



Fiem

Lights The Path

Fiem Industries Limited

Annual Report 2008-09



Automotive Lighting, Signaling Equipments and Rear View Mirrors

Chairman's Message



Dear Shareholders,

I am delighted to inform you that we have been able to register a growth of 24% in Net Turnover in a challenging economic environment. The top line of your Company has grown significantly since it came with IPO. In the FY 2005-06 the Net Turnover of the Company was Rs. 123.60 Crore and in FY 2008-09 it has become Rs. 219.29 Crore, registering a growth of 77%. It reflects our inherent strengths and resilience to stand strongly in turbulent times. The Board of Directors has recommended a dividend of 25% (Rs.2.50 per share) for the Financial Year 2008-09.

Year 2008-09 continued to be 'not a good year' for the global economy. The Automobile Industry is among the worst hit industries by the global financial and economic slowdown.

However, it seems that the worst is over and we are heading for a revival and better growth.

The global economic crisis has forced the Automobile majors in developed countries to keep their costs in control and shift the focus on producing comparatively low cost vehicles. This all will force them to procure the auto components from low cost countries like India and will open new growth opportunities for Indian Automotive Industry.

Further, Indian Automobile Industry has its own growth drivers like growing middle class population, low penetration of vehicles and increasing trend of owning personal vehicles, cropping up of townships and growing rural economy. Political stability and thrust of the UPA government on Infrastructure development will also contribute towards economic growth and stability. These all will also result in growth of the Automotive Industry. Additionally, Global and Indian Automobile companies are planning for expansion of Indian operations due to huge potential demand and low cost advantage.

We, therefore hope that Automotive Industry being directly dependent on Automobile Industry will also perform better in the current year and in long-term.

Your company is aware of all these developments and increasing its capacities by setting up new manufacturing Unit (Unit-VII) in Rai Industrial Area, Distt. Sonapat, Haryana.

At the end, I want to share with you one heartening news. The Company has signed a strategic MoU for Equity Participation by Ichikoh Industries Limited, Japan, one of the world leaders in manufacturing for Automotive Lighting & Rear View Mirrors and supplier to all major Automobile Companies of Japan like Toyota, Nissan, Honda and Mitsubishi among others. Under this MoU, Ichikoh will extend to Fiem its technical assistance for designing, development and manufacturing of Automotive Lightings & Rear View Mirrors for supplying to various car manufactures (OEMs) in India. By this strategic collaboration your Company will attain technical superiority with wider market potential for Business Development and Growth.

On behalf of the Board, I express my sincere thanks to all of you for the trust and confidence reposed on us. We strive for strong fundamentals with sustainable growth and long-term value to the stakeholders.

Thank You !

J.K. Jain
Chairman & Managing Director

Our Technical Partners



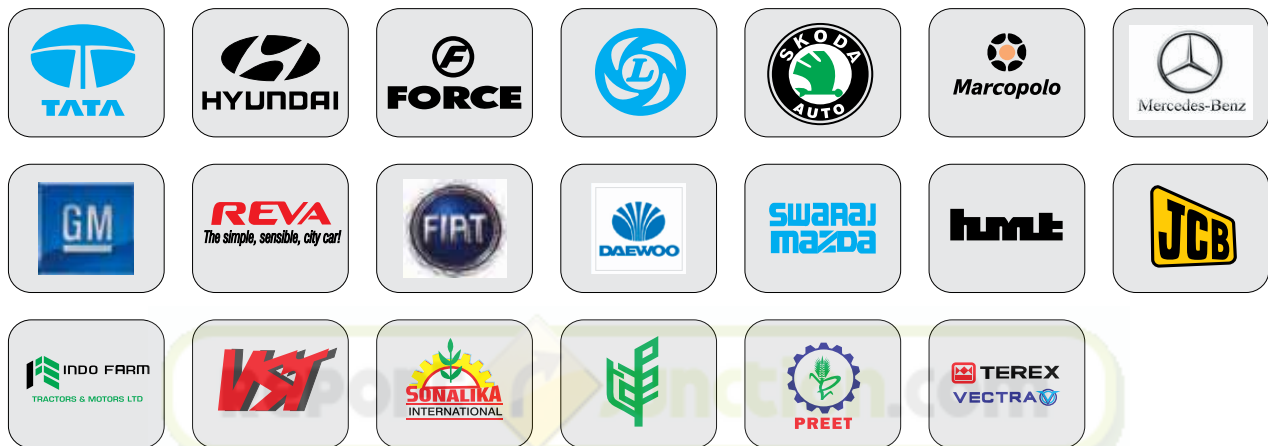
Ichikoh Industries Ltd., Japan



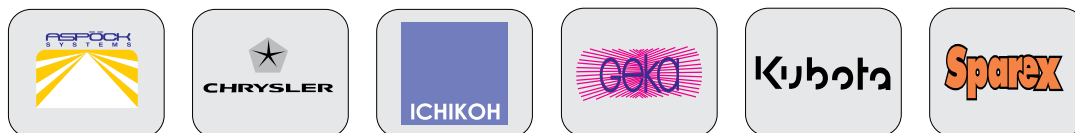
BATZ S. Coop., Spain

Our Prestigious Customers

• Four-Wheeler segment (Domestic Customers)



• Four-Wheeler segment (Global Customers)



• Two-Wheeler segment (Domestic Customers)



• Two-Wheeler segment (Global Customers)



Product Portfolio

HEAD LAMPS



REAR COMBI. /TAIL LAMPS



SIDE INDICATOR LAMPS



OTHER LAMPS



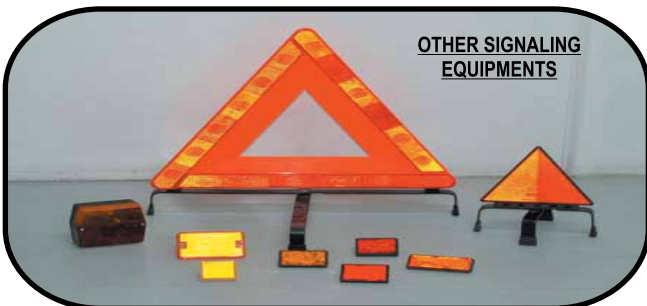
LED LAMPS



FRONT / FOG / AUXILLARY LAMPS



**OTHER SIGNALING
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 (up to 24.10.2008)
Mr. Kashi Ram Yadav	- Whole Time Director (w.e.f. 25.10.2008)
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 (up to 29.04.2009)
Mr. Charoen Sachamuneewongse	- Independent Director (w.e.f. 30.04.2009)
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 / INVESTOR GRIEVANCE COMMITTEE

Mr. C.S. Kothari	- Chairman
Mr. J.S.S. Rao	- Member (up to 24.10.2008)
Mr. Kashi Ram Yadav	- Member (w.e.f. 25.10.2008)
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.fieminindustries.com

BANKERS

CITI Bank N.A.

Standard Chartered Bank

State Bank of Patiala

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

(Formerly, 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 20th Annual General Meeting of the company will be held on Wednesday the 30th day of September 2009 at 10.00 A.M. at Guru Kirpa Farms, Palla Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi-I 10036, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as on 31st March 2009 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 2008-09.
3. To appoint a Director in place of Mr. Rahul Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.S. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Iqbal Singh, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. P.S. Bhatia, 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 an **Ordinary Resolution**:

"RESOLVED THAT Mr. Charoen Sachamuneewongse, who was appointed as Additional Director by the Board of Directors of the Company on 30.04.2009 pursuant to section 260 and other applicable provisions of the Companies Act, 1956 and Articles of Association of the Company and who being the Additional Director hold the office up to this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member as required under section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

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

"RESOLVED THAT Mr. Kashi Ram Yadav, who was appointed as Additional Director by the Board of Directors of the Company on 25.10.2008 pursuant to section 260 and other applicable provisions of the Companies Act, 1956 and Articles of Association of the Company and who being the Additional Director hold the office up to this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member as required under section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Section

269,198,309,310 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 appointment of Mr. Kashi Ram Yadav as Whole-time Director of the Company be and is hereby approved w.e.f. 25th October 2008 for a period of three years on the terms and conditions as mentioned hereunder:

(a) Salary

Rs. 2,50,000/- (Rs. Two Lac Fifty Thousand only) per month.

(b) Other Benefits, Perquisites & Allowances

In addition to salary, he will be entitled to:

- (i) Contribution to Provident Fund, Bonus, 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 no profits or profits are inadequate then the remuneration to Mr. Kashi Ram Yadav shall be payable 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 Mr. Kashi Ram Yadav, as it may deem fit from time to time, so that remuneration 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 Mr. Kashi Ram Yadav shall be liable to retire by rotation within the meaning of section 255 and 256 of the Companies Act, 1956.

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

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

"RESOLVED THAT pursuant to provisions of sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) 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 re-appointment of Mr. Jagjeevan Kumar Jain as Chairman & Managing Director of the Company be and is hereby approved w.e.f.

07.08.2009 for a period of three years on the current remuneration, as detailed under:

(a) Salary

Rs. 10, 25,000/- (Rupees Ten Lac Twenty Five thousand) per month.

(b) Other Benefits, Perquisites & Allowances

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

- (i) Leave Travel Assistance, medical facility/ reimbursement, medical insurance, club fees, house servants and other perquisites/ allowances not exceeding Rs. 15,000/- (Rupees Fifteen Thousand) per month in aggregate.
- (ii) Conveyance facility.
- (iii) Telephone facility.
- (iv) Gratuity as per Payment of Gratuity Act.
- (v) Encashment of Leaves as per Rules of the Company.

RESOLVED FURTHER THAT the above-mentioned remuneration to Mr. Jagjeevan Kumar Jain, being already approved by the Central Government up to 31.03.2010 be and is hereby noted.

RESOLVED FURTHER THAT Mr. Jagjeevan Kumar Jain shall not be liable to retire by rotation within the meaning of section 255 and 256 of the Companies Act, 1956.

RESOLVED FURTHER THAT as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and subject to the approval of the Central Government, the above-mentioned remuneration to Mr. Jagjeevan Kumar Jain be and is hereby approved for a further period of three years w.e.f. 1st April 2010. This period of three years will also consist part of the tenure under his subsequent re-appointment w.e.f. 07.08.2012.

RESOLVED FURTHER THAT the above-mentioned remuneration be paid as minimum remuneration to Mr. Jagjeevan Kumar Jain, notwithstanding that in any financial year during his tenure as Chairman & Managing Director, the Company has made no profits or profits are inadequate within the meanings of Schedule XIII and other applicable provisions 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 such application, representation and documents, as may be prescribed with the Central Government or such other concerned authorities for seeking their approval and to write, sign, file such applications, forms, documents, returns as may be prescribed for the purpose and to do all such acts, deeds and things as may be deemed necessary for the purpose of giving effect to this resolution."

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

**-Sd-
Arvind K. Chauhan
Company Secretary**

Place : New Delhi
Date : 12.08.2009

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the company. The instrument appointing**

the proxy, in order to be effective must be received at the registered office of the company not less than forty-eight hours before the scheduled time for commencement of the meeting. Blank proxy form is enclosed with the Notice.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 159 of the Articles of Association read with Section 255 and 256 of the Companies Act, 1956, Shri Rahul Jain, Shri C.S. Kothari, Shri Iqbal Singh and Shri P.S. Bhatia, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Further, resolutions proposing appointment of Mr. Charoen Sachamuneewongse as Independent Director, appointment of Mr. Kashi Ram Yadav as Whole-time Director and Re-appointment of Mr. Jagjeevan Kumar Jain as Chairman & Managing Director are to be considered in ensuing Annual General Meeting. Brief resume of all these Directors, nature of their expertise in specific functional areas, their shareholding in the Company, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Notice and Report on Corporate Governance forming part of the Annual Report. Shareholders are requested to refer the Notice and Report on Corporate Governance for these informations. The Board of Directors of the Company commends their respective re-appointments/ appointments.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.
9. The Register of Members and Transfer Books of the Company shall remain closed from Thursday, September 24, 2009 to Wednesday, September 30, 2009 (both days inclusive) for the purpose of the Annual General Meeting and Dividend.
10. The Board has recommended a Final dividend at the rate 25% (Rs. 2.50 per Share) on the equity shares of the Company. The dividend, if declared by the members at the said Annual General Meeting, will be payable to the members as follows:
 - a. In case of members holding shares in physical form, whose names appear on the Register of Members of the Company as on September 30, 2009 (after giving effect all the valid transfer received to the Company/RTA before 24.09.2009).

- b. In respect of shares held in electronic form, to those members whose names appear as beneficial owners as at the closure of the business hours on September 23, 2009 as per details to be furnished by the depositories.

11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (formerly, Intime Spectrum Registry Limited) for consolidation into a single folio.
12. Under section 109A of the Companies Act, 1956 members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B of the Companies (Central Government's) General Rules & Forms, 1956 in duplicate to the Company's Registrar & Transfer Agent.
13. Members holding shares in dematerialized mode are advised to intimate all changes pertaining to their bank details, ECS mandate, nominations, power of attorney, address etc. to their depository participant only and not to the Company or its Registrar & Transfer Agent. Members holding shares in physical form are advised to submit particulars of bank account, viz., name and address of the Branch of the Bank, 9 digit MICR code of the branch, type of account and account no. to the Company's Registrar & Transfer Agent.
14. **Investors are requested to note that consequent to amendment in section 205A and introduction of section 205C of the Companies Act, 1956, the amount of dividend, which remains unclaimed or unpaid for a period of seven years from the date of transfer of the same in Unpaid Dividend Account, shall be transferred in Investor Education and Protection Fund as provided under section 205C. Once the amount transferred in said Fund, investor will not be able to claim the dividend and no claim will lie against the company or the Fund. Therefore investors are reminded to claim their unpaid/ unclaimed dividend for the previous financial years 2006-07 and 2007-08.**
15. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd (formerly, Intime Spectrum Registry Limited), immediately of:
 - a) Change in their Residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 8

Mr. Charoen Sachamuneewongse was appointed as Additional Director of the Company by the Board of Directors in their meeting held on 30.04.2009. He was appointed as Independent Director of the Company. He is having a rich business experience in the field of merchandise trading and broking and presently running his own trading and broking firm in Thailand, the Board considers that his experience will immensely benefit the Company. Being an Additional Director he hold the office up to ensuing Annual General Meeting. As the Board has appointed him for a long-term purpose, therefore his appointment as a Director is being proposed in ensuing Annual General Meeting.

The Company has received a Notice under section 257 of the Companies Act, 1956 proposing his candidature as Director.

Mr. Charoen Sachamuneewongse holds 42,450 Shares in the Company. Further, he is not related to any other Director of the Company.

Except Mr. Charoen Sachamuneewongse himself, none of the other Director is interested in above resolution.

Your Directors commend this resolution for your approval as Ordinary Resolution.

ITEM NO. 9

Mr. Kashi Ram Yadav was appointed as Additional Director of the Company by the Board of Directors in their meeting held on 25.10.2008. He was also appointed as Whole-time Director of the Company in the same meeting. He is having more than 30 years experience in the field of Production and Manufacturing Operations of Automotive Lightings, Signalling Equipments and Rear View Mirrors including setting-up new plants for the Company. Considering his long association with Company and his long experience in Production and Manufacturing Operations, the Board of Directors decided to elevate him and appointed him as Additional Director on 25.10.2008. In the same board meeting he was also appointed as Whole-time Director of the Company for a period of three years with the designation, Director (Operations-North) on a remuneration as given in the Resolution which was recommended by the Remuneration Committee and approved by the Board of the Directors. He is responsible for Production and Manufacturing Operations in north India Units of the Company. Being an Additional Director he hold the office up to ensuing Annual General Meeting. As the Board has appointed him for a long-term purpose, therefore his appointment as a Director is being proposed in ensuing Annual General Meeting. The Company has received a Notice under section 257 of the Companies Act, 1956 proposing his candidature as Director.

Mr. Kashi Ram Yadav holds 338 Shares in the Company. Further, he is not related to any other Director of the Company.

Except, Mr. Kashi Ram Yadav himself, none of the other Director is interested in above resolution.

As the remuneration to Mr. Kashi Ram Yadav as Whole-time Director is as per provisions of Schedule XIII of the Companies Act, 1956, hence the other required information are given at the end of this explanatory statement.

Your Directors commend this resolution for your approval as Special Resolution.

ITEM No. 10

The tenure of Mr. Jagjeevan Kumar Jain as Chairman & Managing Director was due for completion on 6th August 2009, therefore, in the respective meetings of Remuneration Committee and Board of Directors held on 29.07.2009, he was re-appointment as Chairman & Managing Director of the Company for a further period of three years w.e.f. 7th August 2009 at the same remuneration as he was receiving before re-appointment. This re-appointment was done subject to approval of the members in General Meeting.

The members are hereby informed that current remuneration of Mr. Jagjeevan Kumar Jain as Chairman & Managing Director had already been approved by the Central Government under Schedule XIII for a period of three years w.e.f. 01.04.2007 to 31.03.2010.

The Remuneration Committee and Board of Directors in their respective meetings held on 29.07.2009 have also approved the remuneration of Mr. Jagjeevan Kumar Jain for a further period of three years beyond 31.03.2010 in terms of provisions of Schedule XIII of the Companies Act, 1956, subject to approval of the Members in General Meeting and subject to approval of the Central Government. As the tenure under the current re-appointment will end on 06.08.2012, therefore the approval of remuneration for the period of three years beyond 31.03.2010 will also consist of part of the tenure under his subsequent re-appointment w.e.f. 07.08.2012.

Mr. J.K. Jain is the founder promoter of the company and under his dynamic leadership, the Company has been able to grow exponential and today the company operates by Six state of the art manufacturing units spreading in north and south India. The Company is establishing one more unit (Unit-VII) at Rai Industrial Area, Distt. Sonapat, Haryana. Because of his vision, passion and entrepreneurship, the Company has turned into a multi crore company and added a number of new customers. Since inception he has relentlessly provided his guidance and leadership and presently spearheading the company to enter into a strategic business collaboration with M/s Ichikoh Industries Ltd. of Japan. M/s Ichikoh Industries is one of the world leaders in Automotive Lighting, Signalling Equipments and Rear View Mirrors. It has a global footprint and supplies to all major Japanese OEMs. The proposed strategic business collaboration will give new dimensions to growth story of your company especially in 4-wheel market segment. The Board is confident that under the able leadership of Mr. J.K. Jain, the Company will keep continue this success journey and will achieve new milestones. With the increase in operations of the Company, his duties and responsibilities have increased many fold, still the Board of Directors have approved the same remuneration as he was receiving before his re-appointment.

Considering all the above factors, the Board of Directors thought it prudent to re-appoint Mr. J.K. Jain as Chairman & Managing Director

for another term of three years at the remuneration mentioned in the Resolution. Board of Directors commend to approve his re-appointment and remuneration (as given in Resolution) by way of Special Resolution.

Mr. Jagjeevan Kumar Jain, hold 18,71,092 (15.64 %) shares in his name. The whole promoter group hold 79,09,262 (66.12%) shares in the Company. Mr. Jagjeevan Kumar Jain is one of the founder-promoters of the Company.

Mr. Jagjeevan Kumar Jain, Chairman & Managing Director is husband of Mrs. Seema Jain, Whole-time Director and father of Ms. Aanchal Jain, Whole-time Director and Mr. Rahul Jain, Director hence related to these Directors. Further, all of these are promoters of the Company with major shareholding, therefore, all of them deemed to be concerned or interested in this resolution.

As the remuneration to Jagjeevan Kumar Jain as Chairman & Managing Director is as per provisions of Schedule XIII of the Companies Act, 1956, hence the other required details are given at the end of this explanatory statement.

The explanatory statement together with the Notice is to be treated as abstracts of the terms of appointment / change in terms of the appointment and Memorandum of concern or interest about Mr. Kashi Ram Yadav and Mr. Jagjeevan Kumar Jain pursuant to Section 302 of the Companies Act, 1956.

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

-Sd-

**Arvind K. Chauhan
Company Secretary**

Place : New Delhi
Date : 12.08.2009

Information pursuant to Clause I(B) and I(C) of Section II of Part II of Schedule XIII to the Companies Act, 1956 in connection with remuneration of Mr. Kashi Ram Yadav as Whole-time Director and Mr. Jagjeevan Kumar Jain as Chairman & Managing Director:

- (i) The remuneration of both these directors on their appointment / re-appointment have been approved by the resolutions passed by the Remuneration Committee.
- (ii) The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date(s) of above appointment / re-appointment.
- (iii) Both the above appointment / re-appointment is for three years at one time. Remuneration and appointment / re-appointment is proposed to be approved by the general meeting by way of special resolution.
- (iv) **Statement pursuant to Clause I(B)(iv) and I(C)(iv) of Section II of Part II of Schedule XIII to the Companies Act, 1956 in connection with remuneration on above appointment / re-appointment.**

I GENERAL INFORMATION:	
(1) Nature of Industry	Auto Components: Automotive Lighting, Signalling Equipments, Rear View Mirrors and Sheet Metal Components.
(2) Date or expected date of commencement of commercial production:	The Company is already in operations since the year of incorporation i.e. 1989 and Commercial Production had started in that year.
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable, as the Company is already in operations.