



Fiem Industries Limited
Q1FY'26 Earnings Conference Call

August 14, 2025



COMPANY MANAGEMENT

- **MR. J.K. JAIN – CMD**
- **MR. RAJESH SHARMA – JMD**
- **MR. ARVIND CHAUHAN – CS**
- **MR. RAHUL JAIN – JMD**
- **MR. VINEET SAHNI – CEO & DIRECTOR**
- **MR. O.P. GUPTA – CFO**
- **OTHER FINANCE TEAM MEMBERS**

HOSTED BY

MR. SAHIL SANGHVI – MONARCH NETWORK CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '26 Earnings Conference Call of Fiem Industries Limited hosted by Monarch Network Capital Limited.

Kindly note, this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These 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 would now hand the conference over to Mr. Sahil Sanghvi. Thank you. And over to you, sir.

Sahil Sanghvi: Thank you, Muskan. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all to the Q1 FY '26 Conference Call of Fiem Industries Limited.

We will start the call with the initial comments about the results and the future outlook of the company, and then we will open the floor for questions and answers.

Now, I will hand over the call to Mr. J. K. Jain – Chairman and Managing Director of the company. Over to you, Jain sir.

J. K. Jain: Thank you. Good afternoon, and welcome to the Q1 FY '26 earning call of Fiem Industries Limited.

Joining me on today's call are Rahul Jain – Joint Managing Director, Rajesh Sharma – Joint Managing Director, Vineet Sahni – CEO and Director, Arvind Chauhan – Company Secretary, O. P. Gupta – CFO, and other members of the finance team.

Our Investor Presentations and the Results are now available on our Website and on the Stock Exchange. We trust you must have reviewed the same.

Let me start with a brief overview of Indian economy.

India remains the fastest-growing major economy in the world with the GDP forecasted to grow at 6.4% in FY '26. However, the recent imposition of the steep U.S. tariff, now totaling up to 50% on Indian export, is creating near term headwinds for some sectors. Fiem remains unaffected with this challenge. The long term outlook remains optimistic and strong. India's strong economic fundamentals, low inflations, healthy government finances, and ongoing reforms will continue to boost the sentiment. Efforts to expand export markets and build new trade agreements like the recent UK FTA should keep the country on a steady growth path.

Now let me turn my attention to the domestic automotive industries.

The Indian two-wheeler industries began FY '26 on a soft note with domestic production volumes of 5.9 million units, which is flat over last year. This is largely seasonal and demand typically softened in the early months of the fiscal year.

With the festive season kicking in, supported by a good monsoon, the industries poised for a healthy rebound. Against this backdrop, Fiem has been able to post a very strong performance for Q1 FY '26.

Our sales have grown more than 13%, to Rs. 649 crores, and we were able to deliver a PAT of Rs. 56 crores. This growth was fueled by the robust demand from our peak OEM customers like TVS, Royal Enfield and Yamaha, which has contributed to this significant growth.

Let me now turn my attention to the four-wheeler segment which continues to move forward. *[..line disrupted..]*. We are also very pleased to share that we have received development orders for three additional products from Force Motors. Our engagement with the customer on new technology is progressing well. This successful entry into the four-wheeler space marks a significant leap forward in our journey to become a multi segment global player.

Building on this performance, Fiem remains well positioned to capitalize on industries recovery through our technology investment and customer partnerships. One such investment is our state-of-the-art EMC/EMI electronic validation laboratory now under installation and set to be the first of its kind in the Indian automotive lighting industries. This facility will unite our mechanical, optical, and electronic capabilities under one roof.

As lighting becomes increasingly integrated with electronics and communication features, this lab will be a game changer strengthening our technological edge and re-forcing Fiem's leadership in performance and quality.

Looking ahead to FY '26, I am confident in both the industry's growth potential and the Fiem's strong position to capitalize on it.

With this, I hand over to Mr. O.P Gupta and the finance team to update on operational performance.

O. P. Gupta:

Thank you, sir. Good afternoon to everyone.

I would like to present the Q1 number for FY '26 compared to Q1 of FY '25:

During the quarter, the company has registered sales of Rs. 649.07 crore as compared to Rs. 573.61 crore over the same quarter last year, registering a growth of 13.16%. LED lighting share in total automotive lighting stands at 63.92%. The EBITDA in Q1 is Rs. 87.36 crore, translating

into an EBITDA margin of 13.46% as compared to Rs. 78.77 crore over the same quarter last year with EBITDA margin of 13.73%.

The PAT of the company has also increased to Rs. 56.05 crore as compared to Rs. 49.2 crore in Q1 of FY '25, representing an increase of 13.92%. During the quarter, the company has made a CAPEX of Rs. 16.53 crore.

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

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from Shubham Sehgal from SIMPL. Please go ahead.

Shubham Sehgal: Yes. Thanks for the opportunity. My first question is, so we are with our non-LED portfolio with around Rs. 172 crores to Rs. 180 crores. Do you see this scale further going down or that the market in terms of supply and our provisioning? So, let us see if the number can sustain at this level.

Management: Can you please repeat this question, we lost you in between.

Shubham Sehgal: Yes. My question was that our non-LED portfolio has been stable around Rs. 170 crores - Rs. 180 crores. So, I just wanted to ask that, do you see this scale further going down or should we sustain at these levels?

Management: Yes, see on the LED, what we maintained is that we are currently at 64% as our total automotive sales and this will continue to go up. And over the next couple of years, this number should increasingly go up because our pipeline is 100% LED, all the new models that we are doing is LED.

Shubham Sehgal: Okay. Got it. My next question was, with our LED business scaling pretty strongly, as you mentioned, so how, and how many do we plan to add over the next two years? And what percentage of regular CAPEX will be behind molds?

Management: You may want to just repeat that question. If, operator, if you could sort of help with the, line, we are getting a lot of void in between. In between, we cannot hear this. So, if you could repeat that question.

Shubham Sehgal: Yes. I will repeat it. Yes, definitely. So, I was saying that our LED business has been scaling pretty strongly. So, how many SMD lines do we have as of now? And how many do we plan to add over the next two years? And what percentage of regular CAPEX will be behind molds?

Management: So, we are looking to add another 10 SMT lines over the next couple of years.

Shubham Sehgal: How do we have currently at the moment?

- Management:** We have 10 SMT lines in our company and we are planning for another 10 machines in next one year.
- Shubham Sehgal:** Okay. And what percentage of regular CAPEX will be behind molds?
- Management:** See, the total CAPEX, if I was to highlight for the current year is around Rs. 75 crores to Rs. 100 crores. This includes everything. There is a new facility that is being planned, new CAPEX on SMT lines and so on. So, that is the composite figure.
- Shubham Sehgal:** Okay. Got it. My next question was about our key customer HMSI. So, like some growth that we have achieved would be due to the better realization like from the shift to LED. But apart from this, if we see that growth with HMSI versus their production rate, it has been at par or even lower at times. So, like would you be able to provide any color on this?
- Management:** So, our growth is largely in-line with how much growth HMSI is showing. HMSI has almost had a flat quarter this year and, marginal 1 percentage point or 2 percentage point here and there is basically a result of a specific product mix. There are one or two models that will go up. They could be non LED that could result in a lower realization and so on. But largely the customer, our share, wallet share with the customer is absolutely the same or better and our production is in-line with their own production.
- Shubham Sehgal:** But sir, on this, if we see that about our competitors, they have been winning major business from HMSI and like you could say example e-Activa, and they also have a further pipeline built. And we also have been, Fiem has been a major supplier to HMSI. So, considering our growth versus our competitors' growth with HMSI, is there any share that we have lost?
- Management:** No, we have not lost any share from HMSI. And wherever there are few products which are already in development as of now at our end, will be launched during next year. Few products which are together with our competitors has already been launched. That is the only difference.
- Shubham Sehgal:** Okay. But would you be able to say that in volume terms, how has our performance been with HMSI? If we have not lost any share, what would be the performance in volume terms?
- Management:** It is a flat only. There is no change of volume, no change of share of business.
- Shubham Sehgal:** Okay. Got it. Just one request from my side. I mean, if you could start providing the wallet share figures that we used to provide? So, as investors, we could have a better understanding on this.
- Management:** See, the practical issue around wallet share is that you would appreciate there are thousands of models now, and every day there is a new model, there is a new variation. There could be one model with LED, one without LED. It is very difficult to compile it. We try and compile as best as we can to give you a direction in terms of our overall market share, what it is. But model-wise, and you know the vagaries that you are talking about are all model wise. One model has

gone and done slightly more or less. So, directionally, we want to tell you that the, in that the business is intact.

Shubham Sehgal: Okay. Yes, if you look at our Hero business, it does not seem to scale up so much. So, I just wanted to know with regard to this challenge that we are facing here, is it the challenge because of the new companies or any delay from the customer side that we are not seeing the Hero business scale up that much?

Management: Voice is breaking in between but about Hero business, whatever business is being taken by us from Hero is as per their event plan is on-track.

Shubham Sehgal: Yes, sir, but we have not seen the scale up happening, so are you facing any challenges there?

Management: No, there is no challenges from our side or no challenges from customer side also, but there are few projects which are being launched as of now under Harley Davidson flagship are being going very slow pace and so very soon we will start the export also. You will see some of the pace in near months.

Shubham Sehgal: Okay. Got it.

Management: We have explained to you that with Hero, we have a lot of new orders that we are doing. And new orders obviously, new projects they come in, they take time for volumes to ramp up. So, that will happen.

Shubham Sehgal: Okay. Got it. Thank you. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Garvit Goyal from Nvest Analytics Advisors. Please go ahead.

Garvit Goyal: Good evening, sir and congrats for decent execution. My first question is on the tariff part itself. You mentioned tariff is not going to affect us. So, can you put some color on that like why we are thinking in that way? Because maybe our customers are into export as well, right? So, does not affect us going forward?

Management: Yes. So, tariffs are only applicable to United States and our business directly with United States is very marginal, not significant. And even where there is that business, our contract terms are FOB where we are not impacted because tariffs or any other levies that may arise in future is to be borne completely by the customer. So, we are not impacted.

Garvit Goyal: No, I am not speaking about the direct impact, I am trying to understand about the indirect second order effect maybe your customer may be exporting to U.S., right? So, in that case what kind of effect can Fiem have going ahead?

- Management:** No, our direct or indirect order book is not intended to America at all. The American lighting systems that eventually end up in America is very insignificant what I highlighted.
- Garvit Goyal:** Okay. And secondly, on the four-wheeler part, I read the opening remarks actually, I was speaking about some updates. Can you repeat that? And secondly, did you mention anything on the Force motors?
- Management:** Yes, we did mention in the CMD speech, in Force Motors we have got orders for three products which are now under development. That is the next entry we have made. So, that was the information shared by CMD in his speech.
- Garvit Goyal:** So, what are those products and what is the size of business are we looking to do with Force Motors? Can you share the details?
- Management:** No, at this moment we will not be able to share the type of products. We will share it in due course of time and also the revenue.
- Garvit Goyal:** Understood. So, is it the only customer that we onboarded in four-wheeler in this quarter or any other customer also?
- Management:** No, this is the only customer we onboarded in this quarter.
- Garvit Goyal:** Got it. And lastly on the rare earth metals side, are we seeing any challenges to our customers because of unavailability of rare earth metals?
- Management:** So, rare earth eventually there is some exposure on the EV side only and EV as right now is fairly small component of the industry. So, we are not seeing any major impact specifically around it right now.
- Garvit Goyal:** Understood.
- Management:** Specifically around two-wheeler because our positioning is right now more two-wheeler. So, two-wheeler is not being impacted right now.
- Garvit Goyal:** Understood. And as the Chairman has mentioned in opening remarks as well regarding the good monsoon and along with the festive season we are entering into, do you see any kind of challenges in the terms of consumer sentiments because of the global headwinds currently going on that can affect the positivity coming out of these two drivers? Or do you think like demand is pretty decent only and we will be able to grow decently in the coming months?
- Management:** Overall what we see on the ground, the demand seems to be fairly robust. Festive season is coming on, monsoon has been good. While you see all the headlines on tariffs and all, we have got upgraded recently by rating agency as India. So, I think structurally we are fine. We are not seeing any challenges on the ground.

- Garvit Goyal:** Got it. Thank you very much, sir, and all the best for the future.
- Moderator:** Thank you. The next question is from the line of Rachna from SCIL Ventures. Please go ahead.
- Rachna:** Hello. I have two questions. First question is in the growth trajectory, there is some benefits due to the realization improvement due to shift to LED lighting. But just to understand better and clearer, what kind of growth has there been in terms of volume?
- Management:** You will have to repeat your question, ma'am. Sorry, we are not able to hear it very well.
- Rachna:** Yes. I will repeat it once again. In our growth trajectory, there has been some benefits due to the realization improvement due to shift to LED lighting. But to understand better, what kind of growth has there been in terms of volume?
- Management:** So, LED, as what we always say, LED is 64% of our total sales right now. And that shift is prominent, that will keep growing. And as LED goes, the realization on LED is much more. But at a margin level, we are going to be at similar level, be it LED or non LED products. So, margins have not changed, but sales velocity definitely increases.
- Rachna:** Okay. And if you can give color in terms of volume?
- Management:** Volume growth, what we have said will be translated into our sales growth forecast, which we continue to guide for 15% to 20% sales growth forecast. Because the industry obviously is not growing at 15% in volume term, it is lower. And hence, that volume growth and value growth is the most factored in sales, we do not get specific volume rate.
- Rachna:** Okay. My second question is, our other segment has been flat. So, if you could give any color, what are the key reasons behind this?
- Management:** What was the question? Other segments? Did you say just repeat that?
- Rachna:** Yes. Our other segment has remained flat. So, if you could give any color, what are the key reasons behind this?
- Management:** Okay. So, I think your question is that this is other product than other than the lighting, right? The rear view mirrors and the plastic molded parts.
- Rachna:** Yes.
- Management:** So, yes, you are right, this around 10% is the rear view mirrors and the plastic parts again, because the value and the realization increase in the automotive lighting is in proportionately high. So, definitely there is a change in the percentage, but otherwise the supply and the percentage of the business is growing.

- Rachna:** Okay. My one more question. The other expenses, they have seen a very sharp jump. Are there any one-off or other expenses which are driving this? And what kind of run rate we can expect?
- Management:** So, I do not think there is any sharp jump or something like exceptional. Some expenses in one quarter may not be in the other quarter. You have to see on a yearly, annual basis what is the percentage. That is almost remaining in line with the normal percentage.
- Rachna:** So, if you could further quantify, are these expenses related to sales or any future investments?
- Management:** Yes, these are majorly related to the development cost and the sales also, yes.
- Rachna:** Okay. And just wanted to know what is our cash balance as of date?
- Management:** So, as of end of quarter, the cash balance is Rs. **341** crores.
- Rachna:** Okay. And any change in our CAPEX plan we had an ambition of incurring Rs. 200 crores CAPEX over two years. So, any change or is that plan going so well?
- Management:** No, the CAPEX plan of Rs. 200 crores over next three years excluding anything that we do for four-wheeler remains intact. That is the plan for CAPEX. Four-wheeler as we have mentioned in the past is yet to be finalized. That number could be on top of this, will be on top of this.
- Rachna:** Okay. Thank you so much. I will get back to you.
- Moderator:** Thank you. The next question is from the line of Khush Nahar from Electrum PMS. Please go ahead.
- Khush Nahar:** Yes. Hi, sir. Thank you for the opportunity. So, my question was more on the growth side. So, since we are facing this geopolitical issue and the magnet issue that was happening. So, considering obviously, order book, but this overall macro situation, could you guide us in terms of what kind of growth we are seeing for this particular year that is FY '26? And over broader term over the next three years to five years, what type of growth are we looking at?
- Management:** See, organically, we have always maintained that we will grow at 15% to 20%. That is the benchmark that we have set for ourselves. This does not take into account any positive upside that will come from a significant ramp up in our four-wheeler business and which is why we have not sort of given that number to you. Without that number we will aspire to grow at 15% to 20%. Even in this quarter, we have grown around that figure, but this is a seasonal quarter so we will make up for that so 15% to 20% remains our sales growth target.
- Khush Nahar:** Right, sir. And sir, I think last quarter we mentioned that we had around RFQs worth Rs. 700 crores for the four-wheeler site, so any update on that in terms of conversion to orders or any new RFQs that we received in the past quarter or the current quarter till date?

- Management:** We continue to work on those RFQs, and they have moved to the next step the technical studies are on alongside the customer. So, we hope to convert few of them in the coming quarters. We did work on Force Motors RFQ which got converted into order for us on which we are working for development.
- Khush Nahar:** So, sir, could you be more specific on what kind of RFQs are we looking at like has it increased or how is it?
- Management:** So, the order, the RFQ value as of now remains the same because some have got converted into orders to us other value we are working on them technically. At this moment we cannot divulge the details on the products on which we are working.
- Khush Nahar:** Right, sir. And sir just one last question if I can squeeze in, I think last con call we spoke quite a bit on the technological side in terms of that we are focusing on electronics and that kind of technology, so any update in terms of any backward integration or a new category that we are thinking of in terms of product basket?
- Management:** Yes. Interestingly the RFQs that we are working on few of them are on technology front and that is why it is taking a bit of time, and we have also announced in the Chairman's speech the setting up of EMC/EMI laboratory which is the first of its kind in lighting which is enhancing our strength in electronics. So, in next quarter we should be commissioning this facility integration of electronics, optics, thermal, mechanical all at one location and that is basically to serve our customer in a much better and faster way and gain market share in the industry.
- Khush Nahar:** Right, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Kripashankar Maurya from Mirae Asset Capital Market. Please go ahead.
- Kripashankar Maurya:** Yes, hi. Thank you for the question. Kripashankar here from Mirae Asset Capital. Sir, my question is on the gross margin side. We have seen very steady improvement in gross margin in the last three quarters - four quarters. Just wanted to understand what kind of localization we are doing, how we are able to achieve it?
- Management:** Are you talking about EBITDA margins?
- Kripashankar Maurya:** Gross margins. Gross margin.
- Management:** So, they have been largely stable and we have been able to manage with any vagaries with the customers. We have kind of told you in the past as well that any cost increase decrease is all passed on to customers. So, the margins have been fairly stable and continue to be so.
- Kripashankar Maurya:** Okay. Okay. And on the run rate of the four-wheeler vertical which is around Rs. 18 crores to Rs. 20 crores in last quarter also and this quarter also around Rs. 18 crores to Rs. 19 crores. Just

wanted to know from which quarter we should expect an initial increment in these numbers for the four-wheeler side will it remain largely same throughout the year?

Management: So, in the previous Investor Meet also I have maintained that at this moment we are focusing more on penetration with the customer development of technology. So, the revenue portion we will address by the end of this year for next year's budget.

Kripashankar Maurya: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Shubham Sehgal from SiMPL. Please go ahead.

Shubham Sehgal: Hello. In two-wheeler business, what scope do we further see to grow with our existing or new customers?

Management: Yes. We are working with all the customers to go into details with the electronic items, wherein which is already being included in CMD Sir's speech. So, we are working to be majorly on electronics. One is of lighting with LED and further electronic components like controller and others. So, that is the growth we are looking for it to the electronic area.

Shubham Sehgal: Okay. And as you mentioned like the other electronic components, so like have we like started working on this? Like could you like just give more color on this?

Management: Yes. We have already generated two modules which are already being presented to our customer and our dialogues with the customers are on. We are discussing with all the R&Ds level and very soon will be implemented to production line.

Shubham Sehgal: Okay. Got it. My next question was like for lighting business, what has been the growth in our key customer volumes? Like all of the other products other than the lighting business, what growth has been, what growth has there been with our key customers in terms of volume?

Management: So, we give value data not volume and the key growth for the current quarter has been driven by TVS, Yamaha and Royal Enfield.

Shubham Sehgal: I mean, except for lighting businesses, how are we seeing the growth for our key customers?

Management: Except for lighting business, for other products, we see stability. Our main focus from Fiem Industries remains on lighting. Lighting is undergoing technology changes and we are focusing on lighting. So, there we see a stability in other products and lighting we want to grow. That is our core business.

Shubham Sehgal: Okay. Got it. Just last question. So, if we see in the last five years, I want to ask, has our LED realization remained stable or has it fallen because if we see our revenue run rate of quarterly, it was Rs. 180 crores around calendar year '23 and now it is around Rs. 300 crores. So, have we seen our volume growth better than this overall sales growth number?

- Management:** See, there is no yes or no answer to this. This is a product mix issue. So, for example, if you were to sell a significant part of an export model, say to Yamaha at very high realization, that will be very different from another LED being sold here. So, to give a generic answer, no. I think what we have seen over the last five years is that definitely products are getting slightly more premiumized and hence generally, realizations are going to increase because the product complexity, the product demand from the customer is of a better product. So, that trend is happening, but then it really depends on which model is doing well in the market and which one is producing large volume.
- Shubham Sehgal:** Okay. Got it. Thank you.
- Moderator:** Thank you. The next question is from the line of Devesh Kayal from Monarch. Please go ahead.
- Devesh Kayal:** Yes. I just want to understand, so, in Yamaha, sequentially over Q4 FY '25, it seems our content per vehicle has gone up. So, is it just the export higher, export mix, product mix in the overall pie or we have added, we have added some more – some one or two models in this quarter?
- Management:** Yes. During last quarter CMD study speech, I think it is being announced. There are two models which is being launched for the global are doing well. And of course in domestic model also doing good, like as that is, these are the few models which are doing good and volumes are increasing and that is also giving positive growth for us also.
- Devesh Kayal:** Okay. So, it is a primarily higher mix of export models.
- Management:** Yes, domestic and export both models.
- Devesh Kayal:** Understood. Sir, we similar on the TVS side, do not to be similar extent like Yamaha, but there also it seems like content per vehicle has gone up. So, any color on that?
- Management:** Yes, there are few models in TVS. If you see recent launch of Jupiter wherein they have added front lighting and rear lighting initially are giving us a very good volume, which is almost be double the last first quarter of last year. So, this is one and Apache is also doing good, wherein three wheeler is also being doubled. If we see from last first quarter last year to this year. So, these are the few things which is being almost be double the overall volume.
- Devesh Kayal:** Understood. And sir, on the Hero side, so besides 250R, do we also supply to 125R or just 250R for now?
- Management:** This is 250R and 125R will also be launched very soon.
- Devesh Kayal:** Okay, 125R is already --. Sorry.
- Management:** Products will be added into 125R very soon, wherein 250R is already being started adding.

- Devesh Kayal:** Okay. Understood. Okay. Yeah. That is it from me, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Anupama from RatnaTraya Capital. Please go ahead.
- Pawan:** Sir, this is Pawan. I just wanted to understand, in four-wheelers, are we going to limit ourselves to passenger vehicles or are we also looking at the commercial kind of space? Because we seem to have added an RFQ from a slightly larger kind of vehicle class. And secondly, what should be our expectations on the margin trajectory going forward, I mean, do we expect the margins to improve from here?
- Management:** Okay. So, from our side at Fiem Industries, our focus remains on passenger vehicles, commercial vehicles and all four-wheelers. The complete market is important to us, so we are not limiting us to any particular segment. Second question, we see quite a bullish trend in four-wheelers and also in the off-road segment. So, we remain focused on all segments of four-wheelers, and we see a very positive growth in future.
- Pawan:** Okay. And one more question from my end. On the four-wheeler side, beyond what volumes would we require a separate plant for that further dedicated to the four-wheelers and by when do we expect to do CAPEX on that?
- Management:** So, normally a plant is viable at a revenue of around Rs. 200 crores and because the initial investment in lighting is high, it is a capital intensive product. So, normal viability is around a revenue of Rs. 200 crores and it also depends on the product mix. Like certain products, we are able to service from our existing capacity and facility, so it does not make sense to invest again. So, we are constantly reviewing the need and we will take the appropriate decision based on the order book.
- Pawan:** So, we are saying, sir, below Rs. 200 crores kind of revenue we can serve from the existing plant itself. Is that right?
- Management:** No, I did not say that. Your question was when do we need a new plant? So, for an independent plant, it is a Rs. 200 crores, but we have to make certain investment in our existing facility to serve the growth from zero to Rs. 200.
- Pawan:** Got it.
- Management:** Yes.
- Pawan:** And on the technology side, are we developing new products or are these the traditional products for four-wheelers that it is taking time for us to actually get through with the RFQs? I just wanted to have an understanding on that.

- Management:** So, as explained in the previous call, we are working on three pillar strategy in four-wheelers and one of the pillars is new technology, which is more robust and long. It takes time because you are positioning yourself as a new technology player and it is making good progress as far as we are concerned.
- The second is for the current models. That is the second pillar. We have to develop products. So, we enter as a small land player. And here we got success, we stay last time we got three products for Mahindra Bolero, which is their flagship model. And the first pillar is also on the standard product that we have that can be applied to any other model. So, these three pillars we are tracking. Each have their lead time, which are different. But normally, in four-wheelers, it takes easily up to two years to develop a product and take it to the start of production.
- Pawan:** Okay. And for us, of that two years, I am assuming around six months to eight months has already passed, correct?
- Management:** Yes. So, the technical reviews of the products and the RFQs are in progress. And we will keep you updated in the next quarters.
- Pawan:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Vijay Pandey from Nuvama. Well, please go ahead.
- Vijay Pandey:** Thank you, sir, for taking my question. I have a couple of questions. First one, the Yamaha sales. So, Yamaha sales has declined in the first quarter. And generally, the feedback at the global level from Yamaha was that the sales will be weaker in calendar year 2025. Are you expecting any decline? And also, you can quantify what is our exposure to Yamaha export market and Yamaha domestic market. That will be helpful.
- Management:** So, our Yamaha sale in Q1 as compared to Q1 of last year, is almost up 20%. So, for us, there is an industry decline in domestic that you are talking about. But we have not seen that. We are, in fact, ramping up sales from Yamaha. And they are both for some of the domestic models, as well as a large portion to export orders.
- Vijay Pandey:** Okay. No, I am not understanding that. They have suggested that export market for them will be weak for Yamaha. So, are you seeing any changes in scheduling or any products and disruption coming or any product cancellation?
- Management:** No. As I said, this quarter has been very good for us, for Yamaha. And we continue to see good traction.
- Vijay Pandey:** Okay. Secondly, if you can just confirm about the orders from Mahindra that we got, Mahindra and Mercedes, which we spoke about in the last quarter, so when is the commercial production

that we can expect? Is it like this year, next year? You can just give me a timeline and what is the order book of each revenue how should we look into it, that will be pretty useful?

Management: So, as shared earlier we have commenced our commercial production for Mahindra in this quarter the quarter that has just gone. And our first product which is LED license plate lamp that is already getting applied to almost all models of Mahindra step-by-step basis and happy to announce that we have had zero concerns on quality or delivery and have got appreciation from our customer.

For other products that we have Bolero that will follow the launch plan of Mahindra, which we are not able to disclose now because this remains confidential but we are the development of the products are happening. Regarding your query on revenue as explained to earlier at this moment, we are focusing on entry into four-wheeler market and by for the next year budget we would like to convert this into revenue and share with our investors.

Vijay Pandey: Okay. And lastly, I just wanted to check in terms of the realization so the LED as a percentage of sales is definitely increasing. So, just wanted to check how much is this contributing to the revenue growth, so we are guiding for 15% to 20% revenue growth if you can help us understand what will be strong coming from the LED mix that will be pretty helpful?

Management: So, our 15% to 20% takes into account the fact that LED will continue to grow up so from a proportion of what we have right now which is 64%, we believe that this number should gradually move up 75% - 80% over the next couple of years and that will drive this revenue growth because the at the industry level we are taking the industry benchmark of 6% to 8% growth which is what the industry is projecting.

Vijay Pandey: Okay. And sir lastly, just wanted to check if you are seeing any impact from the I mean supply chain issues in terms of importing of the glasses because we use the glasses for our LED lights, are we seeing any impact in terms of RE and raw material impact or anything that may hamper our production or hamper our supply chain?

Management: No we are not seeing any such impact.

Vijay Pandey: Is there raw material magnet used in I am not sure, but we have all the news?

Management: We are not using glasses in our lamps. It is all being polycarbonate and PMMA material is being used, not the glass.

Management: This is outdated already.

Vijay Pandey: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Saurabh from Multi Act. Please go ahead.

- Saurabh:** Yes. Thank you for the opportunity. So, a couple of questions on Hero. You mentioned that you will be entering into the 125cc segment. So, is it the existing refresh model or the upcoming new launches that Hero would be doing which you have won?
- Management:** This will be a new model launch which will be soon, might be in a couple of months, it will be launched in upcoming models.
- Saurabh:** Okay. So, basically the development phase has been done and soon it will be in the commercial production phase.
- Management:** Right. Very true.
- Saurabh:** And will this be like LED lighting or a mix of both halogen and LED?
- Management:** No, this is all LED lighting.
- Saurabh:** Okay. And other question I had was on other operating income, which used to be around Rs. 4 crores to Rs. 5 crores a quarter and it has jumped to around Rs. 9 crores. So, what is that with respect to?
- Management:** Yes, you are right. It has marked the increase. The Rs. 4 crores to Rs. 5 crores is the regular income which you are aware which is testing fees, scrap sales and so on, which is regular. This quarter includes a Rs. 4 crore odd design fee for projects that we specifically done. So, that is a separate one, one off. And if you see, even when we report our EBITDA margin, this is excluding that number. Including this, our margins would have been higher.
- Saurabh:** Okay. So, this is like a reimbursement of design expense that we would have incurred in the quarter or in previous quarters, right?
- Management:** It is a culmination of a few things for a couple of clients for the year, which has been sort of now passed on. That is it.
- Saurabh:** Okay. Sure. Yes. Thanks.
- Moderator:** Thank you. The next question is from the line of Satyajit Sen from Value Research. Please go ahead.
- Satyajit Sen:** Hello. So, hi. I just had a simple query. So, across the Board, domestic sales of many OEMs have been declining, as shown on the table. And you have consistently grown your sales by about more than 14%, 13% - 14%. What is, I mean, what kind of industry demand are you seeing in the market?

- Management:** So, if you, if you look at the industry reports and the trends that are published, I think generally the two-wheeler demand seems to be robust for the year and, as per projection, the range is anywhere from 6% to 10% ...is what is being projected by the industry.
- Satyajit Sen:** All right. Just wanted to know if there are any demand shortages coming forward since there has been a trend for the last couple of quarters that domestic trades have not been performing well. Is the export side performing well for you? How is demand coming up for you from the direct volume?
- Management:** No, I think you are mixing up a couple of industries. Two-wheeler industry has done well last year and two-wheeler industry, we believe, will regain new high numbers this year. So, overall, if you see even the constituents, there could be quarter here and there, but if you see annual growth, we are on a good growth path.
- Satyajit Sen:** All right. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as that was the last question for the day, I would now hand the conference over to Mr. Sahil Sanghvi for closing comments. Over to you, sir.
- Sahil Sanghvi:** Yes. I just want to thank the complete management of Fiem Industries for patiently and very elaborately answering all the questions. Also, I would want to thank all the participants who have joined us today. Jain sir, would you like to give any closing comments.
- J. K. Jain:** Yes. I would like to thank everyone for the participation in today's conference call. I hope that we have adequately addressed all your queries. If you have any further questions, please do not hesitate to contact us. Thank you and have a good evening.
- Sahil Sanghvi:** Thank you.
- Moderator:** Thank you. On behalf of Monarch Network Capital Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

Note: There has been disturbance in connectivity and audio during the call. For sake of clarity, transcript has been corrected as per audio, post receipt from Chorus Call.