

Fiem Industries limited

Continuous Assignment - 1

Q1.

a) Business Entity: The report does not contain personal accounts of the **shareholders**, thus upholding the business entity concept. Pays dividends, liable as business entity to shareholders. Thus, this signifies ownership-management separation.

b) Going Concern: 'Director's Responsibility Statement' explicitly mentions that the accounts have been prepared on a going concern basis, as mentioned in Point (d) on Page 33.

c) Monetary Expression in Accounts: The common denominator used by the company is Indian Rupees. All business transactions have been recorded in terms of Indian Rupees, mentioned in Independent Auditor's Report on page 96.

d) Accrual Principle: Accrual principle consists of two concepts: matching and realisation. 'Significant Accounting Polices' mentioned in Note b under Accounting Convention and states that the financial statement has been prepared on accrual basis (page 101).

e) Consistency Between Accounting Periods: 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. (page 101)

f) Conservatism: The financial statements include depreciation of assets and other provisional accounts created based on the prudence concept, with the method of depreciation as mention in Note E from the Notes of Financial Statements on Page 103.

g) Dependability of Data Through Internal Control: The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets Further, Company is in the process of implementation of SAP system across its all units and offices - SAP S/4HANA Enterprise Management, to make the Company future ready as well with the objective of better control. (page 70)

h) Timeliness in Financial Reporting: The financial statements have 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 provisions of the Act. (page 30)

i) Consistency of Accounting Policies : 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, 2019 and of the Profit and Loss of the Company for that period.

Q2.

STAKEHOLDERS	INFORMATION USEFUL	PURPOSE
Central Government	Tax Expenses for the year	Calculating the taxes and overall revenue of the industry. Evaluation of taxable profits, the amount of tax paid for the year
SEBI and other Listing Authority	Company financials	Check compliance with provisions provided.
Shareholders – Public and Private	Revenue, Dividends, assets, outstanding shares and equity etc	Informing the Shareholders of the Financial performance, Safety , Profitability of Investment and significant financial indicators for future decisions.
Investors	Profitability, market share, earnings per share, P/E ratios, valuation/market price per share	To evaluate the performance of their investment and to check whether they can reap any benefits by investing into the company
Employees	Employee Benefit Expenses	Negotiation for Salaries, To assess the prospects of wage increment and bonuses
Community/Society	Company’s CSR activities’, Budget allocation	Budget planning, Pitching by potential benefactor