070.42	1,18,317.21

Significant Accounting Policies and Notes to financial Statements.

1 to 54

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

Standalone Cash Flow Statement for the year ended 31.03.2026

(Amount Rs in Lakhs)

PARTICULARS	Year ended	
	March 31, 2026	March 31, 2025
A Cash flow from Operating Activities:		
Profit (Loss) Before Tax After Exceptional Item	33,927.87	27,515.36
Adjustments for:		
Depreciation and amortisation expense	7,206.19	6,389.88
(Profit)/Loss on sale of property plant and equipment	(76.81)	(18.55)
Loss on discarded of property plant and equipment	355.01	88.06
Unrealised foreign exchange (gain)/Loss	75.95	(95.01)
Provision (Reversal) for bad and doubtful debt	255.43	(454.37)
Provision (Reversal/Utilisation) for warranties	689.42	(493.00)
Bad debts written-off	203.41	31.83
Impairment loss on investment	-	33.16
Exceptional income	-	(374.95)
Unwinding of interest on financial assets	(25.15)	-
Finance costs	278.68	154.33
Interest Income on term deposits and others	(1,968.08)	(1,586.01)
Operating Profit (Loss) before Working Capital changes	40,921.92	31,190.74
Adjustment for changes in Working Capital:		
Decrease/(Increase) in loans (non-current)	(30.87)	(1.58)
Decrease/(Increase) in other financial assets (non-current)	15.62	(446.38)
Decrease/(Increase) in other non-current assets	0.52	(14.00)
Decrease/(Increase) in inventories	(3,343.52)	(2,897.57)
Decrease/(Increase) in trade receivables	(14,952.99)	(4,426.78)
Decrease/(Increase) in loans (current)	(31.63)	14.42
Decrease/(Increase) in other financial assets (current)	(2,039.12)	1,898.04
Decrease/(Increase) in other current assets	(1,132.45)	(370.16)
(Decrease)/Increase in non-current provisions	435.50	95.34
(Decrease)/Increase in trade payables	5,640.60	4,203.51
(Decrease)/Increase in other financial liabilities (current)	(11.42)	95.00
(Decrease)/Increase in current provisions	(175.76)	(61.01)
(Decrease)/Increase in other current liabilities	108.17	768.83
Cash generated from Operating Activities	25,404.57	30,048.40
Income tax paid (net of refund)	(9,252.00)	(6,810.63)
Net cash from/(used in) Operating Activities (A)	16,152.57	23,237.77

Standalone Cash Flow Statement for the year ended 31.03.2026

B Cash flow from Investing Activities:		
Payments for purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances	(12,544.73)	(12,903.16)
Ad-hoc Insurance claim received agst property, plant and equipment (loss due to fire)	-	2,664.50
Proceeds from disposal of property, plant and equipment	134.37	136.53
Capital subsidy received from State Government	770.03	-
Proceeds from Exceptional income	374.95	-
Payment towards acquisition of investment	(1.90)	-
Proceeds from exit from Joint Venture	-	0.01
Maturity from (Investment in) other bank balance	(3.05)	(3.48)
Payment towards advances for acquiring right-of-use-assets	(369.54)	-
Interest Income on term deposits and others	1,968.08	1,586.01
Net cash from/(used in) Investing Activities (B)	(9,671.79)	(8,519.61)
C Cash flow from Financing Activities:		
Finance cost paid other than finance lease	(16.07)	(15.64)
Payment of dividend on equity shares	(7,895.90)	(5,263.93)
Repayment of finance lease	(502.85)	(241.03)
Net cash from/(used in) Financing Activities (C)	(8,414.82)	(5,520.60)
D Net Increase/(Decrease) in cash & cash equivalents (A+B+C)		
	(1,934.04)	9,197.56
Add:-Cash and cash equivalents at the beginning of the period	29,578.61	20,381.03
Cash and cash equivalents at the end of period	27,644.57	29,578.61
E Component of cash and cash equivalents		
Cash on hand	33.22	27.63
Balance with Banks:		
Balance with bank in Cash Credit Accounts	200.70	868.25
Balance with bank in deposits accounts	27,305.00	28,513.01
Balance with bank in current accounts	105.65	169.72
Total cash and cash equivalents	27,644.57	29,578.61

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

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
Company Secretary

Place: Gurugram
Dated: 30.05.2026

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

Notes on Financial Statements for the year ended 31.03.2026

1. Corporate 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 corporate office is 2nd Floor, Tower A, Plot No. 243, SP Infocity, Udyog Vihar Phase-1, Gurugram, Haryana-122016 (India). 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, as amended from time to time.

These standalone financial statements were approved by the Company's Board of Directors & authorised for issue on May 30, 2026.

(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 policies mentioned below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(C) Use of Estimates and Judgments

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.

Material Estimates and Judgments

The Areas involving critical estimates or judgment 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 36
- (v) Measurement of lease liabilities and right-of-use assets refer note 37

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Notes on Financial Statements for the year ended 31.03.2026

In August 2025, MCA notified the following amendments:

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non current liabilities.

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025

The amendment in Ind AS 7 requires entities to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and, based on its evaluation has determined that it does not have any significant impact in its financial statements.

Ind AS 12 - International Tax Reform - Pillar Two Model Rules apply immediately

The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively and there is no material financial impact due to application of the Pillar two rules.

(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.

All other liabilities are classified as non-current. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 includes items directly attributable to the construction or acquisition of the items of property, plant and equipment. Cost of acquisition is inclusive of freight, duties, taxes, and other incidental expenses. Freehold land is measured at cost and is not depreciated.

Notes on Financial Statements for the year ended 31.03.2026

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 on Property, Plant and Equipment

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.

Name of Assets	Estimated useful lives	Useful lives as per schedule II
Factory Building	30 years	30 years
Non-Factory 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 Installations	10 years	10 years
Computer Equipment	3 years	3 years

Leasehold improvements is depreciated at lower of useful life of the asset or lease term.

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. 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 property, plant and equipments 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. Software is amortized over the period of 3 years. 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 on Financial Statements for the year ended 31.03.2026

(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 classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities: These are measured at amortised cost using the effective interest method.

Notes on Financial Statements for the year ended 31.03.2026

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.

Derecognition of Financial Assets and Financial Liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Any gain or loss arising on derecognition is recognised in profit or loss

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

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:

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortized cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

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.

Notes on Financial Statements for the year ended 31.03.2026

(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. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Notes on Financial Statements for the year ended 31.03.2026

Sale of Services

Revenue from sale of services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred

Contract Balances

Contract Assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Upon completion of the attached condition and acceptance by the customer, the amounts recognized as contract assets is reclassified to trade receivables upon invoicing. A receivables represents the Company's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and measurement).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to 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. Subsequently 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, which is generally when shareholders approve the dividend.

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.

Notes on Financial Statements for the year ended 31.03.2026

Non-monetary items denominated in foreign currency such as investments, property plant and equipment, 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.

Notes on Financial Statements for the year ended 31.03.2026

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 that 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 represents 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.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss in OCI. Current tax items are recognized in correlation to the underlying transaction in OCI.

Deferred Tax

Deferred 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 items 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.

Notes on Financial Statements for the year ended 31.03.2026

(Q) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(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 assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

Right-to-use assets

The Company's lease assets 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.

Notes on Financial Statements for the year ended 31.03.2026

Lease liabilities

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 31.03.2026

3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

Lease contracts entered by the Company majorly pertain for lands and buildings taken on lease terms ranging from 12 months to 99 years to conduct its business in the ordinary course.

Particulars	Land	Bulding	Total
Gross Block			
As at 31 March, 2024	1,843.43	2,072.98	3,916.41
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March, 2025	1,843.43	2,072.98	3,916.41
Additions	-	4,752.93	4,752.93
Disposals/adjustments	-	-	-
As at 31 March, 2026	1,843.43	6,825.91	8,669.34
Depreciation			
As at 31 March, 2024	324.04	647.80	971.86
For the year	17.91	129.56	147.47
Disposals/adjustments	-	-	-
As at 31 March, 2025	341.95	777.36	1,119.33
For the year	17.91	659.73	677.64
Disposals/adjustments	-	-	-
As at 31 March, 2026	359.86	1,437.09	1,796.95
Net Block			
As at 31 March, 2025	1,501.48	1,295.62	2,797.09
As at 31 March, 2026	1,483.57	5,388.82	6,872.39

4. INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross Block		
As at 31 March, 2024	930.75	930.75
Additions	216.18	216.18
Disposals/adjustments	95.45	95.45
As at 31 March, 2025	1,051.48	1,051.48
Additions	253.32	253.32
Disposals/adjustments	18.49	18.49
As at 31 March, 2026	1,286.31	1,286.31
Amortization		
As at 31 March, 2024	710.19	710.19
For the year	123.09	123.09
Disposals/adjustments	94.35	94.35
As at 31 March, 2025	738.93	738.93
For the year	232.18	232.18
Disposals/adjustments	18.49	18.49
As at 31 March, 2026	952.62	952.62
Net Block		
As at 31 March, 2025	312.55	312.55
As at 31 March, 2026	333.69	333.69

Notes on Financial Statements for the year ended 31.03.2026

5 NON - CURRENT INVESTMENTS

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
	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				
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	
		8.40		8.40
3 in Others				
Unquoted Equity share (measured at fair value through profit and loss)				
a) Shivalik Solid Waste Management Ltd.				
20,000 equity shares (Previous Year 20,000) of Rs 10 each fully paid up	2.00		2.00	
b) Sri Sastaa Solar private Limited				
9500 equity shares (Previous Year Nil) of Rs 10 each fully paid up	0.95		-	
c) Trishya Power Plant Private limited				
9500 equity shares (Previous Year Nil) of Rs 10 each fully paid up	0.95		-	
		3.90		2.00
TOTAL		447.25		445.35
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		447.25		445.35

6 LOANS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
Loan to employees	67.73	36.86	81.28	49.65
TOTAL	67.73	36.86	81.28	49.65

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

7 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
a) Security deposit	1,504.49	1,320.95	-	-
b) Term deposit held as margin money, with more than 12 months maturity	354.64	325.83	-	-
c) Income accrued on deposits	-	-	410.48	810.83
d) Export Incentive Receivables	-	-	59.14	39.27
e) Insurance Claim Receivables	-	-	5,312.96	509.55
f) Other Advances recoverable	-	-	29.14	118.45
TOTAL	1,859.13	1,646.78	5,811.73	1,478.10

Related parties

*Security deposits (refer note 41)

8 OTHER ASSETS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
a) Capital Advances	1,673.39	295.18	-	-
b) Advances other than capital advances				
i) Advances to Suppliers	-	-	2,680.28	2,300.36
Less Provision for doubtful advances			-	(48.15)
Net Advances to suppliers			2,680.28	2,252.21
ii) Balance with Customs or GST departments	-	-	447.00	471.51
iii) Prepaid Expenses	23.14	23.68	1,451.47	722.59
TOTAL	1,696.54	318.85	4,578.76	3,446.31

Related parties

*Advances other than capital advances (refer note 41)

9 INVENTORIES

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

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
a) Raw Materials and Components	20,420.18	17,627.62
b) Work in Progress	2,214.42	2,119.28
c) Finished Goods	2,835.53	2,453.85
d) Stores and Spares (including Packing Material)	1,206.87	1,132.73
TOTAL	26,677.00	23,333.48

10 TRADE RECEIVABLES (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
Considered Good			38,816.37	24,240.90
Credit Impaired			759.12	503.69
Total	-	-	39,575.49	24,744.60
Less:- Allowances for Credit losses (allowance for bad and doubtful debts)	-	-	759.12	503.69
TOTAL	-	-	38,816.37	24,240.90

Related parties

*Trade receivables (refer note 41)

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

Trade Receivables Ageing Schedule

The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
1 Undisputed Trade Receivables-considered good	38,270.99	545.38	-	-	-	-	38,816.37
2 Undisputed Trade Receivables-which have significant increase in credit risk							
3 Undisputed Trade Receivables-credit impaired	-	-	123.45	67.82	155.86	412.00	759.12
4 Disputed Trade Receivables-considered good							
5 Disputed Trade Receivables-which have significant increase in credit risk							
6 Disputed Trade Receivables-credit impaired							
	38,270.99	545.38	123.45	67.82	155.86	412.00	39,575.49

The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
1 Undisputed Trade Receivables-considered good	23,407.80	504.98	48.97	78.88	163.47	36.79	24,240.90
2 Undisputed Trade Receivables-which have significant increase in credit risk							
3 Undisputed Trade Receivables-credit impaired		-	14.60	116.41	238.60	134.08	503.69
4 Disputed Trade Receivables-considered good							
5 Disputed Trade Receivables-which have significant increase in credit risk							
6 Disputed Trade Receivables-credit impaired							
	23,407.80	504.98	63.57	195.29	402.07	170.87	24,744.60

The movement in allowance for expected credit loss of trade receivables is as follows:

Particulars		31.03.2026	31.03.2025
Balance as at beginning of the year		503.69	958.06
Addition during the year		255.43	-
Utilisation/ reversal during the year		-	454.37
Balance as at the end of the year		759.12	503.69

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

11 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
a) Balances with Banks in current account		105.65		169.72
b) Balances with Banks in Cash Credit Account		200.70		868.25
c) Balance with bank in deposit accounts *		27,305.00		28,513.01
d) Cash on Hand		33.22		27.63
TOTAL		27,644.57		29,578.61

*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.

12 OTHER BANK BALANCES

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
1) Unpaid Dividend Account	15.63		12.58	
TOTAL		15.63		12.58

13 EQUITY SHARE CAPITAL

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
Authorised				
As at 31.03.26 - 3,00,00,000 Equity shares (as at 31.03.25- 3,00,00,000) of Rs 10 each		3,000.00		3,000.00
Issued, Subscribed and Paid-up				
As at 31.03.26 - 2,63,19,660 Equity shares (as at 31.03.25- 2,63,19,660, of Rs. 10/- each fully paid up)		2,631.97		2,631.97
TOTAL		2,631.97		2,631.97

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 31.03.2026		AS AT 31.03.2025	
	No of Shares	% held	No of Shares	% held
1) J.K. Jain	54,12,000	20.56%	54,12,000	20.56%
2) Seema Jain	50,21,766	19.08%	54,11,766	20.56%
3) HDFC Small cap Fund	20,38,842	7.75%	10,79,703	4.10%
4) Rahul Jain	18,61,336	7.07%	22,51,336	8.55%
5) Aanchal Jain	18,61,336	7.07%	22,51,336	8.55%

c) Reconciliation of Number of Shares

	AS AT 31.03.2026		AS AT 31.03.2025	
	No of shares	Amount (In Rs Lakhs)	No of shares	Amount (In Rs Lakhs)
Equity shares				
Opening Balance	2,63,19,660	2,631.97	2,63,19,660	2,631.97
Add:- Increase during the year	-	-	-	-
Closing balance	2,63,19,660	2,631.97	2,63,19,660	2,631.97

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

d) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows

	AS AT 31.03.2026	AS AT 31.03.2025
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	1,31,59,830	1,31,59,830
	1,31,59,830	1,31,59,830

e) SHAREHOLDING OF PROMOTORS AND CHANGES THEREIN

Promoter name	AS AT 31.03.2026		Changes during the year 2025-26	
	No of Shares	% held	changes in no . of shares	% Changes
1) J.K. Jain	54,12,000	20.56%	-	-
2) Seema Jain	50,21,766	19.08%	(3,90,000)	-1.48%
3) Rahul Jain	18,61,336	7.07%	(3,90,000)	-1.48%
4) Aanchal Jain	18,61,336	7.07%	(3,90,000)	-1.48%
5) Jagjeevan Kumar Jain (HUF)	23,076	0.09%	-	-
6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited)	1,68,800	0.64%	-	-

Promoter name	AS AT 31.03.2025		Changes during the year 2024-25	
	No of Shares	% held	changes in no . of shares	% Changes
1) J.K. Jain	54,12,000	20.56%	-	-
2) Seema Jain	54,11,766	20.56%	-	-
3) Rahul Jain	22,51,336	8.55%	(10,00,000)	-3.80%
4) Aanchal Jain	22,51,336	8.55%	(10,00,000)	-3.80%
5) Jagjeevan Kumar Jain (HUF)	23,076	0.09%	-	-
6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited)	1,68,800	0.64%	-	-

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

14 OTHER EQUITY

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
	SECURITIES PREMIUM			
As Per Last Balance Sheet	15,406.79		15,406.79	
Less:- utilized during the year	-		-	
		15,406.79		15,406.79
GENERAL RESERVE				
As Per Last Balance Sheet	11,290.00		9,240.00	
Add :- Transferred from Surplus in the statement of Profit and Loss	2,550.00		2,050.00	
Closing balance		13,840.00		11,290.00
SURPLUS -OPENING BALANCE	74,220.21		61,265.86	
Add:- Profit after tax	25,387.76		20,413.79	
Add:- Other Comprehensive Income	(91.65)		(145.50)	
Amount Available for Appropriation	99,516.32		81,534.15	
Less :- Appropriations				
i) Final Dividend Paid Rs 30 per share- (Previous Year Rs 20 per share)	7,895.90		5,263.94	
ii) Transfer to General Reserve	2,550.00		2,050.00	
	10,445.90		7,313.94	
SURPLUS -CLOSING BALANCE		89,070.42		74,220.21
TOTAL		1,18,317.21		1,00,917.00

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 FY 2023-24 year for issuing bonus shares
- 3) 'Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

15 LEASE LIABILITIES

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
LEASE LIABILITIES	6,053.00	2,095.27	502.09	113.84
Refer note -37	6,053.00	2,095.27	502.09	113.84

Notes on Financial Statements for the year ended 31.03.2026

16 PROVISIONS

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
1 Provision for Retirement Benefits				
a) Leave Encashment	1,088.48	652.98	177.43	183.08
b) Gratuity	-	-	206.15	253.80
2 Provision for Warranties	-	-	820.96	131.54
TOTAL	1,088.48	652.98	1,204.55	568.42

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 31.03.26 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	31.03.2026	31.03.2025
Opening Balance	131.54	624.54
Addition	689.42	-
Utilization /reversal	-	493.00
Closing Balance	820.96	131.54
Current Portion	820.96	131.54
Non Current Portion	-	-

17 CURRENT BORROWINGS

(Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks - Indian Rupee Loan (see note 11 above also)	-	-
	-	-

Security of Cash credit/working capital limit is as below as at 31.03.26

	CASH CREDIT LIMIT		BANK GUARANTEE LIMIT	
	Sanctioned	Utilized	Sanctioned	Utilized
1. Citibank	2,000	-	2,000	358.02
TOTAL	2,000	-	2,000	358.02

Security of Cash credit/working capital limit is as below as at 31.03.25

	CASH CREDIT LIMIT		BANK GUARANTEE LIMIT	
	Sanctioned	Utilized	Sanctioned	Utilized
1. Citibank	2,000	-	2,000	863.20
2. HDFC Bank	1,500	-	2,500	98.03
TOTAL	3,500	-	4,500	961.23

- From Citibank NA :- The limit is secured against charge on all present and future receivables, stocks/Inventories 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
- From HDFC BANK :- . The limit was secured against First Pari Passu Charge on all present and future receivables, stocks/ Inventories with Citibank 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. The limit was closed during the current year FY 2025-26.

Notes on Financial Statements for the year ended 31.03.2026

18 CURRENT TRADE PAYABLES

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
Micro and Small enterprises	3,387.25		1,671.14	
Other than Micro and Small enterprises	25,442.32		21,360.56	
TOTAL		28,829.57		23,031.70

Related parties - *Trade Payable (refer note 41)

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,

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2026 is given below. This information has been determined to the extent such parties have been identified on the basis of information 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 31.03.2026	AS AT 31.03.2025
1. The principal amount remaining unpaid to any supplier at the end of each accounting year;	3,387.25	1,671.14
2. The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
3. 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;	-	-
4. 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	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
6. 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 dis allowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Trade Payables Ageing Schedule as at 31.03.26

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables						
MSME	3,387.25	-	-	-	-	3,387.25
Others	25,201.07	158.04	59.53	1.70	21.98	25,442.32
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
TOTAL	28,588.32	158.04	59.53	1.70	21.98	28,829.57

Trade Payables Ageing Schedule as at 31.03.25

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables						
MSME	1,671.14	-	-	-	-	1,671.14
Others	20,600.06	733.14	4.49	7.83	15.05	21,360.56
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
TOTAL	22,271.20	733.14	4.49	7.83	15.05	23,031.70

Notes on Financial Statements for the year ended 31.03.2026

19 OTHER FINANCIAL LIABILITIES- CURRENT

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
a) Trade Security Deposits	304.65	302.93
Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when due))	15.63	12.58
c) Creditors for Capital Expenditure	645.21	980.31
d) Payable to employees	1,519.32	1,214.05
e) Other payable (Includes accrued expense/liabilities)	955.46	1,276.92
TOTAL	3,440.27	3,786.79

20 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
a) Advances received from Customers (contract liabilities)	4,026.60	3,732.50
b) Statutory Dues payable	1,692.44	1,878.37
TOTAL	5,719.04	5,610.87

21 CURRENT TAX LIABILITIES (NET)

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
Provision for Income tax (Net of advance tax and Tds)	191.10	125.36
TOTAL	191.10	125.36

22 NET SALES

PARTICULARS	CURRENT YEAR FY 2025-26		PREVIOUS YEAR FY 2024-25	
- Sales of Finished Goods				
Automotive Segment	2,77,981.28		2,39,210.08	
Others Segment comprising LED Luminaries etc.	456.41		543.46	
	2,78,437.69		2,39,753.54	
- Sales of Raw material/Traded goods				
Automotive Segment	627.77		742.10	
Others Segment comprising LED Luminaries etc.	-		-	
	627.77		742.10	
		2,79,065.46		2,40,495.64

For Disaggregation of Revenue (see note 48)

23 OTHER OPERATING INCOME

PARTICULARS	CURRENT YEAR FY 2025-26		PREVIOUS YEAR FY 2024-25	
1) Scrap sales		530.98		516.56
2) Testing, Design and Development charges received		1,527.61		768.65
3) Duty Drawback Received		83.97		52.40
4) RODTEP Incentive received		33.73		26.41
5) Rebate and Discount Received		62.92		46.70
6) Difference in foreign exchange		26.63		224.06
7) Segregation, Packing and Forwarding charges Received		79.47		89.60
TOTAL		2,345.31		1,724.38

24 OTHER INCOME

PARTICULARS	CURRENT YEAR FY 2025-26		PREVIOUS YEAR FY 2024-25	
1) Interest income on financial assets carried at amortised cost				
a) Interest income on term Deposits and others		1,968.08		1,586.01
b) Unwinding of interest on financial assets		25.15		-
2) Sundry Creditors written back		8.06		5.37
3) Profit/(Loss) on sale of Property, Plant and Equipment		76.81		18.55
4) Other Non Operating Income		0.40		1.43
TOTAL		2,078.51		1,611.36

Notes on Financial Statements for the year ended 31.03.2026

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(Amount Rs in Lakhs)

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Opening Stock	17,627.62	15,768.93
Add : Purchases	1,73,686.46	1,52,086.15
Less :- Inventories at the end of the year	20,420.18	17,627.62
TOTAL	1,70,893.90	1,50,227.46

26 PURCHASE OF STOCK IN TRADE

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Purchase of Traded Goods	524.78	613.33
TOTAL	524.78	613.33

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

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Inventories at the end of the year		
a) Finished Goods	2,835.53	2,453.85
b) Work -in- Progress	2,214.42	2,119.28
	5,049.95	4,573.13
Inventories at the beginning of the year		
a) Finished Goods	2,453.85	2,306.30
b) Work -in- Progress	2,119.28	1,684.25
	4,573.13	3,990.55
	(476.82)	(582.58)

28 EMPLOYEES BENEFITS EXPENSES

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Salaries,Wages and Bonus to employees	35,714.41	30,633.90
Contribution to Provident and other Funds	766.45	710.51
Staff Welfare Expenses	1,120.40	926.03
Gratuity Expenses	469.58	314.83
Earned Leave to staff	475.67	159.51
TOTAL	38,546.50	32,744.77

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). The Labour Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, has resulted in increase of Rs 451.95 lakhs in the provision of defined benefit obligations and has been recognised in during the current financial year ended March 31, 2026.

29 FINANCE COSTS

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Interest Expense		
a) Interest on borrowings	-	-
b) Interest others	16.07	15.65
c) Interest on leasehold obligation	262.61	138.69
	278.68	154.33
Other Borrowing Costs	-	-
TOTAL	278.68	154.33

30 DEPRECIATION AND AMORTIZATION EXPENSES

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Depreciation on Property,plant and equipment (See Note -2)	6,296.38	6,119.32
Depreciation on Right of Use assets (See Note-3)	677.64	147.47
Amortization of Intangible assets (See Note-4)	232.18	123.09
	7,206.19	6,389.88

Notes on Financial Statements for the year ended 31.03.2026

31 OTHER EXPENSES

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
1) Consumption of Stores and Spare parts	3,858.93	2,753.37
2) Packing Expenses	3,983.57	3,521.10
3) Power and Fuel	7,034.40	6,519.63
4) Repair & Maintenance		
Machinery running and Maintenance	331.71	312.71
Repair & Maintenance- Building	176.39	57.36
Repair & Maintenance- Other	197.06	185.29
5) Testing and Design Fees	1,742.81	1,522.13
6) Job Charges	1,464.57	1,283.41
7) Freight, Cartage & Octroi	971.26	869.83
8) Advertisement, Sub & Membership Exp.	119.28	69.57
9) Payment to Auditors*	109.66	104.48
10) Donation	29.31	37.40
11) Rates and taxes	647.84	525.81
12) Insurance	1,045.27	1,008.67
13) Bad debt written off	203.41	31.83
14) Provision for Bad and Doubtful Debt	255.43	(454.37)
15) Impairment Loss on investment	-	33.16
16) Rent#	100.14	142.84
17) Royalty	105.88	103.90
18) Selling & Distribution Expenses	4,620.74	3,407.30
19) Travelling and Conveyance Expenses	931.20	894.51
20) Contribution toward CSR (Note-46)	462.00	480.74
21) Other Office Expenses	4,197.33	3,733.12
TOTAL	32,588.18	27,143.78

Represents lease rentals for short term leases and leases of low value assets

* Auditor's Remuneration -Refer Note 35

32 EXCEPTIONAL ITEMS- INCOME/(EXPENDITURE)

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Insurance claim received	-	374.95
	-	374.95

Exceptional item Last year - Insurance claim received :- During the last year, the company received Insurance claim under Arbitration, in relation to the fire incident which occurred in the year ended 31.03.2018 in one block of unit-5, situated at Hosur, Tamilnadu,

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

33 Contingent Liabilities	AS AT 31.03.2026	AS AT 31.03.2025
(A) Claims against the Company/disputed liabilities not acknowledged as debts (See Note-1)		
(i) 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. During the year, the Hon'ble jurisdiction High Court of Madras has set aside the assessment order.	-	150.07
(ii) CGST Act		
(a) Demand for excess input tax credit availed and other issues for Rai unit for FY 2019-20, for which The Company has filed Appeal with Commissioner Appeal, Panchkula (net of deposit)	119.92	119.92
(b) Demand for excess input tax credit availed for Kanpur depo for FY 2020-21, for which The Company has paid the demand so no demand existed as on reporting date.	-	0.78
(c) Demand for GST liability on multiple e-way bill for few sale invoices for FY 2018-19 at Karsanpura Gujarat unit, for which the Company has filled appeal with Commissioner Appeal Ahmedabad	3.78	-
	123.70	270.77
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) and (ii) above and hence no provision is considered necessary against the same.		
(B) Other Money for which the Company is contingently liable	AS AT 31.03.2026	AS AT 31.03.2025
Liability in respect of vendor discounting scheme from bank	92.03	8,497.04
	92.03	8,497.04
34 Capital & Other Commitments	AS AT 31.03.2026	AS AT 31.03.2025
(i) Estimated amount of contracts remaining to be executed on capital contracts and not provided, (net of advances)*	4,156.26	709.42
(ii) Estimated amount of contracts remaining to be executed on purchase contracts not provided, (net of advances)**	2,087.66	1,276.37
	6,243.91	1,985.79
*Capital contracts primarily comprise commitments for property, plant and equipment		
**Purchase contracts primarily comprise commitments for moulds and dies for customers.		
35 Auditor's Remuneration	2025-26	2024-25
(a) For Statutory audit fee		
For Statutory Audit	60.00	60.00
For Tax Audit	10.00	10.00
For Limited Review	14.00	14.00
For Other Services*	22.50	27.50
Total (a)	106.50	111.50
(b) For Cost audit fee		
For Cost Audit Fees	3.16	2.98
Total (b)	3.16	2.98
Total (a+b)	109.66	114.48
*This includes amount of Rs. Nil (Previous year 10 Lakhs) which is reflected under insurance claim recoverable.		

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

	AS AT 31.03.2026	AS AT 31.03.2025
36 Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Property, Plant and Equipment	2,718.40	3,084.71
Total (a)	2,718.40	3,084.71
Deferred Tax Assets		
Allowances for Credit Losses	191.07	126.78
Provision for Leave Encashment	318.63	210.45
Provision for Gratuity	51.89	63.89
Provision for Bonus	140.53	124.09
Welfare Fund	1.01	0.69
Provision for Warranties	206.64	33.11
Lease Liabilities	1,649.92	556.03
Right-of-use assets	(1,314.40)	(326.11)
Others	(1.82)	12.39
Total (b)	1,243.46	801.31
Net Deferred Tax Liability (a-b)	1,474.94	2,283.39

Movement in Deferred Tax Liabilities and Deferred Tax Assets Particulars	FY 2025-26			FY 2024-25		
	As at March 31, 2026	Recognised in profit and loss	As at March 31, 2025	As at March 31, 2025	Recognised in profit and loss	As at March 31, 2024
Movement in Deferred Tax Liabilities						
Property, Plant and Equipment	2,718.40	(366.31)	3,084.71	3,084.71	(41.91)	3,126.62
Total (a)	2,718.40	(366.31)	3,084.71	3,084.71	(41.91)	3,126.62
Movement in Deferred Tax Assets						
Allowances for Credit Losses	191.07	64.29	126.78	126.78	(114.36)	241.14
Provision for Leave Encashment	318.63	108.18	210.45	210.45	31.38	179.07
Provision for Gratuity	51.89	(11.99)	63.89	63.89	26.20	37.68
Provision for Bonus	140.53	16.44	124.09	124.09	4.00	120.09
Welfare Fund	1.01	0.32	0.69	0.69	0.05	0.64
Provision for Warranties	206.64	173.53	33.11	33.11	(124.09)	157.20
Lease Liabilities and right-of-use assets (net)	335.51	105.59	229.93	229.93	6.85	223.08
Others	(1.82)	(14.21)	12.39	12.39	(0.20)	12.59
Total (b)	1,243.46	442.15	801.31	801.31	(170.17)	971.49
Net Deferred Tax Liability (a-b)	1,474.94	(808.45)	2,283.39	2,283.39	128.26	2,155.13

(a) Tax Expense	FY 2025-26	FY 2024-25
Current Tax		
Current tax on profit for the year	9,321.82	6,993.93
(Excess)/short tax provision for earlier years	26.74	(20.63)
Total current tax expense	9,348.56	6,973.30
Deferred tax		
(Increase)/Decrease in deferred tax assets	(442.15)	170.17
(Decrease)/Increase in deferred tax liabilities	(366.31)	(41.91)
Total deferred tax expense (benefit)	(808.45)	128.26
Tax Expense (Current Tax plus Deferred tax)	8,540.11	7,101.56

(b) Income Tax recognised in other comprehensive income (Loss)	FY 2025-26	FY 2024-25
Particulars		
Remeasurement of Defined Benefit Plans	(122.47)	(194.43)
Tax Expense (Benefit)	30.82	48.93
Remeasurement of Defined Benefit Plans (Net of Tax)	(91.65)	(145.50)

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

(c) Reconciliation of Effective Tax Rate	2025-26	2024-25
(a) Profit before tax after exceptional item	33,927.87	27,515.36
(b) Enacted tax rate in India	25.17%	25.17%
(c) Expected tax expenses	8,539.64	6,925.62
(d) Difference due to		
Disallowances of CSR Expenditure	116.29	121.00
Deferred Tax Liability (Assets)	(808.45)	128.26
(Excess)/Short tax related to prior periods	26.74	(20.63)
Others	665.89	(52.69)
Income Tax Expenses	8,540.11	7,101.56
Effective tax rate	25.17%	25.81%

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

Deferred tax assets has not been recognised in respect of deductible temporary differences arising from 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, 2026	As at March 31, 2025	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
2025-26	Unquoted equity share	Long-term capital loss	33.16	33.16	2033-34
			691.82	691.82	

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, 2026	As at March 31, 2025
Fiem Industries Japan Co., Ltd	Subsidiary	189.59	85.73
Fiem Research and Technology Srl	Subsidiary	242.78	134.91
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	(9.95)	(4.61)
		422.42	216.03

37 Operating Lease Transaction

Lease as Lessee

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

	2025-26	2024-25
Total of future minimum lease payments under operating lease for following periods:		
Not later than one year	653.70	5.46
Later than one year and not later than five years	1,940.49	-
later than five years	-	-
Total	2,594.19	5.46

Information about leases for which the Company is a lessee.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Lease Liabilities	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	2,209.11	2,311.45
Add: Addition of new leases during the year	4,586.22	-
Add: Finance cost	262.61	138.69
Less: Repayment of financing	502.85	241.02
Balance as at the end of the year	6,555.09	2,209.11
Current	502.09	113.84
Non-current	6,053.00	2,095.27
Amounts recognised in Statement of Profit and Loss		
Interest on lease liabilities	262.61	138.69
Depreciation expense	677.64	147.47
Expenses relating to short-term leases and leases of low-value assets	100.14	142.84
Total	1,040.39	429.00

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

38 Earning Per Share

Particulars	FY 2025-26	FY 2024-25
Net Profit after tax attributable to equity shareholders	25,387.76	20,413.80
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	263.20	263.20
Basic/diluted earning per share* (In Rs.)	96.46	77.56
Face value per equity share (In Rs.)	10	10

*There are no dilutive instruments issued by the Company.

39 Government Grant

Particulars	FY 2025-26	FY 2024-25
Duty Drawback on Export in foreign currency	83.97	52.40
RODTEP Incentive on Export in foreign currency	33.73	26.41
GST Concession on Eligible Fixed Capital Investment	770.03	-
Subsidy on PMVBRY	2.57	-
Total	890.30	78.81

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:-

- 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.
- Others Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.
- 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"
- 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

(Amount Rs in Lakhs)

Segment Revenue	FY 2025-26			FY 2024-25		
	Automotive	Others Segment	Total	Automotive	Others Segment	Total
External Sales	2,78,609.05	456.41	2,79,065.46	2,39,952.18	543.46	2,40,495.64
Other Operating Income	2,342.61	2.70	2,345.31	1,670.28	54.10	1,724.38
Inter-Segment Sales	-	-	-	-	-	-
Total	2,80,951.66	459.11	2,81,410.77	2,41,622.46	597.56	2,42,220.02

Results

Segment Results before exceptional item but Earning Before Interest & Tax	36,303.03	(38.52)	36,264.51	29,711.50	(43.36)	29,668.14
Exceptional Item-income/(expenditure)	-	-	-	374.95	-	374.95
Segment Results (Earning Before Interest & Tax)	36,303.03	(38.52)	36,264.51	30,086.45	(43.36)	30,043.09
Unallocated corporate expenses (net of unallocable income)			2,057.96			2,373.40
Operating Profit			34,206.55			27,669.69
Cost of Finance			278.68			154.33
Profit before tax			33,927.87			27,515.36
Tax expense			8,540.11			7,101.56
Profit after tax (PAT)			25,387.76			20,413.80
Other Comprehensive Income (Loss) (Net of tax)			(91.65)			(145.50)
Total Comprehensive Income			25,296.11			20,268.30
Depreciation & Amortization	7,155.23	50.96	7,206.19	6,313.28	76.60	6,389.88

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

	As at 31st March, 2026			As at 31st March, 2025		
Segment Assets						
Segment Assets	1,37,999.49	891.49	1,38,890.98	1,08,399.55	1,093.82	1,09,493.37
Unallocated Corporate Assets			30,561.24			32,324.22
Total Assets			1,69,452.22			1,41,817.59
Segment Liabilities						
Segment Liabilities	44,238.33	126.18	44,364.51	33,279.17	114.77	33,393.94
Unallocated Corporate Liabilities			4,138.53			4,874.68
Total Liabilities			48,503.04			38,268.62
Capital Employed (Total Assets Minus Total Liabilities)			1,20,949.18			1,03,548.97
Capital Expenditure During the year (Net of CWIP)	10,831.44	-	10,831.44	13,828.05	-	13,828.05

(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	2025-26	2024-25
India	2,75,595.84	2,38,453.74
Outside India	5,814.93	3,766.28
Total	2,81,410.77	2,42,220.02
(b) Segment Trade Receivables	As at March 31, 2026	As at March 31, 2025
India	37,349.67	23,619.55
Outside India	1,466.70	621.35
Total	38,816.37	24,240.90

1. The Company has common assets for producing goods for domestic market and overseas market. Hence, separate figures for property, plant and equipments have not be furnished.

(c) Information about major customers

Details of customers which accounts for more than 10% of Company's total revenue are as follows

There are 3 customers having revenue exceeding 10% of each of total revenue of the Company which account for 32.46%, 22.71% and 14.01% respectively.

Notes on Financial Statements for the year ended 31.03.2026

(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	CEO & Director
Mr. Om Prakash Gupta	Chief Financial Officer
Mr. Arvind Kumar Chauhan	Company Secretary
Mr. Pawan Kumar Jain	Independent Director
Ms. Shobha Khatri	Independent Director
Mr. Pradeep Bhagat	Independent Director
Mr. Rakesh Chand Jain	Independent Director
Mr. Satinder Manocha	Independent Director
Mr. Sanjiv Rai Mehra	Independent Director
Mrs. Rita Arora	Independent Director
Mr. Ashok Kumar Sharma	Independent Director up to 31/07/2024
Mr. Jawahar Thakur	Independent Director up to 31/07/2024
Mr. Mohan Bir Sahni	Independent Director up to 31/07/2024
Mr. Subodh Kumar Jain	Independent Director up to 31/07/2024
Mr. Vinod Kumar Malhotra	Independent Director up to 31/07/2024
(ii) Close Member of Key Management Personnel (KMP) with whom transactions have taken place	
Mrs. Pallavi Jain	Vice President (Spouse of Mr. Rahul Jain, Joint Managing Director)
Mrs. Sunita Jain	Holding of equity shares in Fiem Industries Ltd (Spouse of Mr. Pawan Kumar Jain, Independent Director)
(iii) Related Parties Controlled by Key Management personnel and/or their Close member	
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
Pawan Kumar Jain (HUF)	Entity Controlled by Mr. Pawan 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	
Centro Ricerche Fiem Horustech S.R.L	JV incorporated in Italy, 50% ownership interest held by the company (The Company has exit from JV during the previous year)
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
Fiem Foundation	Entity Controlled by KMP

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

*With whom there were transactions during the current year/previous year.

Transaction with related party

(a) Sale of Goods to:	Nature of Related Party	2025-26	2024-25
Fiem Industries Japan Co., Limited	Subsidiary Company	169.51	43.26
		169.51	43.26
(b) Purchase of Goods from:	Nature of Related Party	2025-26	2024-25
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	68.77	19.05
Fiem Industries Japan Co., Limited	Subsidiary Company	0.19	0.03
		68.96	19.08
(c) Services received from	Nature of Related Party	2025-26	2024-25
Fiem Research & Technology S.R.L (For Design Charges)	Subsidiary Company	1,383.72	1,093.79
Fiem Industries Japan Co., Limited (For R&D Fee)	Subsidiary Company	207.15	201.31
Fiem Auto & Electrical Industries (For Brand Royalty)	Related party controlled by KMP	50.00	50.00
		1,640.87	1,345.10
(d) Lease Rent Paid (for premises) to	Nature of Related Party	2025-26	2024-25
Ms. Aanchal Jain	Whole-time Director	166.31	162.69
Mr. Rahul Jain	Joint Managing Director	80.07	78.33
		246.38	241.03
(e) Dividend on Equity share Paid to	Nature of Related Party	Dividend on Equity	
		2025-26	2024-25
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	1,623.60	1,082.40
Mrs. Seema Jain	Whole-time Director	1,623.53	1,082.35
Ms. Aanchal Jain	Whole-time Director	675.40	450.27
Mr. Rahul Jain	Joint Managing Director	675.40	450.27
Mr. Kashi Ram Yadav	Whole-time Director	0.20	0.14
Mr. Pawan Kumar Jain	Independent Director	0.10	0.06
Mrs. Sunita Jain	Spouse of Mr. Pawan Kumar Jain	0.14	0.09
Fiem Applied Technologies Private Limited	Related party controlled by KMP	50.64	33.76
Jagjeevan Kumar Jain (HUF)	Related party controlled by KMP	6.92	4.62
Pawan Kumar Jain (HUF)	Related party controlled by KMP	0.15	0.10
		4,656.09	3,104.06
(f) Benefits to Key Management and their close member		2025-26	2024-25
Short-term employee benefits		1,672.45	1,576.52
Sitting Fee		33.45	40.00
Total Compensation		1,705.90	1,616.52
Short-term employee benefits	Nature of Related Party	2025-26	2024-25
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	240.00	240.00
Mrs. Seema Jain	Whole-time Director	120.00	120.00
Mr. Rahul Jain	Joint Managing Director	180.00	144.00
Ms. Aanchal Jain	Whole-time Director	120.00	120.00
Mr. Kashi Ram Yadav	Whole-time Director	145.45	133.45
Mr. Rajesh Sharma	Joint Managing Director	282.00	246.00
Mr. Vineet Sahni	CEO & Director	359.22	359.22
Mr. Om Prakash Gupta	Chief Financial Officer	80.40	80.40
Mr. Arvind Kumar Chauhan	Company Secretary	115.38	103.45
Mrs. Pallavi Jain	Spouse of Mr. Rahul Jain	30.00	30.00
		1,672.45	1,576.52

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

Sitting Fee	Nature of Related Party	2025-26	2024-25
Ms. Shobha Khatri	Independent Director	5.50	6.30
Mr. Pawan Kumar Jain	Independent Director	5.00	5.55
Mr. Pradeep Bhagat	Independent Director	4.75	3.95
Mr. Rakesh Chand Jain	Independent Director	5.25	4.45
Mrs. Rita Arora	Independent Director	5.00	4.20
Mr. Sanjiv Rai Mehra	Independent Director	3.95	3.95
Mr. Satinder Manocha	Independent Director	4.00	3.20
Mr. Ashok Kumar Sharma	Independent Director up to 31/07/2024	-	0.80
Mr. Jawahar Thakur	Independent Director up to 31/07/2024	-	2.10
Mr. Mohan Bir Sahni	Independent Director up to 31/07/2024	-	0.80
Mr. Subodh Kumar Jain	Independent Director up to 31/07/2024	-	2.35
Mr. Vinod Kumar Malhotra	Independent Director up to 31/07/2024	-	2.35
		33.45	40.00
(g) Contribution to Gratuity Fund	Nature of Related Party	2025-26	2024-25
Fiem Industries Limited Group Gratuity Trust	Post-employment Benefit Plan	639.70	405.16
		639.70	405.16
(h) Contribution to CSR Fund	Nature of Related Party	2025-26	2024-25
Fiem Foundation	Entity Controlled by KMP	462.00	385.00
		462.00	385.00
(i) Impairment loss on JV Exit :	Nature of Related Party	2025-26	2024-25
Centro Ricerche Fiem Horustech Srl	Joint Venture (exit from JV)	-	33.16
		-	33.16
(j) Proceeds from Exit from JV:	Nature of Related Party	2025-26	2024-25
Centro Ricerche Fiem Horustech Srl	Joint Venture (exit from JV)	-	0.00
		-	0.00
Balances outstanding at Year-end			
(a) Other Current Assets (Advance to Suppliers other than capital goods):	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Fiem Kyowa (HK) Mould Company Ltd*	Joint Venture	10.32	16.19
		10.32	16.19
Note:-The amount of commitments for above outstanding is Rs. 17.98 Lakhs (Previous year Rs. 36.74 Lakhs)			
(b) (b) Non-Current Investment:	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
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
		443.35	443.35
(c) Trade Receivables:	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Fiem Industries Japan Co. Ltd	Subsidiary Company	85.28	18.47
(d) Trade Payables:	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Fiem Industries Japan Co. Ltd	Subsidiary Company	106.65	0.03
Fiem Research & Technology S.R.L	Subsidiary Company	164.05	-
		270.70	0.03
(e) Security Deposit Paid Against Lease Rent on premises	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Ms. Aanchal Jain	Whole-time Director	54.68	54.68
Mr. Rahul Jain	Joint Managing Director	26.33	26.33
		81.01	81.01

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

(f) Other Current Financial Liabilities:	Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Mr. Jagjeevan Kumar Jain	Short term benefits payable	17.46	-
Mrs. Seema Jain	Short term benefits payable	14.35	-
Ms. Aanchal Jain	Short term benefits & lease rent payable	13.24	5.73
Mr. Rahul Jain	Short term benefits & lease rent payable	20.55	-
Mr. Rajesh Sharma	Short term benefits payable	14.75	12.85
Mr. Kashi Ram Yadav	Short term benefits payable	7.89	7.50
Mr. Vineet Sahni	Short term benefits payable	16.25	16.14
Mr. OP Gupta	Short term benefits payable	4.87	5.02
Mr. Arvind Kumar Chauhan	Short term benefits payable	5.70	5.19
Mrs. Pallavi Jain	Short term benefits payable	7.05	-
Fiem Auto & Electrical Industries	For Brand Royalty	24.63	-
		146.75	52.44

Terms and conditions of related party transaction & outstanding balances

Note:-1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note:2. The 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 at the end of each year. The amount is disclosed only at the time of payment.

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	2025-26	2024-25
Employer's Contribution to Provident Fund	675.47	625.28
Employer's Contribution to ESI Fund	75.53	72.76
Employer's Contribution to Wages Welfare Fund	15.45	12.46
Total	766.45	710.51
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.		

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

Disclosure requirement as per Indian Accounting Standard on Employee Benefits-Ind AS (19)-As per actuarial valuation as on 31/03/2026 are as follows:

Particulars	Gratuity		Leave Encashment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Current service cost (including plan amendment's past service cost)	474.35	318.47	475.67	159.51
Interest cost	(4.77)	(3.64)		
Actuarial (Gain)/Loss	-	-		
Expenses recognized in Statement of Profit and Loss	469.58	314.83	475.67	159.51

Amount to be recognised in the Balance Sheet				
Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Liability at the end of the year	3,124.15	2,613.07	1,265.91	836.07
Fair value of plan assets at the end of the year	2,918.00	2,359.26	-	-
Amount to be recognised in Balance Sheet	206.15	253.80	1,265.91	836.07
Current	206.15	253.80	177.43	183.08
Non-Current	-	-	1,088.48	652.98

Reconciliation of benefit obligation				
Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Liability at the beginning of the year	253.80	149.71	836.07	711.40
Interest cost	-	-	-	-
Recognised in Accumulated Other Comprehensive Income	(597.98)	(403.55)	-	-
Current service cost (including plan amendment's past service cost)	469.58	314.83	475.67	159.51
Employers Contribution	(639.70)	(405.16)	(45.83)	(34.84)
Remeasurement (gain) / loss	720.45	597.98	-	-
Liability at the end of the year	206.15	253.80	1,265.91	836.07

Reconciliation of fair value of plan assets:				
Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	2,359.26	1,956.86	-	-
Interest income	188.49	142.68	-	-
Employers Contribution	639.70	405.16	45.83	34.84
Benefits paid	(136.78)	(177.37)	(45.83)	(34.84)
Return on plan assets-gain /(loss)	(132.68)	31.94	-	-
Fair value of plan assets at the end of the year	2,918.00	2,359.26	-	-
Actual return on plan assets	55.82	174.61	-	-

Amount recognised in statement of other comprehensive income (OCI)				
Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening amount recognised in OCI	597.98	403.55	-	-
Remeasurement for the year - Obligation (gain)/ loss	(10.21)	226.37	-	-
Remeasurement for the year - plan assets (gain)/ loss	132.68	(31.94)	-	-
Net Increasing in OCI	720.45	597.98	-	-
Total remeasurements cost / (credit) for the year recognised in OCI	720.45	597.98	-	-
Closing amount recognised in OCI	720.45	597.98	-	-

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

Principal actuarial assumptions	2025-26	2024-25	2025-26	2024-25
Particulars				
Discount rate	7.55%	6.89%	7.55%	6.89%
Salary escalation	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter
Expected return on assets	7.22%	7.22%	7.22%	7.22%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	-	-
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 rate of return.

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

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

Expected benefit payments (discounted values/present value) for the year ending:

Year ending	Gratuity		Leave Encashment	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
31-Mar-27	248.28	169.41	89.70	38.61
31-Mar-28	257.07	172.83	66.59	48.35
31-Mar-29	284.13	162.89	101.22	37.67
31-Mar-30	257.41	182.46	45.90	51.96
31-Mar-31	236.40	144.55	46.23	25.70
31March, 2032-2036	1,248.07	598.28	235.30	146.63

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 12.79 years (Previous year 13.50 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, 2026 is as shown below:

A. Effect of 1% Change in the assumed discount rate	Gratuity			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	2,895.79	2,410.40	3,386.91	2,847.84
B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	3,352.29	2,818.79	2,919.20	2,429.67
C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	3,119.12	2,598.29	3,129.27	2,629.09

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

A. Effect of 1% Change in the assumed discount rate	Leave Encashment			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	1,191.91	787.58	1,350.52	892.04

B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Defined Benefit Obligation	1,345.49	888.47	1,195.00

C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Defined Benefit Obligation	1,259.25	830.07	1,272.78

43 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financial instruments

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets measured at amortised cost				
Security Deposits	1,504.49	1,320.95	1,504.49	1,320.95
Loan to Employees	149.01	86.51	149.01	86.51
Trade receivables	38,816.37	24,240.90	38,816.37	24,240.90
Term Deposit held as margin money, with more than 12 month maturity	354.64	325.83	354.64	325.83
Income accrued on deposits	410.48	810.83	410.48	810.83
Export incentive receivables	59.14	39.27	59.14	39.27
Insurance Claim Recoverable	5,312.96	509.55	5,312.96	509.55
Other advances Recoverable	29.14	118.45	29.14	118.45
Cash and Cash Equivalents	27,644.57	29,578.61	27,644.57	29,578.61
Other Bank Balances	15.63	12.58	15.63	12.58
	74,296.43	57,043.48	74,296.43	57,043.48
Financial assets measured at Cost				
Investment in subsidiaries and joint venture (unquoted equity share)	443.35	443.35	-	-
	443.35	443.35	-	-
Financial assets measured at FVTPL				
Investment in unquoted equity shares	3.90	2.00	-	-
	3.90	2.00	-	-
Financial liabilities measured at amortised cost				
Trade Security deposits	304.65	302.93	304.65	302.93
Current Maturity of Lease liabilities	502.09	113.84	502.09	113.84
Creditors for Capital Expenditure	645.21	980.31	645.21	980.31
Current Trade Payables	28,829.57	23,031.70	28,829.57	23,031.70
Unpaid Dividend	15.63	12.58	15.63	12.58
Payable to Employees	1,519.32	1,214.05	1,519.32	1,214.05
Other Payables (including accrued expenses/liabilities)	955.46	1,276.92	955.46	1,276.92
	32,771.93	26,932.33	32,771.93	26,932.33

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

Financial assets and liabilities measured at fair value-recurring fair value measurements

Particulars	As at March 31, 2026			As at March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current Investment	-	-	3.90	-	-	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.

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

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 and implements capital structure improvement plan when necessary.

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

Debt-to-equity ratio is as follows:

Particulars	(Amount Rs in Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Non Current/Current Borrowing	-	-
Net Debt (A)	-	-
Equity (B)	1,20,949.18	1,03,548.97
Debt Ratio (A/B)*	-	-

* The Company has no outstanding borrowings as at 31/03/2026 & 31/03/2025.

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

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. 38,816.37 Lakhs (net of write-off/provisions) (Previous Year Rs. 24,240.90 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 203.41 lakhs (previous year Rs. 31.83 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 78% of total receivables as at 31 March, 2026 (65% as at 31 March, 2025), 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, 2026	As at March 31, 2025
Balance at the beginning of the year	503.69	958.06
Addition during the year	255.43	-
Utilisation/reversal of provision during the year	-	(454.37)
Balance at the end of the year	759.12	503.69

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 31/03/2026. The Company believes that the working capital is sufficient to meet its current requirements. As at March 31, 2026, the Company had a working capital of Rs. 63,738.72 Lakhs including cash and cash equivalents of Rs.27,644.57 Lakhs. As at March 31, 2025, the Company had a working capital of Rs. 48,902.65 lakhs including cash and cash equivalents of Rs. 29,578.61 Lakhs.

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, 2026			As at March 31, 2025		
	Less than 1 Year	1-5 Years	> 5 Years	Less than 1 Year	1-5 Years	> 5 Years
Financial liabilities						
Trade payables	28,829.57	-	-	23,031.70	-	-
Trade Security Deposits	304.65	-	-	302.93	-	-
Unpaid Dividend	15.63	-	-	12.58	-	-
Creditors for Capital Expenditure	645.21	-	-	980.31	-	-
Payable to employees	1,519.32	-	-	1,214.05	-	-
Other Payable (includes accrued expense/liabilities)	955.46	-	-	1,276.92	-	-
Lease Liabilities	502.09	2,663.07	3,389.93	113.84	638.60	1,456.67
	32,771.93	2,663.07	3,389.93	26,932.33	638.60	1,456.67

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

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, 2026		As at March 31, 2025	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets				
Trade receivables	38,816.37	-	24,240.90	-
Loan to employees	81.28	67.73	49.65	36.86
Security Deposit	-	1,504.49	-	1,320.95
Interest Accrued on Deposits	410.48	-	810.83	-
Export incentive Receivables	59.14	-	39.27	-
Insurance Claim Recoverable	5,312.96	-	509.55	-
Other Advance Recoverable	29.14	-	118.45	-
Term Deposit held as margin money, with more than 12 month maturity	-	354.64	-	325.83
Other Bank Balance	15.63	-	12.58	-
Cash & Cash Equivalents	27,644.57	-	29,578.61	-
Investment in Joint Ventures, Subsidiaries & Others	-	447.25	-	445.35
	72,369.57	2,374.11	55,359.84	2,128.99

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 evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The information on foreign currency exposures that are not hedged by derivative instruments is as follows.

Particulars	Currency	As at March 31, 2026			As at March 31, 2025		
		Amt in Foreign Currency	Exchange Rate	Amt in INR	Amt in Foreign Currency	Exchange Rate	Amt in INR
(a) Foreign Currency exposures that are not hedged by derivative instruments							
Financial Liabilities							
(a) Trade payables and creditor for capital expenditure (including accrued expense)	USD	47.89	94.65	4,532.90	60.05	85.58	5,139.14
	EURO	4.02	109.01	437.92	4.06	92.32	375.24
	JPY	602.80	0.5925	357.16	609.07	0.5675	345.65
	AUD	0.55	64.49	35.75	0.55	53.67	29.75
	GBP	-	-	-	-	-	-
				5,363.73			5,889.78
Financial Assets							
(b) Trade receivables & cash and cash equivalents	USD	7.38	94.65	698.46	4.53	85.58	387.29
	EURO	6.31	109.01	687.70	4.13	92.32	381.16
	JPY	143.94	0.5925	85.28	32.55	0.5675	18.47
	AUD	-	-	-	-	-	-
	GBP	0.07	125.64	8.48	0.06	110.74	6.43
				1,479.92			793.35
Total (a-b)	USD	40.51	94.65	3,834.44	55.53	85.58	4,751.85
	EURO	(2.29)	109.01	(249.78)	(0.06)	92.32	(5.92)
	JPY	458.86	0.5925	271.88	576.52	0.5675	327.18
	AUD	0.55	64.49	35.75	0.55	53.67	29.75
	GBP	(0.07)	125.64	(8.48)	(0.06)	110.74	(6.43)
	Total (Net)			3,883.80			5,096.42

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

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, 2026			As At March 31, 2025		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.00%	383.44	USD	10.00%	475.18
	USD	-10.00%	(383.44)	USD	-10.00%	(475.18)
	EURO	10.00%	(24.98)	EURO	10.00%	(0.59)
	EURO	-10.00%	24.98	EURO	-10.00%	0.59
	JPY	10.00%	27.19	JPY	10.00%	32.72
	JPY	-10.00%	(27.19)	JPY	-10.00%	(32.72)

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash credit/working capital loans. The Company has no long term/short term outstanding borrowings as at 31 March, 2026. The Company investments are primarily in interest rate bearing investments like short term deposits with banks. Hence, the Company is significantly exposed to interest rate risk.

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, 2026	As at March 31, 2025
(i) Cash credit limit	2,000.00	3,500.00
(ii) Long-term loans	-	-

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal. The company has the following interest rate bearing term deposit with banks at the end of the reporting periods.

Particulars	As at March 31, 2026	As at March 31, 2025
Term Deposit with banks	27,305.00	28,513.01

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate. For floating/fixed rate, analysis is prepared assuming the amount 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 interest rate borrowings, as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Increase by 1.00%	273.05	285.13
Decrease by 1.00%	(273.05)	(285.13)

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.

Notes on Financial Statements for the year ended 31.03.2026

45 Research and Development Expenses

(Amount Rs in Lakhs)

The Company has incurred following expenses on its research, development and design activities.

	2025-26	2024-25
Capital Expenditure		
Property, plant and equipment & intangible assets	1,215.81	1,412.36
Total (A)	1,215.81	1,412.36
Revenue Expenditure		
Employee Benefits	1,636.41	1,228.51
Design & Development Charges	1,847.37	1,890.10
Other Expenses	255.78	187.34
Depreciation & Amortization	302.79	106.24
Total (B)	4,042.35	3,412.19
Grand Total (A+B)	5,258.16	4,824.55

46 Corporate Social Responsibility (CSR) Expenditure

As required by section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR. 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, 2026 towards corporate social responsibility projects. The break-up of expenditure/contribution towards under corporate social responsibility as under:-

Particulars	2025-26	2024-25
(a) Amount required to be spent by the company during the year	460.37	365.81
(b) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
Detail of related party transaction (refer note no.41)		
(ii) On purposes other than (i) above (including Rs. 462.00 Lakhs (previous year 385 Lakhs) contribution to Fiem Foundation)	461.60	480.74
	461.60	480.74
Excess (Short) Amount Spent*	1.23	114.93

*The Company does not wish to carry forward any excess amount spent during the year.

List of Nature of CSR Activities

(i) Health Care-Financial Aid to Needy Patients
(ii) Health Care-Medical Support Initiatives
(iii) Woman Empowerment/Health Care-Sanitary Pad Projects
(iv) Swavlamban (25-26)
(v) Disaster Relief-HP
(vi) Vetran support Initiative
(vii) Rural Sports Promotion

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

47 Joint Venture Company

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	Fiem Kyowa (HK) Mould Company Ltd	
	Year ended 31/03/26	Year ended 31/03/25
Non Current Assets		
Current Assets	7.76	14.75
Non Current Liabilities		
Current Liabilities	5.78	8.08
Revenue (total Income)	33.96	9.84
Expenses	35.37	14.34
Profit or (loss) from continuing operations	(1.41)	(4.50)
Post-tax profit or (loss) from discontinuing operations	-	-
Other comprehensive income (Loss)	-	-
Total comprehensive income (Loss)	(1.41)	(4.50)

48 Disaggregation of Revenue:

Reconciliation of Revenue from sale of products with the contracted price		
Particulars	2025-26	2024-25
Contracted Price	2,80,431.60	2,41,777.68
Less: Trade discounts, cash discount, volume rebates etc.	1,366.14	1,282.04
Sale of Products	2,79,065.46	2,40,495.64

Revenue is disaggregated by timing of revenue recognition		
Particulars	2025-26	2024-25
Timing of revenue recognition		
Goods transferred at a point of time	2,81,410.77	2,42,220.02
Over a period of time	-	-
Total revenue from contracts and customers	2,81,410.77	2,42,220.02
Net Sales from sale of products	2,79,065.46	2,40,495.64
Other operating income	2,345.32	1,724.38

Movement in Contract Liabilities		
Particulars	Year ended 31/03/26	Year ended 31/03/25
Balance at the beginning of the year	3,732.50	3,243.56
Revenue recognized during the year from opening balance	(2,088.16)	(1,530.54)
Amount received (net) against contract liability during the year	2,382.26	2,019.48
Balance at the end of the year	4,026.60	3,732.50

Notes on Financial Statements for the year ended 31.03.2026

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 (Promoters, Directors, KMPs and their Related Parties)

The Company has not given loan to Specified Persons (Promoters, Directors, KMPs and their Related Parties) during the year.

(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, 2026.

(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, 2026.

(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

Notes on Financial Statements for the year ended 31.03.2026

(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 KEY FINANCIAL RATIOS				Current year	Previous Year		
Particulars	Numerator	Denominator		FY 25-26	FY 24-25	Variance	Reason for Variance if More than 25% (+/-)
1. Current Ratio	Current assets	Current liabilities	Times	2.60	2.47	5.26%	Not applicable
2. Debt Equity Ratio	Total debt	Equity	Times	NA	NA	NA	Not applicable
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 property, plant and equipment etc.	Debt service = Interest & Lease Payments + Principal Repayments	Times	NA	NA	NA	Not applicable
4. Return on Equity	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	%	22.62%	21.25%	6.45%	Not applicable
5. Inventory Turnover Ratio	Net sales	Avg Inventory	Times	11.16	10.99	1.55%	Not applicable
6. Trade receivable Turnover Ratio	Net sales	Avg trade receivables	Times	8.85	11.03	-19.76%	Not applicable
7. Trade payable Turnover Ratio	Total purchases	Avg trade payables	Times	6.72	7.28	-7.69%	Not applicable
8. Net Capital Turnover Ratio	Net sales	Working Capital (current assets Less current liabilities)	Times	4.38	4.92	-10.98%	Not applicable
9. Net Profit Ratio	Net profit	Net sales	%	9.10%	8.49%	7.18%	Not applicable
10. Return on Capital employed	Earning Before Interest and Tax (EBIT)	(Tangible Net Worth + Total Debt + Deferred Tax Liability)	%	28.02%	26.22%	6.86%	Not applicable
11. Return on Investment	Income generated from invested funds	Average Income generated from invested funds	%	6.78%	6.31%	7.45%	Not applicable

Notes on Financial Statements for the year ended 31.03.2026

(Amount Rs in Lakhs)

51 Fire Incident

Fire in Rai Plant

(a) A fire incident occurred on June 13, 2023 at Unit-7, located at Plot No. 1915, Phase-V, Rai Industrial Estate, Sonipat-131029 (Haryana). The Company has completed reinstatement of all property, plant and equipment and the insurance assessment is under process. During FY 2024-25, the Company has already received Rs 50 Crore as adhoc/ interim payment from the insurance company. During the year ended March 31, 2024, the company had recognised the value of the affected assets as Insurance Claim receivable to the extent of the carrying value of inventories amounting to Rs 2583.74 Lakhs and the carrying value of property, plant and equipment amounting to Rs 2552.72 Lakhs. The final entries will be recorded in the books of accounts upon finalization of the claim by the insurer.

Fire in Tapukara Plant during the year

(b) During the year, a fire incident occurred in the afternoon of August 23, 2025 at Unit-8, located at Plot No. SP1-C, Industrial Area Tapukara, District Alwar-301707 (Rajasthan). There was no injury or loss of human life and the fire was primarily restricted to the first floor of the building. The company has recognised the value of the affected assets as Insurance Claim receivable to the extent of the carrying value of inventories amounting to Rs 2105.87 Lakhs (including GST reversals) and property, plant and equipment amounting to Rs 2767.91 Lakhs (including GST reversals) as the company maintains adequate insurance coverage of all assets on reinstatement basis with the insurer. An estimated claim of Rs. 8230 Lakhs (on the reinstatement value basis) has been submitted on January 30, 2026 to insurer. The final settlement remains subject to assessment by the insurer and any additional accounting impact will be recorded upon finalization of the claim.

52 Dividend on Equity Share

(a) Dividend on Equity Shares paid during the year

Particulars	2025-26	2024-25
Final dividend for the FY 2024-25 Rs. 30/- (Previous Year Rs. 20/-) per equity share of Rs. 10 each	7895.90	5263.93
Total	7895.90	5263.93

(b) Proposed Dividend

The Board of Directors in their meeting held on May 30, 2026, have recommended a Final dividend of Rs 40 per share i.e. @ 400% of Nominal Value of Rs 10 each on 2,63,19,660 equity share of the company for F.Y. 2025-26 amounting to Rs 10527.86 Lakhs (Previous year Rs 30 per share amounting to Rs 7895.90 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 Audit Trail

The Company has used accounting software for maintaining its books of account 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. During the year, the audit trail feature has not been tempered with. Further, the audit trail, has been preserved by the Company as per the statutory requirements for record retention.

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

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, 2026, 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, 2026, 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 matters to be communicated in our report.

SN	Key Audit Matter	Auditor's Response
1	<p>Accounting for insurance claim recoverable on account of the fire accident at Tapukara</p> <p>Refer Note 49 to the consolidated financial statements. On August 23, 2025, a fire broke out at first floor of building at Tapukara, Rajasthan unit-8,, 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 judgment considering the nature and quantitative significance of the amounts involved.</p>	<p>We have performed the following principal audit procedures including:</p> <p>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</p> <p>Verifying the Management's judgment 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.</p>

2	<p>Revenue Recognition for sale of goods</p> <p>Revenue from sale of goods is recognized upon the transfer of control of the goods sold to the customer.</p> <p>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</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> • Evaluating the company’s accounting Policies in relation of the revenue recognition in terms of Ind AS 115- Revenue from Contracts with Customers. • 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. • Testing by selecting samples of revenue transactions recorded during the year by verification of underlying documents. • Testing on a sample basis, key customer contracts/ purchase order to identify terms and conditions relating to goods acceptance and price adjustments. • Testing on a sample basis, the supporting documents for sales transactions recorded during the period closer to the year end and subsequent to the year end to determine whether revenue was recognised in the correct period.
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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 a overseas 50:50 Joint Venture, Fiem Kyowa (HK) Mould Company Limited, whose Net loss of Rs 1.41 lakhs for the year ended 31st March 2026, 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

- b) Two subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company.

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:
- 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.
 - 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.
 - 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
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Company as on 31st March, 2026 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, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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 A 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:

- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 33(A) to the consolidated financial statements.
- The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- (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 Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2026 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 softwares, as described in note 51 to the financial statements. Further, during the course of our audit we did not come across any

instance of the audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

- 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, there is no subsidiary or jointly controlled entity incorporated in India, so this clause is not applicable to the Group.

for **Anil S. Gupta & Associates**
Chartered Accountants
Firm Registration Number -004061N

Sd/-
(Anil Kumar Gupta)
Partner

Membership No.: -083159
UDIN 26083159SKQEKD6918

Place: Gurugram
Dated: 30/05/2026

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, 2026, 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 31st March 2026, 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 2026, 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 26083159SKQEKD6918

Place: Gurugram

Dated: 30/05/2026

Consolidated Balance Sheet as at 31.03.2026

(Amount Rs in Lakhs)

Particulars	Note No.	AS AT 31.03.2026	AS AT 31.03.2025
ASSETS			
1 NON CURRENT ASSETS			
(a) Property, plant and equipment	2	53,170.70	52,214.15
(b) Capital work-in-progress	2	1,487.19	2,027.45
(c) Right-of-use assets	3	6,872.39	2,797.09
(d) Intangible assets	4	359.87	324.36
(e) Investment accounted for using equity method	5	1.39	2.80
(f) Financial Assets			
(i) Investments	5	3.90	2.00
(ii) Trade receivables	10	-	-
(iii) Loans	6	67.73	36.86
(iv) Other Financial Assets	7	1,878.67	1,653.24
(g) Income tax assets (net)		545.23	461.79
(h) Other non-current assets	8	1,697.74	320.47
Total Non Current Assets		66,084.80	59,840.22
2 CURRENT ASSETS			
(a) Inventories	9	26,677.00	23,348.18
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	10	38,751.51	24,235.32
(iii) Cash and cash equivalents	11	27,941.05	29,831.45
(iv) Bank balances other than (iii) above	12	15.63	12.58
(v) Loans	6	81.28	49.65
(vi) Other Financial Assets	7	5,811.73	1,488.96
(c) Current tax assets		-	-
(d) Other current assets	8	4,690.59	3,569.95
Total Current Assets		1,03,968.78	82,536.09
TOTAL ASSETS		1,70,053.58	1,42,376.31
EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	13	2,631.97	2,631.97
(b) Other Equity	14	1,18,869.17	1,01,187.08
Total Equity		1,21,501.14	1,03,819.05
2 LIABILITIES			
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ia) Lease liabilities	15	6,053.00	2,095.27
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	16	1,166.49	754.03
(c) Deferred tax liabilities (Net)	36	1,474.94	2,283.39
(d) Other non-current liabilities		-	-
Total Non Current Liabilities		8,694.43	5,132.69
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	-	-
(ia) Lease liabilities	15	502.09	113.84
(ii) Trade payables			
-Total outstanding dues of micro and small enterprises	18	3,387.25	1,671.14
-Total outstanding dues of creditors other than micro and small enterprises	18	25,241.22	21,381.48
		28,628.47	23,052.62
(iii) Other financial liabilities	19	3,495.80	3,893.78
(b) Other current liabilities	20	5,824.44	5,663.74
(c) Provisions	16	1,204.55	568.42
(d) Current Tax Liabilities (Net)	21	202.66	132.17
Total Current Liabilities		39,858.01	33,424.57
TOTAL LIABILITIES		48,552.44	38,557.26
TOTAL EQUITY AND LIABILITIES		1,70,053.58	1,42,376.31

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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

Consolidated Statement of Profit and Loss for the year ended 31.03.2026

(Amount Rs in Lakhs)

Particulars	Note No.	CURRENT YEAR FY 2025-26	PREVIOUS YEAR F.Y. 2024-25
INCOME			
Revenue From Operations			
a) Net Sales	22	2,79,213.96	2,40,536.78
b) Other Operating Income	23	2,346.91	1,724.38
I Revenue from Operations (a+b)		2,81,560.87	2,42,261.16
II. Other Income	24	2,078.89	1,611.68
III TOTAL INCOME (I+II)		2,83,639.76	2,43,872.84
IV EXPENSES			
a) Cost of Raw Materials and Components Consumed	25	1,70,893.90	1,50,227.46
b) Purchase of Stock-in-Trade	26	535.13	603.53
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	27	(476.82)	(582.58)
d) Employees benefits expenses	28	39,407.44	33,498.31
e) Finance costs	29	278.68	154.33
f) Depreciation and amortization expense	30	7,248.81	6,426.17
g) Other expenses	31	31,609.77	26,294.78
TOTAL EXPENSES		2,49,496.91	2,16,622.00
V PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)		34,142.85	27,250.84
Exceptional Item- income/(expenditure)	32	-	374.95
VI PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEM		34,142.85	27,625.79
VII TAX EXPENSES			
a) Current Tax Expense		9,364.71	7,021.68
b) (Excess)/Short Tax provision for earlier years		26.74	(20.63)
c) Deferred Tax Liability/ (Assets)		(808.45)	128.26
		8,583.00	7,129.31
VIII PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (VI-VII)		25,559.85	20,496.48
IX ADD:- SHARE OF PROFIT/(LOSS) OF ASSOCIATES		(1.41)	(4.50)
X PROFIT AFTER TAX FOR THE YEAR AFTER SHARE OF PROFIT OF ASSOCIATE (VIII+IX)		25,558.44	20,491.98
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		(122.47)	(194.43)
(ii) Income tax on items Items that will not be reclassified subsequently to the statement of profit and loss		30.82	48.93
		(91.65)	(145.50)
B) Items that will be reclassified subsequently to the statement of profit and loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(91.65)	(145.50)
XI TOTAL COMPREHENSIVE INCOME (NET OF TAX)		25,466.79	20,346.48
Basic and Diluted Weighted Earning per Equity Share (Nominal value Rs 10 per share)	38	97.11	77.86

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

Consolidated Statement of Changes In Equity for the year ended 31.03.2026

(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 2024		2,63,19,660	2,631.97
Change in equity share capital due to prior period errors		-	-
Restated balance at the beginning of the reporting period		-	-
Bonus shares issued during the year		-	-
Balance as at 1st April 2025		2,63,19,660	2,631.97
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 31st March 2026	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 2024		15,406.79	9,240.00	37.50	61,375.41	86,059.70
Changes in Accounting policy or prior period errors		-	-	-	-	-
Restated Balance as at 1st April 2024		15,406.79	9,240.00	37.50	61,375.41	86,059.70
Addition during the year						
1) Profit for the year					20,491.98	20,491.98
2) Remeasurement of Defined Benefit Plans (Net of tax)					(145.50)	(145.50)
3) Effect of Jv exit					28.94	28.94
4) Exchange Difference on translation				15.88		15.88
Deduction during the year						
1) Utilization for Bonus shares issue						-
2) Transfer to General Reserve			2,050.00		(2,050.00)	-
3) Dividend Paid (Rs 20 per share)					(5,263.94)	(5,263.94)
Balance as at 1st April 2025		15,406.79	11,290.00	53.38	74,436.91	1,01,187.08
Changes in Accounting policy or prior period errors		-	-	-	-	-
Restated Balance as at 1st April 2025		15,406.79	11,290.00	53.38	74,436.91	1,01,187.08
Addition during the year						
1) Profit for the year					25,558.44	25,558.44
2) Remeasurement of Defined Benefit Plans (Net of tax)					(91.65)	(91.65)
3) Exchange Difference on translation				111.21		111.21
Deduction during the year						
1) Utilization for Bonus shares issue			-			-
2) Transfer to General Reserve			2,550.00		(2,550.00)	-
3) Dividend Paid (Rs 30 per share)					(7,895.90)	(7,895.90)
Balance as at 31st March 2026	14	15,406.79	13,840.00	164.59	89,457.79	1,18,869.17

Significant Accounting Policies and Notes to financial Statements. 1 to 52

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

For and on behalf of the Board of Directors

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

Consolidated Cash Flow Statement as at 31.03.2026

(Amount Rs in Lakhs)

PARTICULARS	Year ended	
	31st March, 2026	31st March, 2025
A Cash flow from Operating Activities:		
Profit (Loss) Before Tax After Exceptional Item	34,142.85	27,625.79
Adjustments for:		
Depreciation and amortisation expense	7,248.81	6,426.17
(Profit)/Loss on sale of property plant and equipment	(76.81)	(18.55)
Loss on discarded of property plant and equipment	355.01	88.06
Unrealised foreign exchange (gain)/Loss	67.09	(93.13)
Provision (Reversal) for bad and doubtful debt	255.43	(454.37)
Provision (Reversal/Utilisation) for warranties	689.42	(493.00)
Bad debts written-off	203.41	31.83
Impairment loss on investment	-	33.16
Exceptional income	-	(374.95)
Unwinding of interest on financial assets	(25.15)	-
Finance costs	278.68	154.33
Interest Income on term deposits and others	(1,968.47)	(1,586.34)
Operating Profit (Loss) before Working Capital changes	41,170.28	31,339.02
Adjustment for changes in Working Capital:		
Decrease/(Increase) in loans (non-current)	(30.87)	(1.58)
Decrease/(Increase) in other financial assets (non-current)	2.54	(438.50)
Decrease/(Increase) in other non-current assets	0.94	(15.62)
Decrease/(Increase) in inventories	(3,328.82)	(2,912.27)
Decrease/(Increase) in trade receivables	(14,896.77)	(4,428.98)
Decrease/(Increase) in loans (current)	(31.63)	14.42
Decrease/(Increase) in other financial assets (current)	(2,028.26)	1,888.51
Decrease/(Increase) in other current assets	(1,120.64)	(382.11)
(Decrease)/Increase in non-current provisions	412.46	100.09
(Decrease)/Increase in trade payables	5,430.50	4,131.94
(Decrease)/Increase in other financial liabilities (current)	(62.88)	122.11
(Decrease)/Increase in current provisions	(175.76)	(61.02)
(Decrease)/Increase in other current liabilities	160.70	793.08
Cash generated from Operating Activities	25,501.79	30,149.09
Income tax paid (net of refund)	(9,373.58)	(6,843.20)
Net cash from/(used in) Operating Activities (A)	16,128.21	23,305.89
B Cash flow from Investing Activities:		
Payments for purchase of property, plant and equipment, intangible assets, capital work in progress and capital advances	(12,588.34)	(12,956.25)
Ad-hoc Insurance claim received agst property, plant and equipment (loss due to fire)	-	2,664.50
Proceeds from disposal of property, plant and equipment	134.37	136.53
Capital subsidy received from State Government	770.03	-
Proceeds from Exceptional income	374.95	-
Payment towards acquisition of investment	(1.90)	-
Maturity from (Investment in) other bank balance	(3.05)	(3.48)
Payment towards advances for acquiring right-of-use-assets	(369.54)	-
Interest Income on term deposits and others	1,968.47	1,586.34
Net cash from/(used in) Investing Activities (B)	(9,715.01)	(8,572.37)

Consolidated Cash Flow Statement as at 31.03.2026

(Amount Rs in Lakhs)

C Cash flow from Financing Activities:		
Finance cost paid other than finance lease	(16.07)	(15.64)
Payment of dividend on equity shares	(7,895.90)	(5,263.93)
Repayment of finance lease	(502.85)	(241.03)
Net cash from/(used in) Financing Activities (C)	(8,414.83)	(5,520.60)
D Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(2,001.60)	9,212.92
Add:-Cash and cash equivalents at the beginning of the period	29,831.45	20,602.63
Exchange difference on translation (loss)	111.21	15.89
Cash and cash equivalents at the end of period	27,941.05	29,831.45
E Component of cash and cash equivalents		
Cash on hand	33.22	27.63
Balance with Banks:		
Balance with bank in Cash Credit Accounts	200.70	868.25
Balance with bank in deposits accounts	27,305.00	28,513.01
Balance with bank in current accounts	402.13	422.56
Total cash and cash equivalents	27,941.05	29,831.45

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

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

Sd/-
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CEO & Director
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Chief Financial Officer

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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: Gurugram
Dated: 30.05.2026

Notes to the Consolidated Financial Statements as at 31.03.2026

1. Corporate Information

Fiem Industries Limited ("The Group") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its corporate office is 2nd Floor, Tower A, Plot No. 243, SP Infocity, Udyog Vihar Phase-1, Gurugram, Haryana-122016 (India). Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Group 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, as amended from time to time.

These consolidated financial statements were approved by the Group's Board of Directors & authorised for issue on May 30, 2026.

(Aa) Accounting Policies Applicable in Consolidated Financial Statement

- (i) The Group 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 Group 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 Group 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 one joint venture i.e. Fiem Kyowa (HK) Mould Company Limited and which have been considered for consolidation in current year.

(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 policies 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 31.03.2026

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 36
- (v) Measurement of lease liabilities and right-of-use assets refer note 37

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

In August 2025, MCA notified the following amendments:

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non current liabilities.

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025

The amendment in Ind AS 7 requires entities to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and, based on its evaluation has determined that it does not have any significant impact in its financial statements.

Ind AS 12 - International Tax Reform - Pillar Two Model Rules apply immediately

The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively and there is no material financial impact due to application of the Pillar two rules.

(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 Group'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 Group'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 Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Consolidated Financial Statements as at 31.03.2026

All other liabilities are classified as non-current. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the nature of products/activities of the Group and the normal time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group 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 includes items directly attributable to the construction or acquisition of the items of property, plant and equipment. Cost of acquisition is inclusive of freight, duties, taxes, and other incidental expenses. Freehold land is measured at cost and is not depreciated.

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 Group 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 on Property, Plant and Equipment

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.

Name of Assets	Estimated useful lives	Useful lives as per schedule II
Factory Building	30 years	30 years
Non-Factory 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 Installations	10 years	10 years
Computer Equipment	3 years	3 years

Leasehold improvements is depreciated at lower of useful life of the asset or lease term.

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. Depreciation is not charged on capital work in progress until construction and installation are complete and asset ready for its intended use.

Notes to the Consolidated Financial Statements as at 31.03.2026

Capital Advances

Advances given towards acquisition of property, plant and equipments 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. Software is amortized over the period of 3 years. 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 Group 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 Group 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 Group applies lifetime expected credit loss model for measurement of trade receivables.

Notes to the Consolidated Financial Statements as at 31.03.2026

Investment in Joint Ventures

Investment in joint ventures are measured at equity method. The investment is recognized initially at cost and subsequently adjusted for your share of the joint venture's post-acquisition profits. Cost represents amount paid for acquisition of the said investment.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities: These 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 Group after deducting all of its liabilities. Group recognises equity instruments at proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Group 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 Group'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 Group does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Derecognition of Financial Assets and Financial Liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Any gain or loss arising on derecognition is recognised in profit or loss

Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

Impairment of Financial Assets

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

Financial assets that are debt instruments, and are initially measured at fair value with subsequent measurement at amortized cost e.g., trade and other receivables, security deposits, loan to employees, etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as an expense in the statement of profit and loss.

Notes to the Consolidated Financial Statements as at 31.03.2026

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 Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The Group 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 Group 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 Group 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.

Notes to the Consolidated Financial Statements as at 31.03.2026

(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 Group 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. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Sale of Services

Revenue from sale of services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred

Contract Balances

Contract Assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Upon completion of the attached condition and acceptance by the customer, the amounts recognized as contract assets is reclassified to trade receivables upon invoicing. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and measurement).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to 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. Subsequently 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, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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 to the Consolidated Financial Statements as at 31.03.2026

(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 Group 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, property plant and equipment, 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 Group 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 Group 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 Group 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 Group 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 31.03.2026

Gratuity

The Group 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 Group is funded through annual contributions to HDFC Life Insurance Company under its Group'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 Group'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 Group 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 that 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 Group'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.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss in OCI. Current tax items are recognized in correlation to the underlying transaction in OCI.

Notes to the Consolidated Financial Statements as at 31.03.2026

Deferred Tax

Deferred 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 Group 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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(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 Group.

(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 Group 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 31.03.2026

(U) Lease

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

Right-to-use assets

The Group's lease assets primarily consist of leases for land and building. The Group 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 Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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.

Lease liabilities

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 Group 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 31.03.2026

2. PROPERTY, PLANT AND EQUIPMENT

(Amount Rs. In Lakhs)

Particulars	Land	Buildings	Leasehold Improvements	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installation	Computers	Total
Gross Block										
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
Additions	-	1,782.03	-	8,316.30	826.68	773.54	91.69	160.08	218.04	12,168.35
Disposals/adjustments	-	-	-	1,756.57	208.09	250.05	10.97	263.68	49.27	2,538.63
As at 31 March, 2025	3,636.63	23,838.25	-	67,145.57	3,433.07	3,322.01	746.31	2,217.64	996.50	1,05,335.98
Additions	-	112.41	65.73	9,413.61	272.49	503.70	229.23	166.92	368.14	11,132.23
Disposals/adjustments	-	2,708.87	-	5,684.83	260.43	222.55	114.88	198.42	23.52	9,213.50
As at 31 March, 2026	3,636.63	21,241.78	65.73	70,874.35	3,445.13	3,603.17	860.66	2,186.13	1,341.12	1,07,254.71
Depreciation										
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
For the year	-	747.75	-	4,584.70	221.43	244.18	66.78	130.16	152.18	6,146.85
Disposals/adjustments	-	-	-	1,637.57	196.05	194.58	10.41	250.63	43.33	2,332.59
As at 31 March, 2025	-	7,417.45	-	39,750.13	1,728.68	1,605.46	494.79	1,529.72	595.60	53,121.49
For the year										
Disposals/adjustments	-	838.58	2.66	4,469.31	257.53	293.03	93.51	154.36	214.63	6,323.62
As at 31 March, 2026	-	7,194.78	2.66	40,601.88	1,804.69	1,695.65	483.90	1,509.37	791.08	54,084.01
Net Block										
As at 31 March, 2025	3,636.63	16,420.80	-	27,395.44	1,704.39	1,716.55	251.52	687.92	400.90	52,214.15
As at 31 March, 2026	3,636.63	14,047.01	63.07	30,272.47	1,640.44	1,907.52	376.76	676.76	550.05	53,170.70

1. 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 1513.51 Lakhs (31 March 2025-Rupee 1808.49 Lakhs) have been pledged as security by the Company.

Capital work-in progress

Particulars	As at 31 March, 2026	As at 31 March, 2025
Building	523.81	33.92
Plant & Equipment	963.38	1,993.53
Total	1,487.19	2,027.45

Changes in Capital work-in-progress

Particulars	As at 31 March, 2026	As at 31 March, 2025
Balance at the beginning of the year	2,027.45	530.87
Addition during the year	10,591.97	13,664.93
Capitalised during the year	11,132.23	12,168.35
Balance at the end of the year	1,487.19	2,027.45

(i) Ageing of Capital work-in-progress as at 31.03.2026

Particulars	Amount in Capital work-in progress for a period of			Total
	<1year	1-2 years	2-3 year	
Building	523.81	-	-	523.81
Plant & Equipment (Projects In progress)	963.38	-	-	963.38
				1,487.19

(ii) Ageing of Capital work-in-progress as at 31.03.2025

Particulars	Amount in Capital work-in progress for a period of			Total
	<1year	1-2 years	2-3 year	
Building	33.92	-	-	33.92
Plant & Equipment (Projects In progress)	1,993.53	-	-	1,993.53
				2,027.45

Notes to the Consolidated Financial Statements as at 31.03.2026

3. RIGHT-OF-USE ASSETS

(Amount Rs. In Lakhs)

Lease contracts entered by the Group's majorly pertain for lands and buildings taken on lease terms ranging from 12 months to 99 years to conduct its business in the ordinary course.

Particulars	Land	Building	Total
Gross Block			
As at 31 March, 2024	1,843.43	2,072.98	3,916.41
Additions	-	-	-
Disposals/adjustments	-	-	-
As at 31 March, 2025	1,843.43	2,072.98	3,916.41
Additions	-	4,752.93	4,752.93
Disposals/adjustments	-	-	-
As at 31 March, 2026	1,843.43	6,825.91	8,669.34
Depreciation			
As at 31 March, 2024	324.04	647.80	971.84
For the year	17.91	129.56	147.47
Disposals/adjustments	-	-	-
As at 31 March, 2025	341.95	777.36	1,119.33
For the year	17.91	659.73	677.64
Disposals/adjustments	-	-	-
As at 31 March, 2026	359.86	1,437.09	1,796.95
Net Block			
As at 31 March, 2025	1,501.48	1,295.62	2,797.09
As at 31 March, 2026	1,483.57	5,388.82	6,872.39

4. INTANGIBLE ASSETS

(Amount Rs. In Lakhs)

Particulars	Computer Software	Total
Gross Block		
As at 31 March, 2024	1,081.31	1,081.31
Additions	216.18	216.18
Disposals/adjustments	95.45	95.45
As at 31 March, 2025	1,202.06	1,202.06
Additions	283.06	283.06
Disposals/adjustments	18.49	18.49
As at 31 March, 2026	1,466.63	1,466.63
Amortization		
As at 31 March, 2024	840.57	840.57
For the year	131.85	131.85
Disposals/adjustments	94.72	94.72
As at 31 March, 2025	877.70	877.70
For the year	247.56	247.56
Disposals/adjustments	18.49	18.49
As at 31 March, 2026	1,106.77	1,106.77
Net Block		
As at 31 March, 2025	324.36	324.36
As at 31 March, 2026	359.87	359.87

Notes to the Consolidated Financial Statements as at 31.03.2026

5 INVESTMENTS

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
	Investment accounted for using equity method in Joint Ventures (JVs) Overseas			
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	1.39		2.80	
		1.39		2.80
Unquoted Equity share (measured at fair value through profit and loss)				
a) Shivalik Solid Waste Management Ltd.				
20,000 equity shares (Previous Year 20,000) of Rs 10 each fully paid up	2.00		2.00	
b) Sri Sastaa Solar private Limited				
9500 equity shares (Previous Year Nil) of Rs 10 each fully paid up	0.95		-	
c) Trishya Power Plant Private limited				
9500 equity shares (Previous Year Nil) of Rs 10 each fully paid up	0.95		-	
TOTAL		3.90		2.00
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		3.90		2.00

6 LOANS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Loan to employees	67.73	36.86	81.28	49.65
TOTAL	67.73	36.86	81.28	49.65

7 OTHER FINANCIAL ASSETS (Unsecured but considered Good)

(Amount Rs in Lakhs)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT	AS AT	AS AT	AS AT
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
a) Security deposit	1,524.03	1,327.41	-	10.86
b) Term deposit held as margin money, with more than 12 months maturity	354.64	325.83	-	-
c) Income accrued on deposits	-	-	410.48	810.83
d) Export Incentive Receivables	-	-	59.14	39.27
e) Insurance Claim Receivables	-	-	5,312.96	509.55
f) Other Advances recoverable	-	-	29.14	118.45
TOTAL	1,878.67	1,653.24	5,811.73	1,488.96

Related parties

*Security deposits (refer note 41)

Notes to the Consolidated Financial Statements as at 31.03.2026

8 OTHER ASSETS (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
a) Capital Advances	1,673.39	295.18	-	-
b) Advances other than capital advances				
i) Advances to Suppliers	-	-	2,702.18	2,305.88
Less Provision for doubtful advances			-	(48.15)
Net Advances to suppliers			2,702.18	2,257.73
ii) Balance with Customs or GST departments	-	-	489.85	518.61
iii) Prepaid Expenses	24.35	25.29	1,498.56	793.62
TOTAL	1,697.74	320.47	4,690.59	3,569.95

Related parties

*Advances other than capital advances (refer note 41)

9 INVENTORIES

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

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
a) Raw Materials and Components	20,420.18	17,627.62
b) Raw Materials and Components Goods in Transit	-	14.70
c) Work in Progress	2,214.42	2,119.28
d) Finished Goods	2,835.53	2,453.85
e) Stores and Spares (including Packing Material)	1,206.87	1,132.73
TOTAL	26,677.00	23,348.18

10 TRADE RECEIVABLES (Unsecured but considered Good)

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
Considered Good			38,751.51	24,235.32
Credit Impaired			759.12	503.69
Total	-	-	39,510.63	24,739.02
Less:- Allowances for Credit losses (allowance for bad and doubtful debts)	-	-	759.12	503.69
TOTAL	-	-	38,751.51	24,235.32

Related parties *Trade receivables (refer note 41)

Trade Receivables Ageing Schedule

The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
1 Undisputed Trade Receivables-considered good	38,206.13	545.38	-	-	-	-	38,751.51
2 Undisputed Trade Receivables-which have significant increase in credit risk							
3 Undisputed Trade Receivables-credit impaired	-	-	123.45	67.82	155.86	412.00	759.12
4 Disputed Trade Receivables-considered good							
5 Disputed Trade Receivables-which have significant increase in credit risk							
6 Disputed Trade Receivables-credit impaired							
	38,206.13	545.38	123.45	67.82	155.86	412.00	39,510.63

Notes to the Consolidated Financial Statements as at 31.03.2026

The trade receivables (current & non current) ageing schedule for the years ended as at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
1 Undisputed Trade Receivables-considered good	23,402.22	504.98	48.97	78.88	163.47	36.79	24,235.32
2 Undisputed Trade Receivables-which have significant increase in credit risk							
3 Undisputed Trade Receivables-credit impaired		-	14.60	116.41	238.60	134.08	503.69
4 Disputed Trade Receivables-considered good							
5 Disputed Trade Receivables-which have significant increase in credit risk							
6 Disputed Trade Receivables-credit impaired							
	23,402.22	504.98	63.57	195.29	402.07	170.87	24,739.02

The movement in allowance for expected credit loss of trade receivables is as follows:

Particulars					31.03.2026	31.03.2025
Balance as at beginning of the year					503.69	958.06
Addition during the year					255.43	-
Utilisation/ reversal during the year					-	454.37
Balance as at the end of the year					759.12	503.69

11 CASH AND CASH EQUIVALENTS

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
a) Balances with Banks in current account	402.13	422.56
b) Balances with Banks in Cash Credit Account	200.70	868.25
c) Balance with bank in deposit accounts *	27,305.00	28,513.01
d) Cash on Hand	33.22	27.63
TOTAL	27,941.05	29,831.45

*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 to the Consolidated Financial Statements as at 31.03.2026

12 OTHER BANK BALANCES

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
1) Unpaid Dividend Account	15.63		12.58	
TOTAL		15.63		12.58

13 EQUITY SHARE CAPITAL

(Amount Rs in Lakhs)

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
Authorised				
As at 31.03.26 - 3,00,00,000 Equity shares (as at 31.03.25-3,00,00,000) of Rs 10 each		3,000.00		3,000.00
Issued, Subscribed and Paid-up				
As at 31.03.26 -2,63,19,660 Equity shares (as at 31.03.25-2,63,19,660, of Rs. 10/- each fully paid up)		2,631.97		2,631.97
TOTAL		2,631.97		2,631.97

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 31.03.2026		AS AT 31.03.2025	
	No of Shares	% held	No of Shares	% held
1) J.K. Jain	54,12,000	20.56%	54,12,000	20.56%
2) Seema Jain	50,21,766	19.08%	54,11,766	20.56%
3) HDFC Small cap Fund	20,38,842	7.75%	10,79,703	4.10%
4) Rahul Jain	18,61,336	7.07%	22,51,336	8.55%
5) Aanchal Jain	18,61,336	7.07%	22,51,336	8.55%

c) Reconciliation of Number of Shares

Equity shares	AS AT 31.03.2026		AS AT 31.03.2025	
	No of shares	Amount (In Rs Lakhs)	No of shares	Amount (In Rs Lakhs)
Opening Balance	2,63,19,660	2,632	2,63,19,660	1,315.98
Add: - Increase during the year	-	-	-	-
Closing balance	2,63,19,660	2,631.97	2,63,19,660	2,631.97

d) Aggregate number of shares issued as bonus and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows

	AS AT 31.03.2026	AS AT 31.03.2025
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	1,31,59,830	1,31,59,830
	1,31,59,830	1,31,59,830

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

e) SHAREHOLDING OF PROMOTORS AND CHANGES THEREIN				
Promoter name	AS AT 31.03.2026		Changes during the year 2025-26	
	No of Shares	% held	changes in no. of shares	% Changes
1) J.K. Jain	54,12,000	20.56%	-	-
2) Seema Jain	50,21,766	19.08%	(3,90,000)	-1.48%
3) Rahul Jain	18,61,336	7.07%	(3,90,000)	-1.48%
4) Aanchal Jain	18,61,336	7.07%	(3,90,000)	-1.48%
5) Jagjeevan Kumar Jain (HUF)	23,076	0.09%	-	-
6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited)	1,68,800	0.64%	-	-

Promoter name	AS AT 31.03.2025		Changes during the year 2024-25	
	No of Shares	% held	changes in no. of shares	% Changes
1) J.K. Jain	54,12,000	20.56%	-	-
2) Seema Jain	54,11,766	20.56%	-	-
3) Rahul Jain	22,51,336	8.55%	(10,00,000)	-3.80%
4) Aanchal Jain	22,51,336	8.55%	(10,00,000)	-3.80%
5) Jagjeevan Kumar Jain (HUF)	23,076	0.09%	-	-
6) Fiem Applied Technologies Private Limited (formerly known as Fiem Auto Private Limited)	1,68,800	0.64%	-	-

14 OTHER EQUITY

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
SECURITIES PREMIUM				
As Per Last Balance Sheet	15,406.79		15,406.79	
Less:- utilized during the year	-		-	
		15,406.79		15,406.79
GENERAL RESERVE				
As Per Last Balance Sheet	11,290.00		9,240.00	
Add :- Transferred from Surplus in the statement of Profit and Loss	2,550.00		2,050.00	
Closing balance		13,840.00		11,290.00
Translation reserve				
As Per Last Balance Sheet	53.38		37.50	
Addition/(Deduction) during the year	111.21		15.88	
		164.59		53.38
SURPLUS -OPENING BALANCE	74,436.91		61,375.41	
Add:- Profit after tax	25,558.44		20,491.98	
Add:- Other Comprehensive Income	(91.65)		(145.50)	
Effect of JV -CRFH exit	-		28.94	
Amount Available for Appropriation	99,903.69		81,750.83	
Less :- Appropriations				
i) Final Dividend Paid Rs 30 per share- (Previous Year Rs 20 per share)	7,895.90		5,263.93	
ii) Transfer to General Reserve	2,550.00		2,050.00	
	10,445.90		7,313.93	
SURPLUS -CLOSING BALANCE		89,457.79		74,436.91
T O T A L		1,18,869.17		1,01,187.08

Notes to the Consolidated Financial Statements as at 31.03.2026

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 FY 2023-24 year for issuing bonus shares
3. Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
4. 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 LEASE LIABILITIES

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
LEASE LIABILITIES	6,053.00	2,095.27	502.09	113.84
Refer note -37	6,053.00	2,095.27	502.09	113.84

16 PROVISIONS

PARTICULARS	NON -CURRENT		CURRENT	
	AS AT 31.03.2026	AS AT 31.03.2025	AS AT 31.03.2026	AS AT 31.03.2025
1 Provision for Retirement Benefits				
a) Leave Encashment	1,088.48	652.98	177.43	183.08
b) Gratuity	78.01	101.05	206.15	253.80
2 Provision for Warranties	-	-	820.96	131.54
TOTAL	1,166.49	754.03	1,204.55	568.42

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 31.03.26 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	31.03.2026	31.03.2025
Opening Balance	131.54	624.54
Addition	689.42	-
Utilization /reversal	-	493.00
Closing Balance	820.96	131.54
Current Portion	820.96	131.54
Non Current Portion	-	-

17 CURRENT BORROWINGS

PARTICULARS	AS AT 31.03.2026	AS AT 31.03.2025
SECURED LOANS		
Cash Credit/Working Capital Loans repayable on demand from Banks - Indian Rupee Loan (see note 11 above also)	-	-
	-	-

Security of Cash credit/working capital limit is as below as at 31.03.26

	CASH CREDIT LIMIT		BANK GAURANTEE LIMIT	
	Sanctioned	Utilized	Sanctioned	Utilized
1. Citibank	2,000	-	2,000	358.02
TOTAL	2,000	-	2,000	358.02

Notes to the Consolidated Financial Statements as at 31.03.2026

Security of Cash credit/working capital limit is as below as at 31.03.25

	CASH CREDIT LIMIT		BANK GAURANTEEE LIMIT	
	Sanctioned	Utilized	Sanctioned	Utilized
1. Citibank	2,000	-	2,000	863.20
2. HDFC Bank	1,500	-	2,500	98.03
TOTAL	3,500	-	4,500	961.23

- a) From Citibank NA :- The limit is secured against charge on all present and future receivables, stocks/Inventories 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
- b) From HDFC BANK :- . The limit was secured against First Pari Passu Charge on all present and future receivables, stocks/ Inventories with Citibank 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. The limit was closed during the current year FY 2025-26.

18 CURRENT TRADE PAYABLES

PARTICULARS	AS AT 31.03.2026		AS AT 31.03.2025	
Micro and Small enterprises	3,387.25		1,671.14	
Other than Micro and Small enterprises	25,241.22		21,381.48	
TOTAL		28,628.47		23,052.62

Related parties

*Trade Payable (refer note 41)

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,

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2026 is given below. This information has been determined to the extent such parties have been identified on the basis of information 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 31.03.2026	AS AT 31.03.2025
1. The principal amount remaining unpaid to any supplier at the end of each accounting year;	3,387.25	1,671.14
2. The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
3. 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;	-	-
4. 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	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
6. 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 to the Consolidated Financial Statements as at 31.03.2026

Trade Payables Ageing Schedule as at 31.03.26

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables						
MSME	3,387.25	-	-	-	-	3,387.25
Others	24,999.97	158.04	59.53	1.70	21.98	25,241.22
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
TOTAL	28,387.22	158.04	59.53	1.70	21.98	28,628.47

Trade Payables Ageing Schedule as at 31.03.25

Particulars	Not Due	Outstanding for following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables						
MSME	1,671.14	-	-	-	-	1,671.14
Others	20,620.98	733.14	4.49	7.83	15.05	21,381.48
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
TOTAL	22,292.12	733.14	4.49	7.83	15.05	23,052.62

19 OTHER FINANCIAL LIABILITIES- CURRENT

(Amount Rs in Lakhs)

PARTICULARS	AS AT	AS AT
	31.03.2026	31.03.2025
a) Trade Security Deposits	304.65	302.93
Unpaid Dividend - (Investor Education and Protection Fund will be credited by this amount (as and when b) due))	15.63	12.58
c) Creditors for Capital Expenditure	645.21	980.31
d) Payable to employees	1,526.74	1,319.08
e) Other payable (Includes accrued expense/liabilities)	1,003.57	1,278.88
TOTAL	3,495.80	3,893.78

20 OTHER CURRENT LIABILITIES

PARTICULARS	AS AT	AS AT
	31.03.2026	31.03.2025
a) Advances received from Customers (contract liabilities)	4,026.60	3,732.50
b) Statutory Dues payable	1,797.84	1,931.24
TOTAL	5,824.44	5,663.74

21 CURRENT TAX LIABILITIES (NET)

PARTICULARS	AS AT	AS AT
	31.03.2026	31.03.2025
Provision for Income tax (Net of advance tax and Tds)	202.66	132.17
TOTAL	202.66	132.17

Notes to the Consolidated Financial Statements as at 31.03.2026

22 NET SALES

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
- Sales of Finished Goods				
Automotive Segment	2,77,981.28		2,39,210.08	
Others Segment comprising LED Luminaries etc.	456.41		543.46	
	2,78,437.69		2,39,753.54	
- Sales of Raw material/Traded goods				
Automotive Segment	776.27		783.24	
Others Segment comprising LED Luminaries etc.	-		-	
	776.27		783.24	
		2,79,213.96		2,40,536.78

For Disaggregation of Revenue (see note 46)

23 OTHER OPERATING INCOME

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
1) Scrap sales		530.98		516.56
2) Testing, Design and Development charges received		1,527.61		768.65
3) Duty Drawback Received		83.97		52.40
4) RODTEP Incentive received		33.73		26.41
5) Rebate and Discount Received		62.92		46.70
6) Difference in foreign exchange		28.23		224.06
7) Segregation, Packing and Forwarding charges Received		79.47		89.60
TOTAL		2,346.91		1,724.38

24 OTHER INCOME

(Amount Rs in Lakhs)

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
1) Interest income on financial assets carried at amortised cost				
a) Interest income on term Deposits and others		1,968.47		1,586.34
b) Unwinding of interest on financial assets		25.15		
2) Sundry Creditors written back		8.06		5.37
3) Profit/(Loss) on sale of Property, Plant and Equipment		76.81		18.55
4) Other Non Operating Income		0.40		1.43
TOTAL		2,078.89		1,611.68

25 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
Opening Stock		17,627.62		15,768.93
Add : Purchases		1,73,686.46		1,52,086.15
Less :- Inventories at the end of the year		20,420.18		17,627.62
TOTAL		1,70,893.90		1,50,227.46

26 PURCHASE OF STOCK IN TRADE

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
Purchase of Traded Goods		535.13		603.53
TOTAL		535.13		603.53

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

PARTICULARS	CURRENT YEAR	FY 2025-26	PREVIOUS YEAR	FY 2024-25
Inventories at the end of the year				
a) Finished Goods	2,835.53		2,453.85	
b) Work -in- Progress	2,214.42		2,119.28	
		5,049.95		4,573.13
Inventories at the beginning of the year				
a) Finished Goods	2,453.85		2,306.30	
b) Work -in- Progress	2,119.28		1,684.25	
		4,573.13		3,990.55
		(476.82)		(582.58)

Notes to the Consolidated Financial Statements as at 31.03.2026

28 EMPLOYEES BENEFITS EXPENSES

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Salaries,Wages and Bonus to employees	36,351.67	31,190.06
Contribution to Provident and other Funds	940.81	867.48
Staff Welfare Expenses	1,120.40	926.05
Gratuity Expenses	518.90	355.21
Earned Leave to staff	475.67	159.51
TOTAL	39,407.44	33,498.31

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). The Labour Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

The incremental impact of these changes, assessed by the Group, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, has resulted in increase of Rs 451.95 lakhs in the provision of defined benefit obligations and has been recognised in during the current the financial year ended March 31, 2026.

29 FINANCE COSTS

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Interest Expense		
a) Interest on borrowings	-	-
b) Interest others	16.07	15.65
c) Interest on leasehold obligation	262.61	138.69
	278.68	154.33
Other Borrowing Costs	-	-
TOTAL	278.68	154.33

30 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount Rs in Lakhs)

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Depreciation on Property,plant and equipment (see note -2)	6,323.62	6,146.85
Depreciation on Right of Use assets (see Note-3)	677.64	147.47
Amortization of Intangible assets (See Note-4)	247.56	131.85
	7,248.81	6,426.17

Notes to the Consolidated Financial Statements as at 31.03.2026

31 OTHER EXPENSES

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
1) Consumption of Stores and Spare parts	3,887.42	2,772.90
2) Packing Expenses	3,983.57	3,521.10
3) Power and Fuel	7,034.40	6,519.63
4) Repair & Maintenance		
Machinery running and Maintenance	331.71	312.71
Repair & Maintenance- Building	176.39	57.36
Repair & Maintenance- Other	198.38	186.73
5) Testing and Design Fees	380.15	428.34
6) Job Charges	1,464.57	1,283.41
7) Freight, Cartage & Octroi	971.26	869.83
8) Advertisement, Sub & Membership Exp.	119.37	69.67
9) Payment to Auditors*	113.69	108.13
10) Donation	29.31	37.40
11) Rates and taxes	660.01	538.65
12) Insurance	1,045.27	1,008.90
13) Bad debt written off	203.41	31.83
14) Provision for Bad and Doubtful Debt	255.43	(454.37)
15) Impairment Loss on investment	-	33.16
16) Rent#	309.59	317.77
17) Royalty	105.88	103.90
18) Selling & Distribution Expenses	4,630.83	3,416.82
19) Travelling and Conveyance Expenses	965.68	914.67
20) Contribution toward CSR	462.00	480.74
21) Other Office Expenses	4,281.46	3,735.50
TOTAL	31,609.77	26,294.78

Represents lease rentals for short term leases and leases of low value assets

* Auditors remuneration-refer note 35

32 EXCEPTIONAL ITEMS- INCOME/(EXPENDITURE)

PARTICULARS	CURRENT YEAR FY 2025-26	PREVIOUS YEAR FY 2024-25
Insurance claim received	-	374.95
	-	374.95

Exceptional item Last year - Insurance claim received :- During the last year, the company received Insurance claim under Arbitration, in relation to the fire incident which occurred in the year ended 31.03.2018 in one block of unit-5, situated at Hosur, Tamilnadu,

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

33 Contingent Liabilities	AS AT 31.03.2026	AS AT 31.03.2025
(A) Claims against the Group/disputed liabilities not acknowledged as debts (See Note-1)		
(i) 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. During the year, the Hon'ble jurisdiction High Court of Madras has set aside the assessment order.	-	150.07
(ii) CGST Act		
(a) Demand for excess input tax credit availed and other issues for Rai unit for FY 2019-20, for which The Group has filed Appeal with Commissioner Appeal, Panchkula (net of deposit)	119.92	119.92
(b) Demand for excess input tax credit availed for Kanpur depo for FY 2020-21, for which The Group has paid the demand so no demand existed as on reporting date.	-	0.78
(c) Demand for GST liability on multiple e-way bill for few sale invoices for FY 2018-19 at Karsanpura Gujarat unit, for which the Group has filled appeal with Commissioner Appeal Ahmedabad	3.78	-
	123.70	270.77
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) and (ii) above and hence no provision is considered necessary against the same.		

(B) Other Money for which the Group is contingently liable	As at March 31, 2026	As at March 31, 2025
Liability in respect of vendor discounting scheme from bank	92.03	8,497.04
	92.03	8,497.04

34 Capital & Other Commitments	AS AT 31.03.2026	AS AT 31.03.2025
(i) Estimated amount of contracts remaining to be executed on capital contracts and not provided, (net of advances)*	4,156.26	709.42
(ii) Estimated amount of contracts remaining to be executed on material purchase contracts not provided, (net of advances)**	2,087.66	1,276.37
	6,243.91	1,985.79

*Capital contracts primarily comprise commitments for property, plant and equipment

**Purchase contracts primarily comprise commitments for moulds and dies for customers.

35 Auditor's Remuneration	AS AT 31.03.2026	AS AT 31.03.2025
(a) For Statutory audit fee		
For Statutory Audit	60.00	60.00
For Tax Audit	10.00	10.00
For Limited Review	14.00	14.00
For Other Services*	26.53	31.15
Total (a)	110.53	115.15
(b) For Cost audit fee		
For Cost Audit Fees	3.16	2.98
Total (b)	3.16	2.98
Total (a+b)	113.69	118.13

*This includes amount of Rs. Nil (Previous year 10 Lakhs) which is reflected under insurance claim recoverable.

Notes to the Consolidated Financial Statements as at 31.03.2026

	AS AT 31.03.2026	AS AT 31.03.2025
36 Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Property, Plant and Equipment	2,718.40	3,084.71
Total (a)	2,718.40	3,084.71
Deferred Tax Assets		
Allowances for Credit Losses	191.07	126.78
Provision for Leave Encashment	318.63	210.45
Provision for Gratuity	51.89	63.89
Provision for Bonus	140.53	124.09
Welfare Fund	1.01	0.69
Provision for Warranties	206.64	33.11
Lease Liabilities	1,649.92	556.03
Right-of-use assets	(1,314.40)	(326.11)
Others	(1.82)	12.39
Total (b)	1,243.46	801.31
Net Deferred Tax Liability (a-b)	1,474.94	2,283.39

Movement in Deferred Tax Liabilities and Deferred Tax Assets Particulars	FY 2025-26			FY 2024-25		
	As at March 31, 2026	Recognised in profit and loss	As at March 31, 2025	As at March 31, 2025	Recognised in profit and loss	As at March 31, 2024
Movement in Deferred Tax Liabilities						
Property, Plant and Equipment	2,718.40	(366.31)	3,084.71	3,084.71	(41.91)	3,126.62
Total (a)	2,718.40	(366.31)	3,084.71	3,084.71	(41.91)	3,126.62
Movement in Deferred Tax Assets						
Allowances for Credit Losses	191.07	64.29	126.78	126.78	(114.36)	241.14
Provision for Leave Encashment	318.63	108.18	210.45	210.45	31.38	179.07
Provision for Gratuity	51.89	(11.99)	63.89	63.89	26.20	37.68
Provision for Bonus	140.53	16.44	124.09	124.09	4.00	120.09
Welfare Fund	1.01	0.32	0.69	0.69	0.05	0.64
Provision for Warranties	206.64	173.53	33.11	33.11	(124.09)	157.20
Lease Liabilities and right-of-use assets (net)	335.51	105.59	229.93	229.93	6.85	223.08
Others	(1.82)	(14.21)	12.39	12.39	(0.20)	12.59
Total (b)	1,243.46	442.15	801.31	801.31	(170.17)	971.49
Net Deferred Tax Liability (a-b)	1,474.94	(808.45)	2,283.39	2,283.39	128.26	2,155.13

(a) Tax Expense	2025-26	2024-25
Current Tax		
Current tax on profit for the year	9,364.71	7,021.68
(Excess)/short tax provision for earlier years	26.74	(20.63)
Total current tax expense	9,391.45	7,001.05
Deferred tax		
(Increase)/Decrease in deferred tax assets	(442.15)	170.17
(Decrease)/Increase in deferred tax liabilities	(366.31)	(41.91)
Total deferred tax expense (benefit)	(808.45)	128.26
Tax Expense (Current Tax plus Deferred tax)	8,583.00	7,129.31

(b) Income Tax recognised in other comprehensive income (Loss)	2025-26	2024-25
Particulars		
Remeasurement of Defined Benefit Plans	(122.47)	(194.43)
Tax Expense (Benefit)	30.82	48.93
Remeasurement of Defined Benefit Plans (Net of Tax)	(91.65)	(145.50)

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

(c) Reconciliation of Effective Tax Rate	2025-26	2024-25
(a) Profit before tax after exceptional item	33,927.87	27,515.36
(b) Profit (Loss) of foreign subsidiary	214.98	110.43
(c) Enacted tax rate in India	25.17%	25.17%
(d) Expected tax expenses	8,539.64	6,925.62
(e) Difference due to		
Disallowances of CSR Expenditure	116.29	121.00
Deferred Tax Liability (Assets)	(808.45)	128.26
(Excess)/Short tax related to prior periods	26.74	(20.63)
Tax on profit (loss) of foreign subsidiary	42.89	27.74
Others	665.89	(52.68)
Income Tax Expenses	8,583.00	7,129.31
Effective tax rate	25.30%	25.91%

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 joint venture and transfer of land allotment rights because it is not probable that future taxable profit will be available against which the Group can use the benefit therefrom.

Assessment Year	Particulars	Nature of Loss	As at March 31, 2026	As at March 31, 2025	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
2025-26	Unquoted equity share	Long-term capital loss	33.16	33.16	2033-34
			691.82	691.82	

37 Operating Lease Transaction

Lease as Lessee

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

	2025-26	2024-25
Total of future minimum lease payments under operating lease for following periods:		
Not later than one year	653.70	5.46
Later than one year and not later than five years	1,940.49	-
later than five years	-	-
Total	2,594.19	5.46

Information about leases for which the Company is a lessee.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Lease Liabilities	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	2,209.11	2,311.45
Add: Addition of new leases during the year	4,586.22	-
Add: Finance cost	262.61	138.69
Less: Repayment of financing	502.85	241.02
Balance as at the end of the year	6,555.09	2,209.11
Current	502.09	113.84
Non-current	6,053.00	2,095.27
Amounts recognised in Statement of Profit and Loss		
Interest on lease liabilities	262.61	138.69
Depreciation expense	677.64	147.47
Expenses relating to short-term leases and leases of low-value assets	309.59	317.77
Total	1,249.84	603.93

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

38 Earning Per Share

Particulars	2025-26	2024-25
Net Profit after tax attributable to equity shareholders	25,558.44	20,491.98
Weighted average number of equity shares outstanding during the year (Nos in lakhs)	263.20	263.20
Basic/diluted earning per share* (In Rs.)	97.11	77.86
Face value per equity share (In Rs.)	10	10

*There are no dilutive instruments issued by the Group.

39 Government Grant

Particulars	2025-26	2024-25
Duty Drawback on Export in foreign currency	83.97	52.40
RODTEP Incentive on Export in foreign currency	33.73	26.41
GST Concession on Eligible Fixed Capital Investment	770.03	-
Subsidy on PMVBRY	2.57	-
Total	890.30	78.81

40 Other Segment Reporting

(a) Identification of Segments:

Primary-Business Segments

The Group 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:-

- 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.
- Others Segment comprising of led luminaries viz. indoor and outdoor lighting, display panel, LED integrated passenger information system etc.
- 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"
- 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

(Amount Rs in Lakhs)

Segment Revenue	2025-26			2024-25		
	Automotive	Others Segment	Total	Automotive	Others Segment	Total
External Sales	2,78,757.55	456.41	2,79,213.96	2,39,993.32	543.46	2,40,536.78
Other Operating Income	2,344.21	2.70	2,346.91	1,670.28	54.10	1,724.38
Inter-Segment Sales	-	-	-	-	-	-
Total	2,81,101.76	459.11	2,81,560.87	2,41,663.60	597.56	2,42,261.16

Results

Segment Results before exceptional item but Earning Before Interest & Tax	36,518.02	(38.52)	36,479.50	29,821.93	(43.36)	29,778.57
Exceptional Item-income/(expenditure)	-	-	-	374.95	-	374.95
Segment Results (Earning Before Interest & Tax)	36,518.02	(38.52)	36,479.50	30,196.88	(43.36)	30,153.52
Unallocated corporate expenses (net of unallocable income)			2,057.97			2,373.40
Operating Profit			34,421.53			27,780.12
Cost of Finance			278.68			154.33
Profit before tax			34,142.85			27,625.79
Tax expense			8,583.00			7,129.31
Profit after tax (PAT)			25,559.85			20,496.48
Share of profit & (loss) of associates			(1.41)			(4.50)
Profit after tax but before total Comprehensive Income			25,558.44			20,491.98
Other Comprehensive Income (Loss) (Net of tax)			(91.65)			(145.50)
Total Comprehensive Income			25,466.79			20,346.48

Notes to the Consolidated Financial Statements as at 31.03.2026

Depreciation & Amortization	7,197.85	50.96	7,248.81	6,349.57	76.60	6,426.17
	As at 31st March, 2026			As at 31st March, 2025		
Segment Assets						
Segment Assets	1,38,055.62	891.49	1,38,947.11	1,08,496.48	1,093.82	1,09,590.30
Unallocated Corporate Assets			31,106.47			32,786.01
Total Assets			1,70,053.58			1,42,376.31
Segment Liabilities						
Segment Liabilities	44,276.17	126.18	44,402.35	33,561.15	114.77	33,675.92
Unallocated Corporate Liabilities			4,150.09			4,881.34
Total Liabilities			48,552.44			38,557.26
Capital Employed (Total Assets Minus Total Liabilities)			1,21,501.14			1,03,819.05
Capital Expenditure During the year (Net of CWIP)	10,875.03	-	10,875.03	13,881.10	-	13,881.10

(ii) Secondary-Geographical Segments:-

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

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

(a) Revenue from External Customers	2025-26	2024-25
India	2,75,915.45	2,38,538.14
Outside India	5,645.42	3,723.02
Total	2,81,560.87	2,42,261.16

(b) Segment Trade Receivables	As at March 31, 2026	As at March 31, 2025
India	37,370.09	23,632.45
Outside India	1,381.42	602.87
Total	38,751.51	24,235.32

1. The Group has common assets for producing goods for domestic market and overseas market. Hence, separate figures for property, plant and equipments have not be furnished.

(c) Information about major customers

Details of customers which accounts for more than 10% of Group's total revenue are as follows

There are 3 customers having revenue exceeding 10% of each of total revenue of the Group which account for 32.44%, 22.70% and 14.00% respectively.

Notes to the Consolidated Financial Statements as at 31.03.2026

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	CEO & Director
Mr. Om Prakash Gupta	Chief Financial Officer
Mr. Arvind Kumar Chauhan	Company Secretary
Mr. Pawan Kumar Jain	Independent Director
Ms. Shobha Khatri	Independent Director
Mr. Pradeep Bhagat	Independent Director
Mr. Rakesh Chand Jain	Independent Director
Mr. Satinder Manocha	Independent Director
Mr. Sanjiv Rai Mehra	Independent Director
Mrs. Rita Arora	Independent Director
Mr. Ashok Kumar Sharma	Independent Director up to 31/07/2024
Mr. Jawahar Thakur	Independent Director up to 31/07/2024
Mr. Mohan Bir Sahni	Independent Director up to 31/07/2024
Mr. Subodh Kumar Jain	Independent Director up to 31/07/2024
Mr. Vinod Kumar Malhotra	Independent Director up to 31/07/2024
(ii) Close Member of Key Management Personnel (KMP) with whom transactions have taken place	
Mrs. Pallavi Jain	Vice President (Spouse of Mr. Rahul Jain, Joint Managing Director)
Mrs. Sunita Jain	Holding of equity shares in Fiem Industries Ltd (Spouse of Mr. Pawan Kumar Jain, Independent Director)
(iii) Related Parties Controlled by Key Management personnel and/or their Close member	
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
Pawan Kumar Jain (HUF)	Entity Controlled by Mr. Pawan Kumar Jain
(iv) Joint Ventures	
Centro Ricerche Fiem Horustech S.R.L	JV incorporated in Italy, 50% ownership interest held by the Group (The Group has exit from JV during the previous year)
Fiem Kyowa (HK) Mould Company Ltd	JV incorporated in Hong Kong, 50% ownership interest held by the Group
(v) Other Related Party	
Fiem Industries Limited Group Gratuity Trust	Post-employment benefit plan of Fiem Industries Limited
Fiem Foundation	Entity Controlled by KMP
*With whom there were transactions during the current year/previous year.	

Notes to the Consolidated Financial Statements as at 31.03.2026

Transaction with related party

(a) Purchase of Goods from:	Nature of Related Party	2025-26	2024-25
Fiem Kyowa (HK) Mould Company Ltd	Joint Venture	68.77	19.05
		68.77	19.05

(b) Services received from	Nature of Related Party	2025-26	2024-25
Fiem Auto & Electrical Industries (For Brand Royalty)	Related party controlled by KMP	50.00	50.00
		50.00	50.00

(C) Lease Rent Paid (for premises) to	Nature of Related Party	2025-26	2024-25
Ms. Aanchal Jain	Whole-time Director	166.31	162.69
Mr. Rahul Jain	Joint Managing Director	80.07	78.33
		246.38	241.02

(d) Dividend on Equity share Paid to	Nature of Related Party	Dividend on Equity	
		2025-26	2024-25
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	1,623.60	1,082.40
Mrs. Seema Jain	Whole-time Director	1,623.53	1,082.35
Ms. Aanchal Jain	Whole-time Director	675.40	450.27
Mr. Rahul Jain	Joint Managing Director	675.40	450.27
Mr. Kashi Ram Yadav	Whole-time Director	0.20	0.14
Mr. Pawan Kumar Jain	Independent Director	0.10	0.06
Mrs. Sunita Jain	Spouse of Mr. Pawan Kumar Jain	0.14	0.09
Fiem Applied Technologies Private Limited	Related party controlled by KMP	50.64	33.76
Jagjeevan Kumar Jain (HUF)	Related party controlled by KMP	6.92	4.62
Pawan Kumar Jain (HUF)	Related party controlled by KMP	0.15	0.10
		4,656.09	3,104.06

(e) Benefits to Key Management and their close member		2025-26	2024-25
Short-term employee benefits		1,672.45	1,576.52
Sitting Fee		33.45	40.00
Total Compensation		1,705.90	1,616.52

Short-term employee benefits	Nature of Related Party	2025-26	2024-25
Mr. Jagjeevan Kumar Jain	Chairman and Managing Director	240.00	240.00
Mrs. Seema Jain	Whole-time Director	120.00	120.00
Mr. Rahul Jain	Joint Managing Director	180.00	144.00
Ms. Aanchal Jain	Whole-time Director	120.00	120.00
Mr. Kashi Ram Yadav	Whole-time Director	145.45	133.45
Mr. Rajesh Sharma	Joint Managing Director	282.00	246.00
Mr. Vineet Sahni	CEO & Director	359.22	359.22
Mr. Om Prakash Gupta	Chief Financial Officer	80.40	80.40
Mr. Arvind Kumar Chauhan	Company Secretary	115.38	103.45
Mrs. Pallavi Jain	Spouse of Mr. Rahul Jain	30.00	30.00
		1,672.45	1,576.52

Sitting Fee	Nature of Related Party	2025-26	2024-25
Ms. Shobha Khatri	Independent Director	5.50	6.30
Mr. Pawan Kumar Jain	Independent Director	5.00	5.55
Mr. Pradeep Bhagat	Independent Director	4.75	3.95
Mr. Rakesh Chand Jain	Independent Director	5.25	4.45
Mrs. Rita Arora	Independent Director	5.00	4.20
Mr. Sanjiv Rai Mehra	Independent Director	3.95	3.95
Mr. Satinder Manocha	Independent Director	4.00	3.20
Mr. Ashok Kumar Sharma	Independent Director up to 31/07/2024	-	0.80
Mr. Jawahar Thakur	Independent Director up to 31/07/2024	-	2.10
Mr. Mohan Bir Sahni	Independent Director up to 31/07/2024	-	0.80
Mr. Subodh Kumar Jain	Independent Director up to 31/07/2024	-	2.35
Mr. Vinod Kumar Malhotra	Independent Director up to 31/07/2024	-	2.35
		33.45	40.00

Notes to the Consolidated Financial Statements as at 31.03.2026

(f) Contribution to Gratuity Fund		Nature of Related Party	2025-26	2024-25
Fiem Industries Limited Group Gratuity Trust		Post-employment Benefit Plan	639.70	405.16
			639.70	405.16
(g) Contribution to CSR Fund		Nature of Related Party	2025-26	2024-25
Fiem Foundation		Entity Controlled by KMP	462.00	385.00
			462.00	385.00
(h) Impairment loss on JV Exit :		Nature of Related Party	2025-26	2024-25
Centro Ricerche Fiem Horustech Srl		Joint Venture (exit from JV)	-	33.16
			-	33.16
(i) Proceeds from Exit from JV:		Nature of Related Party	2025-26	2024-25
Centro Ricerche Fiem Horustech Srl		Joint Venture (exit from JV)	-	0.00
			-	0.00
Balances outstanding at Year-end				
(a) Other Current Assets (Advance to Suppliers other than capital goods):		Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Fiem Kyowa (HK) Mould Company Ltd*		Joint Venture	10.32	16.19
			10.32	16.19
Note: -The amount of commitments for above outstanding is Rs. 17.98 Lakhs (Previous year Rs. 36.74 Lakhs)				
(b) Non-Current Investment:		Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Fiem Kyowa (HK) Mould Company Ltd		Joint Venture	1.39	2.80
			1.39	2.80
(c) Security Deposit Paid Against Lease Rent on premises		Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Ms. Aanchal Jain		Whole-time Director	54.68	54.68
Mr. Rahul Jain		Joint Managing Director	26.33	26.33
			81.01	81.01
(d) Other Current Financial Liabilities:		Nature of Related Party	As at March 31, 2026	As at March 31, 2025
Mr. Jagjeevan Kumar Jain	Short term benefits payable	Chairman and Managing Director	17.46	-
Mrs. Seema Jain	Short term benefits payable	Whole-time Director	14.35	-
Ms. Aanchal Jain	Short term benefits & lease rent payable	Whole-time Director	13.24	5.73
Mr. Rahul Jain	Short term benefits & lease rent payable	Joint Managing Director	20.55	-
Mr. Rajesh Sharma	Short term benefits payable	Joint Managing Director	14.75	12.85
Mr. Kashi Ram Yadav	Short term benefits payable	Whole-time Director	7.89	7.50
Mr. Vineet Sahni	Short term benefits payable	CEO & Director	16.25	16.14
Mr. OP Gupta	Short term benefits payable	Chief Financial Officer	4.87	5.02
Mr. Arvind Kumar Chauhan	Short term benefits payable	Company Secretary	5.70	5.19
Mrs. Pallavi Jain	Short term benefits payable	Spouse of Mr. Rahul Jain	7.05	-
Fiem Auto & Electrical Industries	For Brand Royalty	Related party controlled by KMP	24.63	-
			146.75	52.44

Terms and conditions of related party transaction & outstanding balances

Note:-1. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note:2. The short-term benefits does not include provisions for incremental gratuity and leave encashment liabilities since the provisions are based on actuarial valuations for the Group as a whole at the end of each year. The amount is disclosed only at the time of payment.

Note:3. For Subsidiary of the Holding Company-Refer Note 1 (Aa)- Accounting Policies Applicable in Consolidated Financial Statement

Notes to the Consolidated Financial Statements as at 31.03.2026

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	2025-26	2024-25
Employer's Contribution to Provident Fund	675.47	625.28
Employer's Contribution to ESI Fund	75.53	72.76
Employer's Contribution to Wages Welfare Fund	15.45	12.46
Others	174.36	156.97
Total	940.81	867.48

Defined Benefit Plans

(a) Gratuity

(a) Gratuity

The Group 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 31/03/2026 are as follows:

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

Particulars	Gratuity		Leave Encashment	
	2025-26	2024-25	2025-26	2024-25
Current service cost (including plan amendment's past service cost)	474.35	318.47	475.67	159.51
Interest cost	(4.77)	(3.64)	-	-
Actuarial (Gain)/Loss	-	-	-	-
Expenses recognized in Statement of Profit and Loss	469.58	314.83	475.67	159.51

Amount to be recognised in the Balance Sheet

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Liability at the end of the year	3,124.15	2,613.07	1,265.91	836.07
Fair value of plan assets at the end of the year	2,918.00	2,359.26	-	-
Amount to be recognised in Balance Sheet	206.15	253.80	1,265.91	836.07
Current	206.15	253.80	177.43	183.08
Non-Current	-	-	1,088.48	652.98

Reconciliation of benefit obligation

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Liability at the beginning of the year	253.80	149.71	836.07	711.40
Interest cost	-	-	-	-
Recognised in Accumulated Other Comprehensive Income	(597.98)	(403.55)	-	-
Current service cost (including plan amendment's past service cost)	469.58	314.83	475.67	159.51
Employers Contribution	(639.70)	(405.16)	(45.83)	(34.84)
Remeasurement (gain) / loss	720.45	597.98	-	-
Liability at the end of the year	206.15	253.80	1,265.91	836.07

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

Reconciliation of fair value of plan assets:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	2,359.26	1,956.86	-	-
Interest income	188.49	142.68	-	-
Employers Contribution	639.70	405.16	45.83	34.84
Benefits paid	(136.78)	(177.37)	(45.83)	(34.84)
Return on plan assets-gain/(loss)	(132.68)	31.94	-	-
Fair value of plan assets at the end of the year	2,918.00	2,359.26	-	-
Actual return on plan assets	55.82	174.61	-	-

Amount recognised in statement of other comprehensive income (OCI)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening amount recognised in OCI	597.98	403.55	-	-
Remeasurement for the year - Obligation (gain)/ loss	(10.21)	226.37	-	-
Remeasurement for the year - plan assets (gain)/ loss	132.68	(31.94)	-	-
Net Increasing in OCI	720.45	597.98	-	-
Total remeasurements cost / (credit) for the year recognised in OCI	720.45	597.98	-	-
Closing amount recognised in OCI	720.45	597.98	-	-

Principal actuarial assumptions

Particulars	2025-26	2024-25	2025-26	2024-25
Discount rate	7.55%	6.89%	7.55%	6.89%
Salary escalation	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter	8% for first 5 yrs & 7% thereafter
Expected return on assets	7.22%	7.22%	7.22%	7.22%
Attrition rate	5.00%	5.00%	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	-	-
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 rate of return.

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

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

Expected benefit payments (discounted values/present value) for the year ending:

Year ending	Gratuity		Leave Encashment	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
31-Mar-27	248.28	169.41	89.70	38.61
31-Mar-28	257.07	172.83	66.59	48.35
31-Mar-29	284.13	162.89	101.22	37.67
31-Mar-30	257.41	182.46	45.90	51.96
31-Mar-31	236.40	144.55	46.23	25.70
31March, 2032-2036	1,248.07	598.28	235.30	146.63

(f) Weighted Average duration of defined benefit obligation for gratuity and earned leave: 12.79 years (Previous year 13.50 years)

Notes to the Consolidated Financial Statements as at 31.03.2026

(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, 2026 is as shown below:

A. Effect of 1% Change in the assumed discount rate	Gratuity			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	2,895.79	2,410.40	3,386.91	2,847.84
B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	3,352.29	2,818.79	2,919.20	2,429.67
C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	3,119.12	2,598.29	3,129.27	2,629.09
A. Effect of 1% Change in the assumed discount rate	Leave Encashment			
	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	1,191.91	787.58	1,350.52	892.04
B. Effect of 1% Change in the assumed salary escalation rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	1,345.49	888.47	1,195.00	789.77
C. Effect of 1% Change in the assumed Attrition Rate	1% Increase	1% Increase	1% Decrease	1% Decrease
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Defined Benefit Obligation	1,259.25	830.07	1,272.78	842.48

43 Fair Value Measurements

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments

Particulars	Carrying Amount		Fair Value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets measured at amortised cost				
Security Deposits	1,524.03	1,338.27	1,524.03	1,338.27
Loan to Employees	149.01	86.51	149.01	86.51
Trade receivables	38,751.51	24,235.32	38,751.51	24,235.32
Term Deposit held as margin money, with more than 12 month maturity	354.64	325.83	354.64	325.83
Income accrued on deposits	410.48	810.83	410.48	810.83
Export incentive receivables	59.14	39.27	59.14	39.27
Insurance Claim Recoverable	5,312.96	509.55	5,312.96	509.55
Other advances Recoverable	29.14	118.45	29.14	118.45
Cash and Cash Equivalents	27,941.05	29,831.45	27,941.05	29,831.45
Other Bank Balances	15.63	12.58	15.63	12.58
	74,547.59	57,308.06	74,547.59	57,308.06

Notes to the Consolidated Financial Statements as at 31.03.2026

Financial assets measured at equity method				
Investment in joint venture (unquoted equity share)	1.39	2.80	-	-
	1.39	2.80	-	-
Financial assets measured at FVTPL				
Investment in unquoted equity shares	3.90	2.00	-	-
	3.90	2.00	-	-
Financial liabilities measured at amortised cost				
Trade Security deposits	304.65	302.93	304.65	302.93
Current Maturity of Lease liabilities	502.09	113.84	502.09	113.84
Creditors for Capital Expenditure	645.21	980.31	645.21	980.31
Current Trade Payables	28,628.47	23,052.62	28,628.47	23,052.62
Unpaid Dividend	15.63	12.58	15.63	12.58
Payable to Employees	1,526.74	1,319.08	1,526.74	1,319.08
Other Payables (including accrued expenses/liabilities)	1,003.57	1,278.88	1,003.57	1,278.88
	32,626.36	27,060.24	32,626.36	27,060.24

Financial assets and liabilities measured at fair value-recurring fair value measurements

Particulars	As at March 31, 2026			As at March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current Investment	-	-	3.90	-	-	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 Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group 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.

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

44 Financial Instruments and Risk Review

Financial Risk Management Framework

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

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Group oversees the management of these financial risks. The Group's approach to address uncertainties in its endeavor to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group'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 Group's financial performance.

i) Capital Management

The Group's capital management objectives are:

The Group 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 Group 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 and implements capital structure improvement plan when necessary.

The Group 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.

Notes to the Consolidated Financial Statements as at 31.03.2026

Debt-to-equity ratio is as follows:		(Amount Rs in Lakhs)	
Particulars	As at March 31, 2026	As at March 31, 2025	
Non Current/Current Borrowing	-	-	
Net Debt (A)	-	-	
Equity (B)	1,21,501.14	1,03,819.05	
Debt Ratio (A/B)*	-	-	

* The Group has no outstanding borrowings as at 31/03/2026 & 31/03/2025.

ii) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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. 38,751.51 Lakhs (net of write-off/provisions) (Previous Year Rs. 24,235.32 Lakhs) respectively, being the total of the carrying amount of balances with trade receivables. An amount of Rs. 203.41 lakhs (previous year Rs. 31.83 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 Group assesses at each date of financial statement whether a financial asset or a group of financial assets is impaired. The Group 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 Group's primary customers are major automobile manufacturers (OEMs) with good credit ratings. Group's exposure to customers is diversified and some customers contribute more than 10% of outstanding accounts receivable which forms 78% of total receivables as at 31 March, 2026 (65% as at 31 March, 2025), however there was no default on account of those customers in the past.

The Group 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, 2026	As at March 31, 2025
Balance at the beginning of the year	503.69	958.06
Addition during the year	255.43	-
Utilisation/reversal of provision during the year	-	(454.37)
Balance at the end of the year	759.12	503.69

iii) Liquidity Risk

a) Liquidity risk management

Liquidity risk is defined as the risk that the Group 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 Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings as at 31/03/2026. The Group believes that the working capital is sufficient to meet its current requirements. As at March 31, 2026, the Group had a working capital of Rs. 64,110.77 Lakhs including cash and cash equivalents of Rs.27,941.05 Lakhs. As at March 31, 2025, the Company had a working capital of Rs. 49,111.52 lakhs including cash and cash equivalents of Rs. 29,831.45 Lakhs.

Notes to the Consolidated Financial Statements as at 31.03.2026

b) Maturities of financial liabilities

The following tables detail the Group'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 Group can be required to pay. The tables include both interest and principal cash flows.

Particulars	As at March 31, 2026			As at March 31, 2025		
	Less than 1 Year	1-5 Years	> 5 Years	Less than 1 Year	1-5 Years	> 5 Years
Financial liabilities						
Trade payables	28,628.47	-	-	23,052.62	-	-
Trade Security Deposits	304.65	-	-	302.93	-	-
Unpaid Dividend	15.63	-	-	12.58	-	-
Creditors for Capital Expenditure	645.21	-	-	980.31	-	-
Payable to employees	1,526.74	-	-	1,319.08	-	-
Other Payable (includes accrued expense/liabilities)	1,003.57	-	-	1,278.88	-	-
Lease Liabilities	502.09	2,663.07	3,389.93	113.84	638.60	1,456.67
	32,626.36	2,663.07	3,389.93	27,060.24	638.60	1,456.67

c) Maturities of financial assets

The following table details the Group'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, 2026		As at March 31, 2025	
	Less than 1 Year	1-5 Years	Less than 1 Year	1-5 Years
Non-derivative Financial assets				
Trade receivables	38,751.51	-	24,235.32	-
Loan to employees	81.28	67.73	49.65	36.86
Security Deposit	-	1,524.03	10.86	1,327.41
Interest Accrued on Deposits	410.48	-	810.83	-
Export incentive Receivables	59.14	-	39.27	-
Insurance Claim Recoverable	5,312.96	-	509.55	-
Other Advance Recoverable	29.14	-	118.45	-
Term Deposit held as margin money, with more than 12 month maturity	-	354.64	-	325.83
Other Bank Balance	15.63	-	12.58	-
Cash & Cash Equivalents	27,941.05	-	29,831.45	-
Investment in Joint Ventures & Others	-	5.29	-	4.80
	72,601.19	1,951.69	55,617.96	1,694.90

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 Group'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 Group 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 Group.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The information on foreign currency exposures that are not hedged by derivative instruments is as follows.

Notes to the Consolidated Financial Statements as at 31.03.2026

Particulars	Currency	As at March 31, 2026			As at March 31, 2025		
		Amt in Foreign Currency	Exchange Rate	Amt in INR	Amt in Foreign Currency	Exchange Rate	Amt in INR
(a) Foreign Currency exposures that are not hedged by derivative instruments							
Financial Liabilities							
(a) Trade payables and creditor for capital expenditure (including accrued expense)	USD	47.89	94.65	4,532.90	60.05	85.58	5,139.14
	EURO	2.51	109.01	273.86	4.06	92.32	375.24
	JPY	422.80	0.5925	250.51	609.01	0.5675	345.62
	AUD	0.55	64.49	35.75	0.55	53.67	29.75
	GBP	-	-	-	-	-	-
Financial Assets				5,093.02			5,889.75
(b) Trade receivables & cash and cash equivalents	USD	7.38	94.65	698.46	4.53	85.58	387.29
	EURO	6.31	109.01	687.70	4.13	92.32	381.16
	JPY	-	-	-	-	-	-
	AUD	-	-	-	-	-	-
	GBP	0.07	125.64	8.48	0.06	110.74	6.43
				1,394.64			774.88
Total (a-b)	USD	40.51	94.65	3,834.44	55.53	85.58	4,751.85
	EURO	(3.80)	109.01	(413.84)	(0.06)	92.32	(5.92)
	JPY	422.80	0.5925	250.51	609.01	0.5675	345.62
	AUD	0.55	64.49	35.75	0.55	53.67	29.75
	GBP	(0.07)	125.64	(8.48)	(0.06)	110.74	(6.43)
	Total (Net)			3,698.38			5,114.86

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 Group's profit before tax due to changes in the fair value of monetary assets and liabilities. The Group'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 Group's assessment of reasonably possible change in foreign exchange rate.

Particulars	As At March 31, 2026			As At March 31, 2025		
	Currency	Change in rate	Effect on pre-tax equity	Currency	Change in rate	Effect on pre-tax equity
	USD	10.00%	383.44	USD	10.00%	475.18
	USD	-10.00%	(383.44)	USD	-10.00%	(475.18)
	EURO	10.00%	(41.38)	EURO	10.00%	(0.59)
	EURO	-10.00%	41.38	EURO	-10.00%	0.59
	JPY	10.00%	25.05	JPY	10.00%	34.56
	JPY	-10.00%	(25.05)	JPY	-10.00%	(34.56)

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 to the Consolidated Financial Statements as at 31.03.2026

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash credit/working capital loans. The Group has no long term/short term outstanding borrowings as at 31 March, 2026. The Group investments are primarily in interest rate bearing investments like short term deposits with banks. Hence, the Group is significantly exposed to interest rate risk.

The Group 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, 2026	As at March 31, 2025
(i) Cash credit limit	2,000.00	3,500.00
(ii) Long-term loans	-	-

The deposits maintained by the Group with banks comprise of time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal. The Group has the following interest rate bearing term deposit with banks at the end of the reporting periods.

Particulars	As at March 31, 2026	As at March 31, 2025
Term Deposit with banks	27,305.00	28,513.01

Interest rate sensitivity

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

Particulars	As at March 31, 2026	As at March 31, 2025
Increase by 1.00%	273.05	285.13
Decrease by 1.00%	(273.05)	(285.13)

c) Commodity price risk

Movement in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group 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

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	Fiem Kyowa (HK) Mould Company Ltd	
	Year ended 31/03/26	Year ended 31/03/25
Non Current Assets		
Current Assets	7.76	14.75
Non Current Liabilities		
Current Liabilities	5.78	8.08
Revenue (total Income)	33.96	9.84
Expenses	35.37	14.34
Profit or (loss) from continuing operations	(1.41)	(4.50)
Post-tax profit or (loss) from discontinuing operations	-	-
Other comprehensive income (Loss)	-	-
Total comprehensive income (Loss)	(1.41)	(4.50)

Notes to the Consolidated Financial Statements as at 31.03.2026

46 Disaggregation of Revenue:			
Reconciliation of Revenue from sale of products with the contracted price			
Particulars	2025-26	2024-25	
Contracted Price	2,80,580.10	2,41,818.82	
Less: Trade discounts, cash discount, volume rebates etc.	1,366.14	1,282.04	
Sale of Products	2,79,213.96	2,40,536.78	
Revenue is disaggregated by timing of revenue recognition			
Particulars	2025-26	2024-25	
Timing of revenue recognition			
Goods transferred at a point of time	2,81,560.87	2,42,261.16	
Over a period of time	-	-	
Total revenue from contracts and Customers	2,81,560.87	2,42,261.16	
Net Sales from sale of products	2,79,213.96	2,40,536.78	
Other operating income	2,346.91	1,724.38	
Movement in Contract Liabilities			
Particulars	Year ended 31/03/26	Year ended 31/03/25	
Balance at the beginning of the year	3,732.50	3,243.56	
Revenue recognized during the year from opening balance	(2,088.16)	(1,530.54)	
Amount received (net) against contract liability during the year	2,382.26	2,019.48	
Balance at the end of the year	4,026.60	3,732.50	

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 Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group, 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 Group is regularly following-up with the seller company for getting the registration.

(ii) Investment Property

The Group does not have any investment property.

(iii) Revaluation of Property Plant and Equipment & Intangible Assets

As per the Group'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 (Promoters, Directors, KMPs and their Related Parties)

The Group has not given loan to Specified Persons (Promoters, Directors, KMPs and their Related Parties) during the year.

(v) Detail of Benami Property held.

No proceedings have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

(vi) Borrowings obtained on the basis of Current Assets

There are no drawn borrowings from banks. However, the Group has sanctioned facilities from banks on the basis of security of current assets (trade receivables and inventory). The periodic returns filed by the Group with such banks are in agreement with the books of accounts of the Group.

(vii) Disclosure Related to Wilful Defaulter against Borrowings

The Group 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, 2026.

(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, 2026.

(x) Compliance with Number of Layers of Companies

The Group 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 Group 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 Group 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 Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (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 Group has not operated in any crypto currency or Virtual Currency transactions.

(xv) Disclosure in relation to Undisclosed Income

During the year, the Group 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.

(xvi) Financial Ratio

In accordance with the requirement of Division II-Ind AS Schedule III to the Companies Act, 2013 analytical ratio have been disclosed only in standalone financial statements of the Holding Company

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

48 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) after tax		Share in other comprehensive income		Share in total comprehensive income	
	As on 31.03.2026		2025-26		2025-26		2025-26	
	As % of Consolidated Net Assets	Amount	As % of Profit and Loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
(i) Parent								
Fiem Industries Ltd	99.18%	120,507.21	99.33%	25,386.37	100.00%	(91.65)	99.33%	25,294.72
(ii) Foreign Subsidiary								
Fiem Industries Japan Co., Ltd	0.17%	206.12	0.37%	94.98	0.00%	-	0.37%	94.98
Fiem Research & Technology SRL	0.65%	787.81	0.30%	77.09	0.00%	-	0.30%	77.09
Total		121,501.14		25,558.44		(91.65)		25,466.79

Particulars	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit (Loss) after tax		Share in other comprehensive income		Share in total comprehensive income	
	As on 31.03.2025		2024-25		2024-25		2024-25	
	As % of Consolidated Net Assets	Amount	As % of Profit and Loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated total comprehensive income	Amount
(i) Parent								
Fiem Industries Ltd	99.32%	103,108.41	99.60%	20,409.29	100.00%	(145.50)	99.60%	20,263.79
(ii) Foreign Subsidiary								
Fiem Industries Japan Co., Ltd	0.11%	114.10	0.15%	31.97	0.00%	-	0.15%	31.97
Fiem Research & Technology SRL	0.57%	596.54	0.25%	50.72	0.00%	-	0.25%	50.72
Total		103,819.05		20,491.98		(145.50)		20,346.48

Notes to the Consolidated Financial Statements as at 31.03.2026

(Amount Rs in Lakhs)

49 Fire Incident

Fire in Rai Plant

(a) A fire incident occurred on June 13, 2023 at Unit-7, located at Plot No. 1915, Phase-V, Rai Industrial Estate, Sonipat-131029 (Haryana). The Group has completed reinstatement of all property, plant and equipment and the insurance assessment is under process. During FY 2024-25, the Group has already received Rs 50 Crore as adhoc/interim payment from the insurance company. During the year ended March 31, 2024, the Group had recognised the value of the affected assets as Insurance Claim receivable to the extent of the carrying value of inventories amounting to Rs 2583.74 Lakhs and the carrying value of property, plant and equipment amounting to Rs 2552.72 Lakhs. The final entries will be recorded in the books of accounts upon finalization of the claim by the insurer.

Fire in Tapukara Plant during the year

(b) During the year, a fire incident occurred in the afternoon of August 23, 2025 at Unit-8, located at Plot No. SP1-C, Industrial Area Tapukara, District Alwar-301707 (Rajasthan). There was no injury or loss of human life and the fire was primarily restricted to the first floor of the building. The Group has recognised the value of the affected assets as Insurance Claim receivable to the extent of the carrying value of inventories amounting to Rs 2105.87 Lakhs (including GST reversals) and property, plant and equipment amounting to Rs 2767.91 Lakhs (including GST reversals) as the group maintains adequate insurance coverage of all assets on reinstatement basis with the insurer. An estimated claim of Rs. 8230 Lakhs (on the reinstatement value basis) has been submitted on January 30, 2026 to insurer. The final settlement remains subject to assessment by the insurer and any additional accounting impact will be recorded upon finalization of the claim.

50 Dividend on Equity Share

(a) Dividend on Equity Shares paid during the year

Particulars	2025-26	2024-25
Final dividend for the FY 2024-25 Rs. 30/- (Previous Year Rs. 20/-) per equity share of Rs. 10 each	7895.90	5263.93
Total	7895.90	5263.93

(b) Proposed Dividend

The Board of Directors in their meeting held on May 30, 2026, have recommended a Final dividend of Rs 40 per share i.e. @ 400% of Nominal Value of Rs 10 each on 2,63,19,660 equity share of the company for F.Y. 2025-26 amounting to Rs 10527.86 lakhs (Previous year Rs 30 per share amounting to Rs 7895.90 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 Audit Trail

The Company has used accounting software for maintaining its books of account 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. During the year, the audit trail feature has not been tempered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

52 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/-
(J. K. Jain)
Chairman & Managing Director
(DIN-00013356)

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026

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)

SN	1	2
1 Name of the subsidiary	Fiem Industries Japan Co., Ltd.	Fiem Research and technology S.R.L.
2 Country of Incorporation	Japan	Italy
3 Reporting period for the subsidiary concerned, if different from the holding company's reporting period of 31.03.26	N.A.	N.A.
4 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		
5 a) Reporting Currency	Japanese Yen	Euro
b) Exchange rate as on the last date of the relevant Financial year	0.5925	109.01
Share capital	29.49	405.47
6 Reserves & surplus	176.63	382.35
7 Total Assets	327.25	1,058.48
8 Total Equity and Liabilities	327.25	1,058.48
9 Investments	-	-
10 Turnover	520.61	1,364.26
11 Profit/(Loss) before taxation	105.17	109.80
12 Provision for taxation	10.19	32.71
13 Profit/ (Loss) after taxation	94.98	77.09
14 Proposed Dividend	NA	NA
15 % 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 Fiem Kyowa(HK) Mould Company Ltd.
1 Latest audited Balance Sheet Date		31.03.26
2 Country of Incorporation		Hongkong
3 Shares of Associate/Joint Ventures held by the company on the year end		
No. of shares		1000 Shares
Amount of Investment in Associates/Joint Venture- Rs		8.40
Extend of Holding %		50%
4 Description of how there is significant influence		50: 50 Joint Venture
5 Reason why the associate/joint venture is not consolidated		N.A.
6 Networth attributable to Shareholding as per latest audited Balance Sheet		1.98
7 Profit / (Loss) for the year		
i. Considered in Consolidation		-1.41
ii. Not Considered in Consolidation		-1.41
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

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

Sd/-
(Vineet Sahni)
CEO & Director
(DIN-03616096)

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

Sd/-
(Arvind K. Chauhan)
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: Gurugram
Dated: 30.05.2026



LIGHT UP THE WORLD

Fiem Industries Limited

CIN: L36999DL1989PLC034928

Registered Office:

Unit No. 1A & 1C, First Floor, Commercial Towers,
Hotel JW Marriott, Aerocity, New Delhi-110037
Tel: +91-9821795327/28/29/30
Email: investor@fiemindustries.com
Website: www.fiemindustries.com

R&D-Electronics, Innovation Centre & Corporate Office:

2nd Floor, Tower A,
Plot No. 243, SP Infocity,
Udyog Vihar Phase-1, Gurugram,
Haryana - 122016 (INDIA)
Tel. : +91-124-4792550/51/52/53/54
Email: corporate@fiemindustries.com

SCAN TO
KNOW MORE

