



“FIEM Industries Limited  
Q4 & FY’21 Earnings Conference Call”

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Hosted by Monarch Network Capital Limited



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**MANAGEMENT: MR. J.K JAIN – CHAIRMAN AND MANAGING DIRECTOR  
MR. RAHUL JAIN – DIRECTOR  
MR. RAJESH SHARMA - DIRECTOR  
MR. O.P GUPTA - CHIEF FINANCIAL OFFICER  
MR. ARVIND CHAUHAN – COMPANY SECRETARY  
OTHER FINANCE TEAM MEMBERS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 & FY'21 Earnings Conference Call of Fiem Industries Limited hosted by Monarch Network Capital Limited. This conference call may contain forward-looking statements about the Company which are based on beliefs, opinions and expectations of the Company as on date of this call. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anubhav Rawat from Monarch Network Capital Limited. Thank you and over to you, sir.

**Anubhav Rawat:** Thank you, Mallika. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all to Q4 & FY'21 Conference Call of Fiem Industries. We will start the call with initial comments about the results and future outlook of the Company and then we will open the floor for question-and-answer.

So, without much delay, I now hand over the call to Mr. J.K. Jain – CMD of the Company. Over to you, sir.

**J.K. Jain:** Thank you. Good afternoon to all. I welcome you all to the Q4 & Full Year FY'21 Earning Call of your Company. Last year has been a very challenging year for all of us personally and professionally. I would like to begin by wishing you and your families' good health. Along with me, on this call, I have Mr. Rahul Jain – Director; Mr. Rajesh Sharma – Director; Mr. O.P. Gupta – CFO; Mr. Arvind Chauhan – Company Secretary and Other Members of finance team.

Let me start with an Overview of the Industry and Brief Update on our Financials. The detailed financial results will be highlighted by our CFO, and then we will start the session on questions and answers.

During this COVID-19 pandemic, domestic two-wheeler industry in FY'21 went through a tough time and overall domestic industry declined by 3.2% from 17.4 million units to 15.1 million units. Within the two-wheeler segment, scooter declined by 19.5%, motorcycle by 10.6% and moped by 3.07%. Reflecting the above trend, the production volume of our key customer degrew, Honda by 23.5%, TVS by 5.1%, Yamaha by 14.5% and Suzuki by 24.9%. We were also significantly hit with the plant shutdown in Q1 FY'2. However, we have been able to recover from Q2 onwards reflected in the strong Q4 numbers which I am sure you would have seen in the results.

For the full year FY'21, our sales declined by 11.1% which was marginally better than the overall trend of our OEM customers. In spite of this environment, we managed to grow our export and also some key customers like Yamaha during the year. Share of the automotive LED was 40% of our total automotive lighting in FY'21. This has remained stable this year due to the pandemic,

but we expect this to increase to 60% over the next two, three years. The other key area of our focus is the EV market. We see a lot of opportunities in this segment. Over one year, we have worked extensively in this space. As you are aware, government has announced several incentives and new policy framework which would help EV to grow. We see lot of potential as our products are key to all the EV vehicles. We have been actively engaged with the leaders in this segment and are developing several products with them. We expect EV to be a significant driver of our growth over the next two, three years. Going forward, I remain cautious in my approach for the current financial year as we watch how the pandemic plays out, I do see medium to long-term a very positive outlook for our industry.

Now, I hand over to our CFO, Mr. Gupta and the team to update the detailed numbers.

**O.P. Gupta:**

Thank you, sir. Good afternoon to everyone. I will present the Q4 numbers after which I will cover the full year. The Company registered highest quarterly sale of Rs.415 crores in Q4 FY'21 against Rs.319 crores in corresponding quarter of '19-20, representing an increase of 30% over same period of FY'20. EBITDA was Rs.53.33 crores, translating into an EBITDA margin of 12.85% as against an EBITDA of Rs.37.17 crores. PAT of the Company of Q4 of FY'20-21 was Rs.25.49 crores as compared to Rs.22.98 crores in Q4 of FY'19-20. The increase in PAT is driven by highest sale in Q4 coupled with cost cutting measures undertaken by the Company.

Now, I will cover the Performance for Full Financial Year 20-21. The Company has been able to achieve net sales of Rs.1,207 crores during the financial year 20-21 as against the sale of Rs.1,366 crores during the financial year '19-20. This represent a decline of 11.6% on yearly basis. The decline in sales is due to lockdown because of COVID-19 pandemic in Q1 of FY'21. The Company has been able to earn an EBITDA of Rs.130.60 crores, being 10.82% during FY'20-21 as against EBITDA of Rs.155.77 crores being 11.4% during the FY'19-20. The margin of fall in EBITDA was due to effect of lockdown because of COVID-19 pandemic in Q1 of FY'21. PAT of the Company for FY'2021 was Rs.47.12 crores as against Rs.78.92 crores during FY'19-20. The decline in PAT is because of lockdown due to COVID-19 pandemic and resultant lower sale for the year. Moreover, the PAT of FY'19-20 included a reversal of deferred tax expense of Rs.14.52 crores on account of the Company exercised option of payment of lower income tax as amended provisions. If the effect of lower income taxes excluded from the PAT of FY'19-20, then a net decline in the PAT on year-on-year basis will work out to Rs.17.28 crores only. During FY'20-21, the Company has made a CAPEX investment of Rs.18.55 crores. Further, we are net zero debt Company.

I am pleased to inform you that the board has recommended a final dividend of Rs.15 per share for FY'2021.

With this, I end the financial brief and now the floor is open for question-and-answer. Thank you.

- Moderator:** We will now begin the question-and-answer session. The first question is from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.
- Ashutosh Tiwari:** On Yamaha, I think we have further seen improvement in revenue, contributed 15% of sales in Q4 FY'21. So, is it more driven by the cost reduction by Yamaha, or this also includes significant amount coming from the export from our side?
- Rajesh Sharma:** Here, Rajesh Sharma. Major portion of our sales is of course because of the LED items which is being applied for the domestic market as well as for the export to Japan as well as other countries.
- Ashutosh Tiwari:** This can increase further from here, is it?
- Rajesh Sharma:** Of course.
- Ashutosh Tiwari:** And Yamaha, the lighting only or some others as well?
- J.K. Jain:** No-no, we supply all the lighting assemblies.
- Ashutosh Tiwari:** So, is it only lighting or rear-view mirrors and all those products also supplied to Yamaha?
- Rajesh Sharma:** These are all lightings and there are mirrors, but those percentages are very less.
- Ashutosh Tiwari:** As of now, you have told us that you are ramping up supplies to more models of Yamaha. Can you provide some update how many models globally supplies of now and how it can increase going ahead?
- Rajesh Sharma:** As of now, five projects are already in mass production for the export model and two products are there in India. Out of the one series model only which is called MT15 Series wherein we developed our C and Class-D models of Headlamp which are mainly be considered as a sole distribution of these headlamps worldwide. So, any of the new projects which are coming into portfolio of Yamaha, they are implementing the same headlamp model by changing the configuration of lighting source and being applied for the new vehicle development.
- Ashutosh Tiwari:** So, you are saying that as of now you are supplying for five projects globally and two in India, right, is it correct?
- Rajesh Sharma:** Right, this is only of the model which is being exporting as well as for domestic market. Other than that, there are four models which are already in mass production for domestic market.
- Ashutosh Tiwari:** And the number of models can increase further, or we have already reached the potential?
- Rajesh Sharma:** We are further working on four projects as of now, will be introduced during next year and next to next year.

- Ashutosh Tiwari:** So, the contribution from Yamaha can increase further from here?
- Rajesh Sharma:** Sure.
- Ashutosh Tiwari:** And then secondly, I don't read it clearly, but is it others have also increased a lot like 10% in our sales in Q4 basically, it will get revenue contribution from OEMs, is that driven by which particularly OEM doing better for us?
- Rajesh Sharma:** These all are club of all other OEMs because we have included a few of our tractor market like Escort Kubota, we are the exclusive supplier for that. So, that also comes under these others customers only.
- Ashutosh Tiwari:** In terms of the new development work that we are probably doing in two weeks and all, how do you see the share of LEDs in the scooter and motorcycle separately, so far we have seen more about Yamaha, we have seen more trend of this LEDs in the scooters, so do you see the motorcycle segment in terms of new projects that you are doing currently, the LED can increase in motorcycle as well?
- Rajesh Sharma:** Yes, definitely because if we talk about Yamaha, there are only two models wherein scooter is being introduced with LED, wherein other all segments are of motorcycle only. Similarly, if we talk about Suzuki, Suzuki, almost three of their models like Gixxer, that is a highly sales volume of domestic as well for export are having LED headlamps and scooter is only one model which is having LED from our supply. So, all other customers are obviously going to headlamps with motorcycle as well as the scooter.
- Ashutosh Tiwari:** So, going ahead, the penetration like you said two, three years, LED contribution can move towards 60%?
- Rajesh Sharma:** Yes, as Mr. Jain already talked about this, it will be of course 60% or more during next two years or three years.
- Ashutosh Tiwari:** Mr. Jain also talked about good amount of work with this EV two-wheeler OEMs. Can you name a few of the OEM with which we are working currently in terms of work?
- Rajesh Sharma:** As of now, we are under NDA, and we cannot disclose the name, but you will see in next few months. Once they introduce the model, we can definitely say.
- Ashutosh Tiwari:** But you mentioned Okinawa you already supply to?
- J.K. Jain:** Yes, Okinawa is our existing customer.
- Ashutosh Tiwari:** You also supply for Ampere and all or that is not there as of now?

- Rajesh Sharma:** Ampere is supplied by us, not all the components but because some of the components they are buying from China but there are few products which we are supplying from off-the-shelf portfolio.
- Ashutosh Tiwari:** And these EVs will have more of LED than halogen, right?
- Rajesh Sharma:** Of course, all the EVs customers to whom we are working as of now are with LED lamps only.
- J.K. Jain:** Basically, LED is the power because if they use the conventional, then power will be huge, so their mileage will affect. So, it maybe LED only.
- Ashutosh Tiwari:** What is the utilization level of our plants on an average in Q4?
- Arvind Chauhan:** At the moment, we are working on 65% for full year; and Q4 it was more than 75%.
- Ashutosh Tiwari:** I think from these plants will probably go towards around say Rs.2,000 crores plus kind of revenue?
- J.K. Jain:** Yeah, we are estimating around Rs.1,700 crores.
- Ashutosh Tiwari:** Lastly, in this rearview mirror sales in the PPT if I look at for the full year, there is drop of only 2%. So, have we gained more share in this business from some OEMs while drop was very low in this segment despite the two-wheeler drop this year?
- Rajesh Sharma:** I understood your point. The rearview mirror is converting from conventional to little bit of high-end model motorcycle. If you see those are all not only standard type, but it is also all die casting type. So, the cost will of course be high in that area and values are increasing by this way.
- Moderator:** The next question is from the line of Anubhav Mukherjee from Pristine Capital. Please go ahead.
- Anubhav Mukherjee:** Can you tell us like how has been the traction in Piaggio because Piaggio was added as a customer, are we like exporting to their international models, how is it?
- Rajesh Sharma:** The model, which is being recently introduced by Piaggio India, that is LED Headlamp with the complete LED headlamp model, with respect to the rear also is LED and this is not only for the domestic market, we have already started exporting in last four months to Europe also.
- Anubhav Mukherjee:** Can you share the other models as well?
- Rajesh Sharma:** We are further working on two models to get business for domestic as well as for export market.
- Anubhav Mukherjee:** How much is the Piaggio opportunity be like?

- Rajesh Sharma:** Volumes are not much with respect to the other customers, but of course, if we talk about the model mix with respect to the domestic and export, we can have a good strength of business with respect to the customer like Piaggio.
- Anubhav Mukherjee:** Sir, have we made any inroads into Hero? I think Hero has hinted, we are trying to enter into Hero, is there any development?
- Rajesh Sharma:** Yes, we are very closely working as of now with Hero to get some new business because we are entering to a business where it is a reserved train, where almost three or four players are there, of course, they are number one player in the automotive industry for the two-wheeler and we hope we will get some business during coming months.
- Anubhav Mukherjee:** Finally, will it be possible to share that are we working with Ola Electric?
- J.K. Jain:** As of now, we cannot disclose, because it is again in the EV sectors, so we have already signed some NDAs with all the EVs, we will definitely disclose very soon with all the OEMs.
- Arvind Chauhan:** It is for all customers.
- Moderator:** The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** I have a couple of questions. So, one, on your growth part, what you have delivered for Q4 and what you have delivered for FY'21, if you could just help us understand the bridge in terms of your growth vis-à-vis the industry growth and where we gain, so let us say you said Yamaha is now 15% of the revenue, so we could understand that in Yamaha you have gained percentage of revenue, if you could give that bridge would be very helpful for us to understand? I am asking for what happened in '19 and what happened in Q4 because even last year also you have outperformed the industry volume. So, just wanted to understand which are the accounts would have outperformed.
- Arvind Chauhan:** Overall in Q4, every customer has contributed for the increase. And majorly, Yamaha account is exceptional.
- Rajesh Sharma:** Not only Yamaha. If we talk about the export market, export either in Europe or in any of the Asian countries their market was always going up during the months of July, August and September. And these all-months materials were three months before because the transit time and all. So, Q4 was the time when we exported much of materials to Yamaha as well as to Suzuki also and same month we started supplying to Harley-Davidson also for US market as well as Thailand market and some of the export to Austria. So, joint together, all this figure is given for Q4.

- Pritesh Chheda:** So, as a percentage of revenues, these two accounts would have gained how much in your revenue mix versus last year?
- Arvind Chauhan:** Yamaha is now around 13-14% versus 11%.
- Pritesh Chheda:** How about Suzuki?
- Arvind Chauhan:** Suzuki is 8% versus 7.75%.
- Pritesh Chheda:** Other observation, Honda had particularly a tough year last year vis-à-vis others. So, how do you see this account in the upcoming couple of years because it had a product cycle challenges earlier than others?
- Rajesh Sharma:** Of course, because of the COVID, new business development has already been postponed for all the customers and Honda is out of them because BS VI is being introduced pre-COVID only. And those models are not yet been launched properly in the market and two times the COVID has disturbed overall sales. But we are expecting very good market during coming months, of course, first quarter again will be low during this year also, but we are expecting much more better results during coming months.
- Pritesh Chheda:** What should be the Fiem Industries revenue growth target over the industry volume growth, do you have any internal targets where we will grow x-times more or x-percentage more than the industry if you could help us understand there? A question on halogen to LED where 40% moves to 60%, what do you expect the percentage in your top line growth over the next three years or next two years whatever you are comfortable with?
- J.K. Jain:** If you see our graph, apart from the COVID, we had been doing 20%-(please read it 10%)-plus. Our thinking is like that, and things are very **(Inaudible) 27:32**. But with COVID pandemic we can't say how long it is going to be and how it is going to be, but the trend is very definitely promising.
- Pritesh Chheda:** Would you be able to retain or expand your market share considering two-wheeler space itself is going through big change?
- Rajesh Sharma:** As we told earlier, we again working very constantly with the EV OEMs and further growth will be towards the EV industries and we are very much at it, and we are very much hopeful that we will have a very good market share in future also.
- Pritesh Chheda:** Will the business for vehicle also increase when you move from conventional to EV?
- J.K. Jain:** Yes, definitely, as we told earlier, from 1.8 to 2 times.
- Pritesh Chheda:** For the same product?



- J.K. Jain:** Yes.
- Pritesh Chheda:** Any reason why it is 1.8 to 2 times for the same product?
- J.K. Jain:** Because of the LED, LED versus conventional we are talking about.
- Pritesh Chheda:** LED versus LED is it the same?
- J.K. Jain:** No, depend on the model because if it is 100cc, 150cc, it will be a different thing, that 200cc it will be different. So, all capacities depend on the customer choice. Basically, depend on the OEMs mainly because the more higher vehicle will be there, then the yields will be better, and margins will be better.
- Pritesh Chheda:** We were operating at about 75% utilization in Q4. You mentioned the kind of peak utilization possible. When we look at the margin of Q4 and Q3 at about 12%, do you think incrementally we are sustainable post the expansion or do you have an observation otherwise?
- J.K. Jain:** No, as I told earlier, many projects have almost reached to... but due to the COVID the production has not taken place. So, in future we will see many products getting ready, and it is about to launch. Due to the COVID, this has not been introduced. We hope that the trend is very good.
- Pritesh Chheda:** What is the progress on your Aisan JV?
- Arvind Chauhan:** See, Aisan JV they did Rs.100 crores turnover and this full year loss is Rs.1.5 crores, but in last quarter they reported profit.
- Pritesh Chheda:** What is the expected progress sir?
- Arvind Chauhan:** This year it is around Rs.165 crores
- Pritesh Chheda:** But we had some Rs.400-odd crores target in Aisan, so where are we on that particular journey?
- Arvind Chauhan:** No, the peak revenue we estimated around Rs.250 crores with this current investment. When the next phase will come, then only it is Rs.400 crores or Rs.500 crores whatever that.
- Pritesh Chheda:** What would be the margin of that Rs.265 crores?
- Arvind Chauhan:** This is a JV Company, so this is the first year only we already informed.
- J.K. Jain:** Due to the COVID, it could not perform.
- Pritesh Chheda:** What is the capital expenditure plan for '22 and '23?

- J.K Jain:** We are planning Rs.35 crores. But as per the customer demand we are ready to do more.
- Pritesh Chheda:** This Rs.35 crores also takes care of the growth CAPEX and what is the capacity addition?
- J. K. Jain:** This Rs.20 crores is for maintenance and Rs.15 crores is for the new project. There is no capacity constraint, and we are at the moment almost 65%, except Q4.
- Pritesh Chheda:** So, this Rs.15 crores of new project would affect....?
- J.K. Jain:** For new projects, we have to put the new assembly lines and other things.
- Pritesh Chheda:** You mentioned out of Rs.35 crores, Rs.25 crores was maintenance and Rs.15 crores was new line, so that Rs.15 crores is basically growth CAPEX, so that comes at what asset turn?
- Arvind Chauhan:** Our asset turn in total is 1:2 approximately.
- Pritesh Chheda:** So, this Rs.15 crores of new line will add you about Rs.30 crores of business, that's how it is?
- Arvind Chauhan:** Yes, Rs.30 crores.
- Pritesh Chheda:** Incrementally, would you maintain the payouts that you have reported in the current gone by year or why do we have...?
- Arvind Chauhan:** It all depend on the situation; means we try to maintain 20% to 25% to the cash profits.
- Moderator:** The next question is from the line of Priyadarshi Srivastava from Monarch Network Capital. Please go ahead.
- Priyadarshi Srivastava:** Sir, just wanted to know what component of your raw material is still procured from China and Korea and what we are doing to equalize that and how much is it really possible?
- Rajesh Sharma:** These are all electronic components and localization of course can be only possible to do the PCB assembly which we are already doing, but semi-conductors are all imported from the other countries only.
- Priyadarshi Srivastava:** How much of the components come from China and Korea sir?
- Arvind Chauhan:** It is around 10% of total import.
- Priyadarshi Srivastava:** So, raw materials will remain somewhere around that level?
- Rajesh Sharma:** Yes.

- Priyadarshi Srivastava:** Also, wanted to understand as you have been very positive on the outlook going ahead, so do you expect that the margins to go higher than 15% in the coming quarter?
- J.K. Jain** If more sales are there, then margins will be better.
- Moderator:** The next question is from the line of Ankita Gupta, an individual investor. Please go ahead.
- Ankita Gupta:** I just wanted to know what your growth guidance is for the year 2022 and 2023 and where will the incremental growth come from.
- Arvind Chauhan:** As already Chairman informed, it all depends on EVs, we are working closely, so next growth driver will be the EV, but it all depends on how the COVID plays out, we are working with all the OEM customers to increase the sale.
- Finance Team:** I think from our side what we do is to keep a diversified product line with the number of customers as you have seen sometimes in the past, one customer has come while the other is impacted. So, our strategy has always been diversification of products and customers. So, that's all we could do but other than that we have to see how pandemic plays out over the next two quarters. But overall, I think medium-term outlook we can give which is positive.
- Ankita Gupta:** The dividend has been paid. Can we expect this to continue over the next year?
- Arvind Chauhan:** What we are saying is we will try to maintain 20% to 25% of the cash profits.
- Ankita Gupta:** One of your peers mentioned Ntorq is with them. Can you throw some light on which models we have loss and gain for the year 2021?
- Arvind Chauhan:** Ntorq, we are supplying all components. Our Tail Lamp is 60% and in Front Blinker we are 100%, Rear we are 60%, Number Plate also we are supplying, our share is 60%, Reflex Reflector we are 100% in round and Rectangle we are 60%, Mirror we are 70%, Headlamp is reduced, around 10%. So, we are supplying all products for Ntorq.
- Moderator:** The next question is from the line of Piyush Sharma, an individual investor. Please go ahead.
- Piyush Sharma:** Just wanted to get your thoughts on headwinds on account of chip shortage across the supply chain. So, what is your sourcing perspective and also updates from OEMs perspective, what are you seeing out there?
- Rajesh Sharma:** Of course, worldwide there is a shortage but how to maintain is the most important because we are taking the forecast from our customers for not only one year, even though we have asking them for two years also and we are placing our forecast and orders to our suppliers accordingly and we are keeping almost nine months confirm orders to our suppliers and our inventory is

being increased by one month or two months or three months also. So, somehow we are managing as of now very well and we have as such did not feel any shortage of semiconductors.

**Piyush Sharma:** And your discussion with parts procurement guys with OEMs, what are they telling you, do they see the bottleneck kind of moderating going into 2022?

**J.K. Jain:** Everybody is aware of the shortage. So, this is how we have to maintain our inventory level and keep the sourcing very strong because this phenomena, shortage of semiconductors is known to everybody.

**Rajesh Sharma:** Apart from this, there are suppliers, we know there are three or four companies are having big shortage worldwide but they are off-course available, so whenever we are coming for the new projects, we will be going through new product launch range wherein the shortages will be faced during next development time, which I will say we are managing our show very well.

**Piyush Sharma:** Going into pandemic, the Japanese big three you said most of us five years or even a decade, trend of centralized procurement was very-very visible, then comes the pandemic of course and all of a sudden, we got one more angle to deal with which is how to minimize focus in China, we can argue all day whether it makes sense or not, but your benefits that you had in terms of incremental procurement from the likes of Yamaha, is it more coming to you because of accelerated general procurement by Yamaha or you think at least part of it could be attributed to this China Plus One strategy?

**Rajesh Sharma:** There is no impact of China. It is totally dependent on the QCDDM of the supplier. And we started one product with Yamaha, Japan and that was well-accepted, and we perform our quality level, cost level, management level to give them a confidence and based on that only they started giving this business to us.

**Piyush Sharma:** And totally, are you having more discussions with the procurement guys in Japan then you are doing with the local counterparts in India versus what you have seen three, four years ago it's largely the same?

**Rajesh Sharma:** It is totally a mix because R&D is controlled from India as well as from Japan, but of course, purchasing is from domestic only because we are exporting to Yamaha, so all discussions are with Yamaha India.

**Piyush Sharma:** The discussions within India, are you still discussing within the same structure, or you are seeing new strategic business units come up, that are more focused or centralized procurement, and your discussions are happening with them as well or is it same ongoing?

**Rajesh Sharma:** This is ongoing, every customer is now centralizing and of course they are de-risking and they are mainly dependent on the Indian market to have a more and more export from India.

- Moderator:** The next question is from the line of Ashish Rathi from Lucky Investment Managers. Please go ahead.
- Ashish Rathi:** How many products were launched in FY'21?
- Rajesh Sharma:** If we talk about customer side, four complete models is being launched by customers as well as two for export also, so there are six overall models was launched.
- Ashish Rathi:** Four domestic and two exports? What is the visibility on launches in FY'22?
- Rajesh Sharma:** Of course, it is ongoing. We will be thinking plus what we did in last year.
- Ashish Rathi:** On a broader guidance, you have indicated like you could launch 50-odd products in the next four to five years. Is that exact realistic number and what kind of revenue can we sort of estimate from this, broad indication?
- Rajesh Sharma:** We had already disclosed like we are expecting another Rs.250 crores of business that will be coming out with the 30-plus projects which are under development right now with the different customers.
- Ashish Rathi:** What would be the expected sales mix for domestic versus exports in this Rs.250 crores kind of a number what you have indicated?
- Rajesh Sharma:** It is totally dependent on the customers because every customer is thinking to have increase of 20% on year-on-year but totally depend on the model mix which is being accepted by the customers. So, we hope one product will be if not perform, another product will be. So, overall volumes will be of course considered by customer also as well as from our side.
- J.K. Jain:** Moreover, when they launch the vehicle, then only we will come to know whether they are going for export, or it is for local. So, initially they don't disclose the same.
- Ashish Rathi:** At a Company level, how different are our margins between export and domestic?
- Rajesh Sharma:** Margins are same because customer is same they will not give money for export.
- Ashish Rathi:** What are the replacement market sales in FY'21?
- Arvind Chauhan:** Rs.79 crores.
- Ashish Rathi:** This number was how much sir last year FY'20?
- Arvind Chauhan:** Flat at Rs.79 crores last year as well as this year.

**Moderator:** The next question is from the line of Priyadarshi Srivastava from Monarch Network Capital. Please go ahead.

**Priyadarshi Srivastava:** Sir, just wanted to have an update on your entry at the four-wheeler segment.

**J.K. Jain:** As we told earlier, we are purely a two-wheeler Company and some of the models we are doing for commercial vehicles as well as for tractors. But coming into the four-wheelers, we are trying, and we are hopeful that in another three to four years' time we should be able to enter into the four-wheeler segment especially in the car segment.

**Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**J.K. Jain:** Thank you. I believe that we have been able to reply all your queries adequately. I would like to thank everyone for sparing your valuable time and participating in the concall. Please stay safe and healthy. Thank you very much.

**Moderator:** On behalf of Fiem Industries and Monarch Network Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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**Note: In this transcript, corrections has been carried post receipt from chorus call.**