



Fiem Industries Limited

Regd. Office: D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015 (INDIA)
Tel: +91-11-25927820, 25927919 Fax: +91-11-25927740, email: info@fiemindustries.com
Website: www.fiemindustries.com CIN: L36999DL1989PLC034928

NOTICE OF POSTAL BALLOT

To
The Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Management and Administration) Rules, 2014 ("the Rules") (including any statutory modification or re-enactment thereof for the time being in force), and Clause 35B of the Listing Agreement executed by the Company with the BSE Limited and the National Stock Exchange of India Limited, to pass the resolutions set out below through postal ballot (including electronic voting).

In terms of Section 110 and other applicable provisions, if any, of the Act read with the Rules, the resolutions appended below are proposed to be passed by Postal Ballot. The Resolutions and Explanatory Statement pertaining to the said Resolutions, pursuant to Section 102 of the Act, setting out the relevant material facts and the reasons for which such resolution proposed, are appended herewith for your consideration along with a 'Postal Ballot Form' and self-addressed postage pre-paid Business Reply Envelope ("BRE").

If you are voting through Postal Ballot Form (i.e. Physical Ballot), you are requested to carefully read the instructions printed on the Form enclosed herewith and return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid BRE, so as to reach the Scrutinizer on or before July 16, 2014 by 6:00 p.m. Please note that any Postal Ballot Form(s) received thereafter will be treated as not having been received.

For e-voting, please read carefully the "Procedure/Instructions for e-voting" enumerated in the notes to this Notice.

The Board of Directors of the Company ("the Board"), in compliance with Rule 20 and 22 of the Rules, has appointed Mrs. Ranjana Gupta, Practising Company Secretary, as Scrutinizer, for conducting the said Postal Ballot process in a fair and transparent manner.

The said resolutions as set out below, are to be passed as special resolutions and shall be declared as duly passed if votes cast in favour of the resolutions are not less than three times the number of votes, if any cast against the resolution.

The Scrutinizer will submit her report to the Chairman or any Director of the Company, after completion of scrutiny, on or before July 21, 2014. The result of the Postal Ballot will be announced by the Chairman or any Director of the Company on July 21, 2014 at the Company's registered office situated at D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015 (INDIA). In addition to the results being communicated to BSE Limited and National Stock Exchange of India Limited, it shall also be displayed at the Company's registered office as well as website i.e. www.fiemindustries.com. The resolution will become effective on and from the date of announcement of result of the Postal Ballot by the Chairman or any Director of the Company.

SPECIAL BUSINESS:

Item No. 1: Approval for related party transaction.

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 Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment



thereof), consent of the members of the Company be and is hereby accorded to the proposed transaction between Company and Ms. Aanchal Jain (a related party) for taking the property of Ms. Aanchal Jain on rent by the Company for its Marketing Head Office or any other purpose as the Company may think fit in its absolute discretion on the terms as agreed / may be agreed between Board of Directors and Ms. Aanchal Jain and as briefly mentioned in the explanatory statement to this resolution.

RESOLVED FURTHER THAT all Whole-time Directors and Company Secretary of the Company be and are hereby individually authorised to sign any document or agreement for above proposed transaction on behalf of the Company and take necessary steps and to do all acts, deeds and things as may be necessary and incidental to give effect to this resolution."

Item No. 2: Increase in Borrowing powers of the Board and Creation of Charges on the Company's Assets.

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

"RESOLVED THAT in supersession of earlier resolution (Item No. 9) passed in Annual General Meeting of the Company held on 30th September, 2010 for increasing in borrowing powers of the Board, and pursuant to provisions of the section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder, and as per other applicable laws (including any amendment thereto or re-enactment thereof) the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (which term be deemed to include any Committee of the Board) to borrow such sums of money (apart from temporary loans obtained or to be obtained from the Bankers of the Company in the ordinary course of the business i.e. loans repayable on demand or with in six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills, and the issue of other short term loan of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature) as they may deem fit and necessary from time to time, for the purpose of the business of the Company and on such terms and conditions as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit and proper, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company, remaining outstanding at any time will exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board of Directors and remaining outstanding at any time, shall not at any time exceed the limit of **Rs. 400 (Rupees Four Hundred) Crore.**

RESOLVED FURTHER THAT pursuant to provisions of the section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 and Rules thereunder and as per other applicable laws (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage, hypothecation and /or create charge on all or any of the movable or immovable properties or such other assets of the Company, wherever situated, both present and future, and on whole or part of the one or more undertakings of the Company of any nature and kind whatsoever in favour of banks, financial institutions or any other lender whether Indian or International (hereinafter referred as "Lenders") to secure the amount borrowed, to be borrowed by the Company from such "Lenders" from time to time for the due repayment of the principal monies together with the interest thereon at the respective agreed rate(s) or any other charges in respect of such borrowings and such security to rank in such manner as may be agreed to between the concerned lender(s) and Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors or any person authorised by the Board of Directors, be and is hereby authorised to negotiate and settle the terms and conditions with the concerned Bank(s) / Financial Institution(s) / Lender(s), finalize the applicable instruments/agreements, deeds or any other document for borrowing the monies for the purpose of business of the Company and creating the mortgage, hypothecation or charge on the assets of the Company in relation to borrowings of monies and to do all such other acts, deeds and things necessary and incidental to give effect to this resolution."

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

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

**Date : 28th May, 2014
Place : Rai, Haryana**

NOTES:

1. A statement setting out the material facts concerning each item of special business (explanatory statement) pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 is enclosed herewith.
2. The postal ballot notice is being sent (by post or e-mail) to all the members, whose name appears in the Register of Members / List of beneficial owners, to be received from NSDL and CDSL on 30th May, 2014. Postal ballot notice is also being sent to all Directors and Auditors of the Company.
3. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by the members at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days up to 16th July, 2014.
4. Attention of members is invited towards provisions of section 188 (1) of the Companies Act 2013. As per second proviso to section 188(1), no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.
5. **Electronic Voting (E-Voting):** In compliance with the provisions of Section 110 of Companies Act, 2013 read with the Rules thereunder and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility for all its shareholders to enable them to cast their votes electronically as an alternative to dispatch the postal ballot forms. Please note that e-voting is entirely optional for the shareholder(s) and that the shareholder(s) can opt only for one mode of voting. If a shareholder has opted for e-voting, then he/she/it should not vote by postal ballot and vice-versa. However, in case shareholder(s) cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid, notwithstanding whichever option is exercised first. The Company has engaged National Securities Depository Limited ("NSDL") to provide e-voting facility to the shareholders of the Company as an alternate to dispatch the Postal Ballot Form.
6. **The procedure and instructions for e-voting are as follows:**
 - (a) In case a Member receives an email from NSDL or Link Intime India Pvt. Ltd. [for members whose email ids are registered with the Company/Depository Participant(s)]
 - i. Enter the unique user ID / password mentioned in the e-mail vide which the Postal Ballot notice and other documents have been e-mailed to you. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder-Login
 - iv. Put user ID and Password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of e-voting opens. Click on e-voting: **Active Voting Cycles**.
 - vii. Select **"EVEN"** of **Fiem Industries Limited**.
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message **"vote cast successfully"** will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.



xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution /Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csranjana@ranjanagupta.in and/or investor@fiemindustries.com with a copy marked to evoting@nsdl.co.in on or before **July 16, 2014 by 6:00 p.m.**

(b) In case a Member receives physical copy of the Postal Ballot Notice [for members whose email Ids are not registered with the Company/Depository Participant(s) or requesting physical copy]:

i. Initial password is provided as below/at the bottom of the physical Postal Ballot Form:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

7. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
8. **If you are already registered with NSDL for e-voting then you have to use your existing user ID and password/ PIN for casting your vote.**
9. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
10. The e-voting period commences on June 17, 2014 (00.00 a.m.) and ends on July 16, 2014 (06.00 p.m). During this period shareholders' of the Company, holding share either in physical form or in dematerialized form, as on the cut-off date 30th May, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
11. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 30th May, 2014.
12. **Mrs. Ranjana Gupta**, Practising Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
13. Shareholders who have received this notice by email and who do not want to avail of the electronic voting facility organised by NSDL, may send a request for obtaining this notice and Postal Ballot Form in physical form from the Registrar and Share Transfer Agent viz., **M/s. Link Intime India Pvt. Ltd, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi - 110028 ("RTA")**. On receipt of such request, the RTA will dispatch the same in physical form so that the shareholder can send back the duly signed Postal Ballot Form within the time mentioned hereinabove.
14. The Scrutinizer will submit her report to the Director or Chairman after completion of the scrutiny of the postal ballot voting. The results will be announced by the Director or Chairman on or before July 21, 2014 at the registered office of the Company and the resolution will be taken as passed effectively on the date of such declaration, if assented by requisite majority.
15. The result of the postal ballot will be communicated to the BSE Limited and the National Stock Exchange of India Limited, where the Company's shares are listed. In addition to display on the registered office of the Company, the results of the postal ballot will also be placed on the website of the Company, www.fiemindustries.com.

16. The procedure and instructions for voting through Physical Postal Ballot are as follows:

- a) A member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form (no other Form or photocopy thereof is permitted) and send it to the Scrutinizer in the enclosed self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if deposited in person or sent by courier at the expenses of the member will also be accepted.
- b) The self-addressed envelope being sent herewith bears the address of the Scrutinizer appointed for conducting Postal Ballot process.
- c) There shall be one Postal Ballot for every Folio/Client ID irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot.
- d) Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the member(s) on 30th May, 2014 (cut off date for ascertaining the members for dispatch of Notice).
- e) The Postal Ballot Form should be completed and signed by the member (as per specimen signature registered with the Company/Depository Participant). In case of joint holding, the form should be completed and signed by the first named member and in his/her absence, by the next named member and so on.
- f) In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be signed by the authorised signatory, whose signature is already registered with the Company/ RTA (please quote the Registration No. beneath the signature), or it should be accompanied by attested/ certified true copy of the Board Resolution/Authority.
- g) The votes should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Form invalid.
- h) Duly completed Postal Ballot Form should be received by the Scrutinizer not later than the close of working hours (i.e. before 6.00 P.M) on 16th July, 2014. Postal Ballot Form received after this date will be treated as if no reply from the member has been received.
- i) Incomplete, unsigned or incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
- j) A member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified hereinbefore.
- k) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed business reply envelope in as much as all such envelopes will be delivered to the Scrutinizer and the Scrutinizer would destroy any extraneous paper found in such envelope.
- l) The Scrutinizer will submit her report to the Chairman or any Director of the Company, after completion of scrutiny, on or before July 21, 2014.
- m) The Company shall announce the results of the Postal Ballot at its Registered Office situated at D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015 at 4.00 P.M. on 21st July, 2014. The date of declaration of Postal Ballot result will be taken to be the date of passing the resolutions contained in this Notice.
- n) The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.



STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS (EXPLANATORY STATEMENT) PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 1: Approval for related party transaction:

For long time, necessity of having a Marketing Head Office in Delhi was strongly felt by the management of the Company and marketing team of the Company was also suggesting for long time to have a Marketing Office in Delhi or Gurgaon. Many customers, especially HMSI have repeatedly suggesting to management to have an office either in Delhi or in Gurgaon because of long distance and travelling time to come at Corporate Office, which is situated in factory premise of Unit VII at Rai Industrial Area, Distt. Sonipat, Haryana. The location of Rai factory is in Distt. Sonipat, which is quite far from Gurgaon, Manesar and Delhi. No customer of Company is situated in Sonipat and 2 main customers of Company, HMSI and Suzuki are in Manesar and Gurgaon, respectively. Though Company is having its registered office in Delhi, but that is a very small office, without much facilities and infrastructure. Further the location of the registered office is neither convenient nor at very good place.

Further, as you are aware that the company has also diversified into LED Luminaire business which are non-automotive and general lighting products. This new product line requires special and enhanced focus on marketing. LED marketing team has also recommended many times to have an office in Delhi, from where they can manage the marketing activities.

Considering above requirements, the management of the Company had been looking for some good office premises for long term use. Management also decided to go for long term lease/license rather than purchasing the premises. The same practice is also being followed by the Company for opening the depots for supply in replacement market in various cities i.e. Kolkata, Kanpur, Raipur, Indore, Ahmedabad, Pune, Hyderabad, Chennai, Delhi etc. and none of premises is bought by the Company and all has been on lease/license basis only.

While considering the suitable commercial premises at some prime location in Delhi or Gurgaon, officers of the Company also considered the commercial premises of one of the Whole-time Director, Ms. Aanchal Jain. The premises is located at prime location near Airport, which is very close to Gurgaon as well as Delhi. Further it is in the newly built commercial building in an upcoming and new development area. It is one of the best locations in Delhi and Gurgaon. The prevailing rentals and commercial terms were enquired by the officers in the same building and discussed the proposal with Ms. Aanchal Jain. She agreed to rent out the property to the Company on the prevailing market terms.

As Ms. Aanchal Jain is the Whole-time Director of the Company and also one of the promoters of the Company, hence she is related party with in the meaning of section 2(76) of the Companies Act 2013 and also under Clause 49 of the Listing Agreement. Section 188 of the Companies Act 2013 read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of a related party transaction. Clause 49 of the Listing Agreement also comes into operation for a related party transaction. In brief, a combined reading of all these provisions and other applicable provisions suggest that in certain conditions, approval of Audit Committee, Board approval and Shareholders approval by way of Special Resolution required for related party transactions. Proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. The proposed transaction with Ms. Aanchal Jain is on prevailing market conditions hence on arm's length basis. Further, company keep taking the premises on lease/license basis on monthly rental from time to time for opening depots in various cities and currently around 10 depots are opened in the leased/license premises. However, in absence of any specific definition of term 'ordinary course of business', Board thought it prudent to obtain approval of the shareholders for the proposed transaction.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 are furnished hereunder:

1	Name of the related party	Ms. Aanchal Jain, Whole-time Director														
2	Name of the director or key managerial personnel who is related, if any and nature of relationship	<p>Ms. Aanchal Jain herself is a Whole-time Director in the Company. Further, following are directors or key managerial personnel in the Company who are related to Ms. Aanchal Jain:</p> <table border="1" data-bbox="690 1648 1429 1911"> <thead> <tr> <th data-bbox="690 1648 901 1785">Name</th> <th data-bbox="901 1648 1258 1785">Position in the Company</th> <th data-bbox="1258 1648 1429 1785">Nature of Relationship with Ms. Aanchal Jain</th> </tr> </thead> <tbody> <tr> <td data-bbox="690 1785 901 1827">Mr. J.K. Jain</td> <td data-bbox="901 1785 1258 1827">Chairman & Managing Director</td> <td data-bbox="1258 1785 1429 1827">Father</td> </tr> <tr> <td data-bbox="690 1827 901 1869">Mrs. Seema Jain</td> <td data-bbox="901 1827 1258 1869">Whole-time Director</td> <td data-bbox="1258 1827 1429 1869">Mother</td> </tr> <tr> <td data-bbox="690 1869 901 1911">Mr. Rahul Jain</td> <td data-bbox="901 1869 1258 1911">Whole-time Director</td> <td data-bbox="1258 1869 1429 1911">Brother</td> </tr> </tbody> </table> <p data-bbox="690 1911 1429 1984">All above four are Promoters of the Company and hold along with other promoter group entities 69.96% shares in the Company.</p>			Name	Position in the Company	Nature of Relationship with Ms. Aanchal Jain	Mr. J.K. Jain	Chairman & Managing Director	Father	Mrs. Seema Jain	Whole-time Director	Mother	Mr. Rahul Jain	Whole-time Director	Brother
Name	Position in the Company	Nature of Relationship with Ms. Aanchal Jain														
Mr. J.K. Jain	Chairman & Managing Director	Father														
Mrs. Seema Jain	Whole-time Director	Mother														
Mr. Rahul Jain	Whole-time Director	Brother														

3	Nature, material terms, monetary value and particulars of the contract or arrangement;	<p>Nature of the Contract: Under the contract, Company proposed to take on rent, one premises from Ms. Aanchal Jain to open its Marketing Head Office. Company can also use the premises for any other purpose as per its discretion.</p> <p>Material terms, monetary value and particulars: As per below enclosed Annexure.</p>
4	Any other information relevant or important for the members to take a decision on the proposed resolution.	As per below enclosed Annexure and facts mentioned in above paragraphs of explanatory statement.

ANNEXURE

Commercial Terms & Conditions forming integral part of the Commercial Rent Agreement between Ms. Aanchal Jain and Fiem Industries Limited

S.No.	Item	Description
1	Address of the premises	Unit No. 2D, 2 nd floor, Aria Towers, Hotel J. W. Marriott, New Delhi Aerocity, Asset Area-4, Hospitality District, Near IGI Airport, New Delhi-110037
2	Aggregate super built up area	3329 sq. ft.
3	Duration of the Agreement / Tenancy period	From 1 st August, 2014 to 30 th April, 2036.
4	Rent Commencement Date	1 st August, 2014
5	Initial Monthly Rent	Rs. 200 per sq. ft. on super built up area of 3329 Sq. ft amounting Rs. 6,65,800/-
6	Increase in monthly rent	The rent shall be increased at the rate of 15% of the last month's rent paid after expiry of every three (3) years (i.e. 36 months).
7	Monthly Rent payment date	On or before 7 th (Seventh) day of each month in advance.
8	Interest Free Refundable Security Deposit	Will be equivalent of 6 months' prevalent Rent.
9	Monthly Maintenance Charges	Directly payable by tenant to maintenance agency at the rates in force from time to time, in addition to rent.
10.	Maintenance Security	Landlord/Sub-Licensee waived this deposit.
11	No. of Car Parks	5 (Five)
12	Charges for Car Park	Nil
13	Usage of the premises	Commercial Purpose. For opening the Marketing Head Office of the Company, however Company can use the office for any other purpose as per its discretion.
14	Service Tax and any other Tax	Actual tax, which may be in force from time to time will also be payable by the tenant in addition to rent.



Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013:

Mr. J.K. Jain, Chairman & Managing Director, Mrs. Seema Jain, Whole-time Director and Mr. Rahul Jain, Whole-time Director are relatives of Ms. Aanchal Jain, Whole-time Director, hence all four are deemed to be interested in above resolution. Further, all four are promoters of the Company.

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the special resolution, wherein such contract or arrangement is considered for approval. Therefore, none of the promoter group entity will vote on the above resolution.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the said Resolution.

Item No. 2: Increase in Borrowing powers of the Board and Creation of Charges on the Company's Assets:

The Members had, in the Annual General Meeting held on 30th September, 2010 passed an Ordinary Resolution and accorded their approval to the Board of Directors for borrowings upto Rs. 200 (Rupees Two Hundred) crores, as also for creation of charges on Company's assets as required under Section 293(1)(d) and 293(1)(a) respectively of the Companies Act, 1956. On implementation of the Companies Act 2013, Section 180 (corresponding to section 293 of old Act) was made effective from September 12, 2013, which provide for approval by the Shareholders by way of Special Resolution as against Ordinary Resolution under the Companies Act, 1956. The Ministry of Corporate Affairs issued General Circular No. 04/2014 dated March 25, 2014 clarifying the position of old ordinary resolution passed under section 293 of Companies Act, 1956. In nutshell, this circular says that old ordinary resolution passed under section 293 of Companies Act, 1956 will be valid up to September 11, 2014. As such, it become necessary to obtain fresh approval of the Members by means of Special Resolution as envisaged under section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013, to enable the Board of Directors of the Company to: a) borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company; and b) create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the Banks/Financial Institutions or other lending agencies.

In addition to above compliance requirement, Board of Directors also felt the need to increase its borrowing powers in view of the expansion, diversification and new project coming up as well as for any future needs, which may arise from time to time. The diversification in to LED Luminaires and Integrated Passenger Information System for buses and railways may also require further investment. Therefore, the existing borrowing powers of the Board are proposed to be increased to Rs. 400 (Four Hundred) crores. The Board of Directors should be empowered to borrow / raise the funds, as and when need arises. Hence, the Members' approval is being sought pursuant to Section 180 of the Companies Act 2013 by way of Special Resolution.

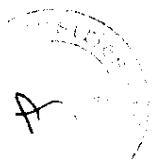
Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013:

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the above Resolution.

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

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

**Date : 28th May, 2014
Place : Rai, Haryana**





Fiem Industries Limited

Regd. Office: D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015

Tel: +91-11-25927820, 25927919 Fax: +91-11-25927740

Website: www.fiemindustries.com CIN: L56999DL1989PLC034928

POSTAL BALLOT FORM

Serial No.

1.	Name and Registered Address of the Sole/First Member/Beneficial Owner
2.	Name of the Joint Member(s), if any
3.	Registered Folio No. (For Shares held in Physical mode) / DP ID & Client ID No. (For Shares held in dematerialized Form)
4.	Number of Shares held

5. I/we hereby exercise my/our vote in respect of the Resolution(s) to be passed through Postal Ballot for the Business stated in the Postal Ballot Notice dated 28th May, 2014 of the Company by sending my/our assent or dissent to the said Resolution(s) by placing the tick (✓) at the appropriate box below:

Item No.	Description	No. of Shares for Which vote	I/We Assent (For)	I/We Dissent (Against)
1.	Special Resolution Under Section 188 of the Companies Act, 2013 for Approval of Related Party Transaction			
2.	Special Resolution under section 180 of the Companies Act, 2013 for increase in borrowing powers of the Board of Directors of the Company and creation of charge on the Company's Assets.			

Place :

Date :

Signature of the Member

EVEN (Electronic Voting Event Number)	Your User ID	Your Password



Note: Please carefully read the Instructions printed overleaf before completing this Form.

INSTRUCTIONS:

A member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form (no other Form or photocopy thereof is permitted) and send it to the Scrutinizer in the enclosed self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form, if deposited in person or sent by courier at the expenses of the member will also be accepted.

The self-addressed envelope being sent herewith bears the address of the Scrutinizer appointed for conducting Postal Ballot process.

There shall be one Postal Ballot for every Folio/Client ID Irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot.

Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the member(s) on 30th May, 2014 (cut off date for ascertaining the members for dispatch of Notice).

The Postal Ballot Form should be completed and signed by the member (as per specimen signature registered with the Company/Depository Participant). In case of joint holding, the form should be completed and signed by the first named member and in his/her absence, by the next named member and so on.

In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be signed by the authorised signatory, whose signature is already registered with the Company/ RTA (please quote the Registration No. beneath the signature) or it should be accompanied by attested/ certified true copy of the Board Resolution/Authority.

The votes should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Form invalid.

Duly completed Postal Ballot Form should be received by the Scrutinizer not later than the close of working hours (i.e. before 6.00 P.M) on 16th July, 2014. Postal Ballot Form received after this date will be treated as if no reply from the member has been received.

Incomplete, unsigned or incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.

A member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified hereinbefore.

Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed business reply envelope in as much as all such envelopes will be delivered to the Scrutinizer and the Scrutinizer would destroy any extraneous paper found in such envelope.

The Scrutinizer will submit her report to the Chairman or any Director of the Company, after completion of scrutiny, on or before July 21, 2014.

The Company shall announce the results of the Postal Ballot at its Registered Office situated at D-34, DSIDC Packaging Complex, Kirti Nagar, New Delhi-110015 at 4.00 P.M. on 21st July, 2014. The date of declaration of Postal Ballot result will be taken to be the date of passing the resolutions contained in this Notice.

The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.