



Fiem

Lights The Path

Annual Report 2007-08



Automotive Lighting, Signalling Equipments and Rear View Mirrors

Snapshots from

9th AUTO EXPO

2008

The Complete Automotive Show
January 10-17, 2008 • New Delhi, India



Chairman's Message



Dear Shareholders,

I would take this opportunity to share with you some major developments during the last Financial Year.

Your company has been able to register a moderate growth over last financial year despite negative sentiments in the industry. The Board of Directors of your company has recommended a dividend of 25% (Rs. 2.50 per share) for the Financial Year 2007-08.

For quite some time the Automobile Industry is passing through a difficult phase. High Interest rates coupled with higher inflation have dampened the spirit of Indian Consumers, leading to a sharp decline in growth of Automobile Industry and in turn left adverse impact on Automotive Industry.

However, we believe this is a temporary phase and growing population, increasing trend of owning personal vehicles, cropping up of satellite townships and growing rural economy will be the major growth drivers for automobile industry which will result in growth of the automotive industry. Further, Global Automobile majors are seeing India as a major sourcing hub, opening new growth opportunities for Indian Automotive Industry.

Taking above factors into consideration, your company is increasing its capacities and setting up more manufacturing units to tap the growth opportunities.

On behalf of the Board, I express my sincere thanks to all of you for the trust and confidence reposed on us.

Thank You!

J.K. Jain
Chairman & Managing Director



OUR COLLABORATIONS

- Technical Support Agreement with Ichikoh Industries Ltd., Japan
- Memorandum of Understanding with Aspöck Holding, GmbH, Austria for establishing a Joint Venture Company
- Memorandum of Understanding with ZADI Divisione Fanaleria CEV Spa, Italy
- License and Technical Assistance Agreement with M/s BATZ, Spain.

MILESTONES SINCE INCEPTION

Year	Key events
1989	Incorporation of Company under the name and style of Rahul Auto Pvt. Limited Unit at HSIDC Industrial Estate, Kundli, Sonapat (Haryana) set-up
1992	Change of the name of the Company from Rahul Auto Pvt. Limited to FIEM Industries Pvt. Limited
1993	Converted to public Limited Company pursuant to which the name of the Company changed to FIEM Industries Limited Shifted all manufacturing facilities to the plant situated at 32 Mile Stone, G.T. Road, Kundli, Sonapat (Haryana) (Unit I) having full fledged testing laboratory
1996	FIEM Sung San (India) Limited, a Joint venture Company set-up in Noida, Uttar Pradesh pursuant to a Joint Venture Agreement in association with Sung San Co. Limited, Korea and Daewoo Motors India Limited (formerly DCM Daewoo Motors Limited). Now this Company has been merged with the Company.
2004	Set-up Unit II at Kallukondapalli, Hosur, Tamil Nadu
2005	Set-up Unit III at Kelamanglam, Hosur, Tamil Nadu Set-up Unit IV at Mysore, Karnataka Entered into a Technical Support Agreement with Ichikoh Industries Ltd., Japan Established overseas design centre and liaison office in Japan Signed MOU for establishing a Joint Venture company with Aspöck Holding, GmbH, Austria Awarded the 'Bhartiya Shiromani Puraskar' by the Institute of Economic Studies (IES), New Delhi Presented with the 'Business Sphere Award' for the year 2005-2006 for being the most successful pioneer and among toppers in export & manufacturing of auto components for 2 wheelers.
2006	Established an EOU at Kelamanglam, Hosur Tamil Nadu (Unit V) Established Unit VI at Nalagarh, Himachal Pradesh Awarded the 'Transworld Gold Star Award' by the International Study Circle (ISC), New Delhi for excellence in quality Successfully Completed Initial Public Offer of the Company.
2007	Successfully Completed Merger of FIEM Sung San (India)Ltd. with the Company. Opening of various depots in major cities to tap the Replacement Market.
2008	Setting up Unit VII at Rai Industrial Area, Distt. Sonapat, Haryana. Entered into 'License and Technical Assistance Agreement' with M/s BATZ S. Coop. of Spain for manufacturing of Pedal Box Assembly.

OUR PRESTIGIOUS CUSTOMERS

We have been supplying to almost all major OEMs in the domestic market as well as few global OEMs, besides some global Tier I automotive lamp manufacturers.

Our OEM customers in the four-wheeler segment include the following: -

- Tata Motors Ltd.
- Hyundai Motors India Ltd.
- Force Motors Ltd.
- Reva Electric Car Company Pvt. Ltd.
- HMT Tractors Ltd.
- VST Tiller & Tractors Ltd.
- Ashok Leyland Ltd.
- Skoda Auto India Pvt. Ltd.
- Indo Farm Tractors & Motors Ltd.
- Punjab Tractors Ltd.
- International Tractors Ltd.
- Tractors & Farms Equip.Ltd.

Our OEM customers in the two-wheeler segment include the following:-

- TVS Motors Co. Ltd.
- Honda Motorcycle & Scooter India Pvt. Ltd.
- Suzuki Motorcycle India Pvt. Ltd.
- LML Ltd.
- Yamaha Motor India Pvt. Ltd.
- Hero Motors Ltd.
- Scooters India Ltd.
- Kinetic Motor Co. Ltd.
- Majestic Auto Ltd.
- Global Automobiles Ltd.

Some of our overseas customers include the following:-

Four-Wheelers

- Aspock Systems, Austria
- Ichikoh, Japan
- Geka, Germany
- Sparex, UK

Two-Wheelers

- Piaggio, Italy
- Zadi, Italy



PRODUCT PORTFOLIO

HEAD LAMPS



REAR COMBI. / TAIL LAMPS



SIDE INDICATOR LAMPS



OTHER LAMPS



LED LAMPS



FRONT / FOG / AUXILLARY LAMPS



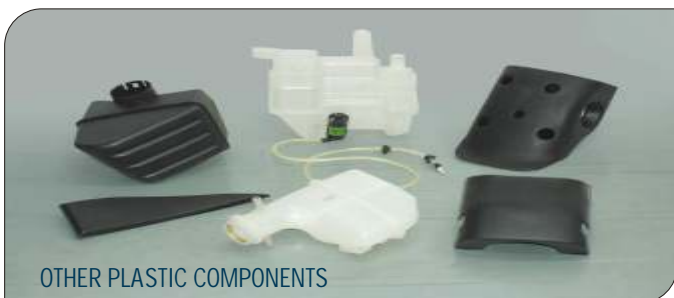
OTHER SIGNALLING EQUIPMENTS



IRVM/OUTSIDE REAR VIEW MIRROR



OTHER PLASTIC COMPONENTS



SHEET METAL COMPONENTS



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GENERAL INFORMATION

BOARD OF DIRECTORS

Mr. J.K. Jain	- Chairman & Managing Director
Mrs. Seema Jain	- Whole Time Director
Mr. J.S.S. Rao	- Whole Time Director
Mr. Pravin Kumar	- Whole Time Director
Ms. Aanchal Jain	- Whole Time Director
Mr. Rahul Jain	- Non-Executive Director
Mr. C.D. Shah	- Independent Director
Mr. Iqbal Singh	- Independent Director
Mr. K.S. Lamba	- Independent Director
Mr. P.S. Bhatia	- Independent Director
Mr. C.S. Kothari	- Independent Director
Mr. J.S. Chandhok	- Independent Director

CHIEF FINANCIAL OFFICER

Mr. O. P. Gupta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Arvind K. Chauhan

AUDIT COMMITTEE

Mr. J.S. Chandhok	- Chairman
Mr. C.S. Kothari	- Member
Mr. P.S. Bhatia	- Member

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Mr. C.S. Kothari	- Chairman
Mr. J.S.S. Rao	- Member
Mr. Rahul Jain	- Member

REMUNERATION COMMITTEE

Mr. C.S. Kothari	- Chairman
Mr. P.S. Bhatia	- Member
Mr. Iqbal Singh	- Member

AUDITORS

M/s Anil S. Gupta & Associates
201, Vikram Tower, 16 Rajendra Place, New Delhi-110008

REGISTERED OFFICE

D-34, DSIDC Packaging Complex
Kirti Nagar, New Delhi-110015

CORPORATE OFFICE

32 Mile Stone, G.T. Road
Kundli, Sonapat, Haryana-131028

Website: www.fiemindustries.com

BANKERS

CITI Bank N.A.
Standard Chartered Bank

REGISTRAR AND SHARE TRANSFER AGENT

Intime Spectrum Registry Limited
2nd Floor, A-40, Naraina Industrial Area, Phase-II, New Delhi-110028
Ph: 011-41410592/93/94 Fax No: 011-41410591

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the company will be held on Monday the 29th day of September 2008 at 10.00 A.M. at Guru Kirpa Farms, Palla Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi-110036, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as on 31st March 2008 and Profit & Loss Account for the period ended on that date together with Directors' Report and Statutory Auditor's Report thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year 2007-08.
3. To appoint a Director in place of Mr. C.S. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.S. Lamba, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. C.D. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. J.S. Chandhok, who retires by rotation and being eligible, offers himself for re-appointment.
7. To re-appoint statutory auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Anil S. Gupta & Associates, Chartered Accountants, be and are hereby re-appointed as statutory auditors of the Company to hold the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof) and in terms of Articles of Association of the Company and as recommended by the Remuneration Committee and approved by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mrs. Seema Jain, as Whole Time Director of the Company w.e.f. 1st April 2008 for a period of three years i.e. up to 31.03.2011 on the terms and conditions as mentioned hereunder:

(a) Salary-

Rs. 2,00,000/- (Rs. Two Lac only) per month.

(b) Other Benefits, Perquisites & Allowances

In addition to salary, she will be entitled to:

- i) Medical Insurance/ Personal Accident Policy and such other perquisites / allowances in accordance with the rules of the Company as decided by the Board or any Committee thereof, from time to time.
- ii) Company maintained car with driver for official use.
- iii) Leave Encashment and gratuity in accordance with the rules of the Company.
- iv) Telecommunication / mobile phone facilities.

RESOLVED FURTHER THAT if in any financial year, the Company has made no profits or profits are inadequate then the remuneration payable to Mrs. Seema Jain will be, as permissible in Schedule XIII and other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter or vary the terms of appointment or revise the remuneration of Mrs. Seema Jain, as it may deem fit from time to time, so that remuneration payable shall not exceed the permissible limits under section 198,309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification and re-enactment thereof).

RESOLVED FURTHER THAT Mrs. Seema Jain shall be liable to retire by rotation within the meaning of section 255 and 256 of the Companies Act, 1956.

RESOLVED FURTHER THAT any Whole Time Director or Company Secretary of the Company be and is hereby authorized to file the necessary forms, returns and to do all such acts, things and deeds necessary and incidental to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof) and in terms of Articles of Association of the Company and as recommended by the Remuneration Committee and approved by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Ms. Aanchal Jain, as Whole Time Director of the Company w.e.f. 1st April 2008 for a period of three years i.e. up to 31.03.2011 on the terms and conditions as mentioned hereunder:

(a) Salary-

Rs. 1,00,000/- (Rs. One Lac only) per month