



**Fiem**

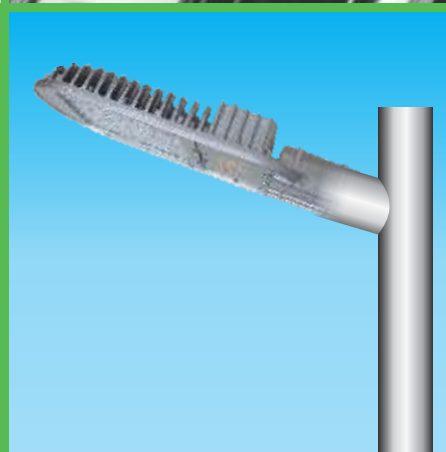
Light Up The World

# LIGHTING UP THE FUTURE GROWTH



**2014-15**  
ANNUAL REPORT

Fiem Industries Ltd.



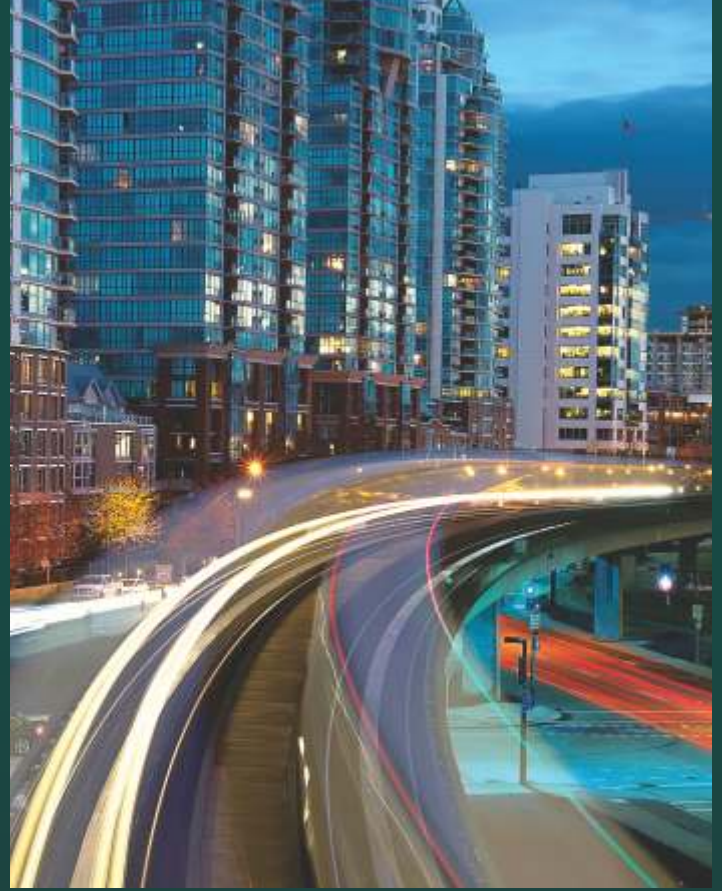
### Cautionary Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approving from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this Report. Fiem Industries Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise. Further certain industry data are collected from various reports and sources publically available. We can not authenticate the correctness of the same. Readers are cautioned that the Company is in no way responsible for any loss / adverse result caused to the readers attributable to these statements. Readers are requested to exercise their own judgment in assessing the risk associated with the company.

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# LIGHTING UP THE FUTURE GROWTH



We, at Fiem Industries have been growing consistently despite the challenging macro economic situation in the recent years reflecting our fundamental strength of resilience and dynamism. It is our inherent quality of constantly evaluating ourselves that further strengthens our position and ensures a steady growth momentum.

Backed by our strong presence in Automotive segment and the excellent relationship that we maintain with our clients, we have successfully leveraged the consistent growth of the two wheeler segment in the recent times. Our wide array of products ranging from lamps and mirrors, plastic moulded parts to sheet metal products are well accepted among our clients due to strict adherence to high quality and cost competitiveness. With our natural aspiration to grow more, we are relentlessly pursuing to broaden our base in the automotive segment strongly supported by our technology capabilities in design, development and testing.

Our venture into LED luminaires and Integrated Passenger Information System (IPIS) reflects our assiduous pursuit for steady growth. LED is more energy efficient and hence more cost competitive over its lifetime compared to CFL and incandescent bulbs. Given its superior attributes over other luminaires and its nascent stage in India, the LED industry is well poised for strong growth because of overwhelming Government initiatives with increase in consumer awareness. With a strong in house R&D capability, we will have a cost advantage, which could propel us ahead of peers in the LED segment.

The IPIS business segment would receive an impetus from Government's focus in modernizing the railway infrastructure including the IT system. Higher application of improved version of station navigation information system which falls within the ambit of IT system will drive our growth. Our continuous effort of strengthening our growth capabilities and planned reinforcement of the growth engine will ensure our steady momentum.

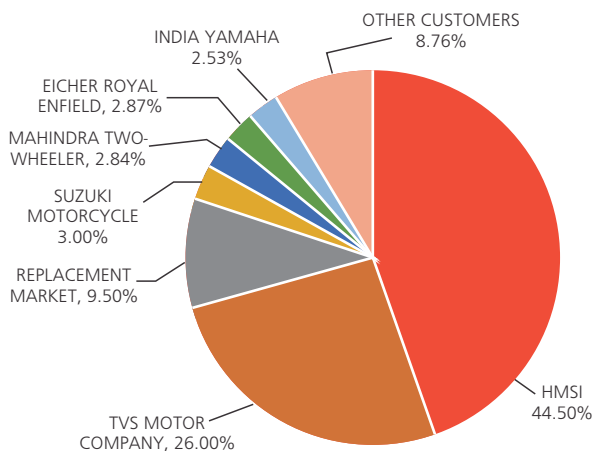
# THE WORLD OF FIEM INDUSTRIES

Established in 1989, Fiem Industries Limited (FIEM) is one of the leading manufacturers of Automotive Lighting & Signalling Equipments and Rear View Mirrors in India. After strengthening its position in the automotive segment with product diversification like plastic moulded and sheet metal parts, it has also diversified its product portfolio by entering into LED luminaires for Indoor and Outdoor applications and Integrated Passenger Information System for Railways & Buses. FIEM is also among first companies in India introducing LED lights in two wheelers.

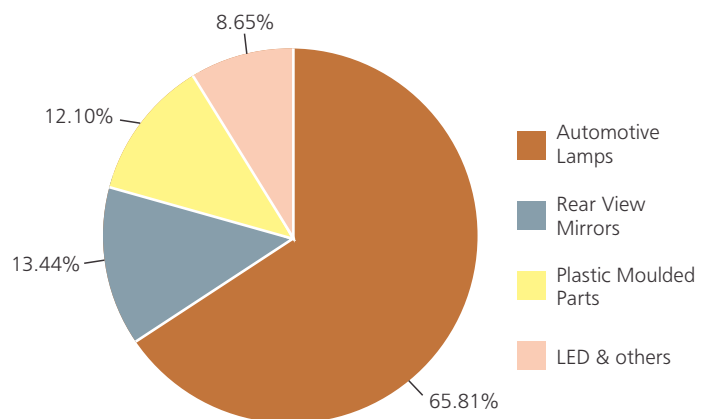


**Total Income** : ₹ 826.37 Cr in FY15  
**Market cap** : ₹ 755.71 Cr as on 31<sup>st</sup> March 2015  
**Net worth** : ₹ 213.45 Cr in FY15  
**Headcount** : 1489

**Total Clientele Contribution**



**Product wise Revenue Mix (%)**





# R&D CENTER

- FIEM has modern and state-of-the-art R&D Centre located in India and Design Centres in Japan and Italy equipped with latest software and qualified and experienced manpower.
- Conducts various kinds of testing such as Product Testing, Photometry Testing, Environmental Testing, Thermal Tests, Electronic Test, Vibration Test, Chemical Test, Mechanical Tests etc.
- Government of India, Ministry of Science and Technology, Department of Science and Industrial Research has accorded Recognition to Company's in-house R&D Unit situated at Rai Industrial Estate, Sonapat.
- Developed more than 100 new generation LED Luminaires for industrial & domestic applications for Indoor and Outdoor including LED drivers.
- In-house design and development of Railway IPIS (Integrated Passenger Information Systems with LED Display).
- In-house design and development for four wheeler LED Rear combination, LED direction indicator lamp etc.



Environmental, Electrical, Mechanical & Durability Test



3-d Coordinate & Profile Measuring Equipments



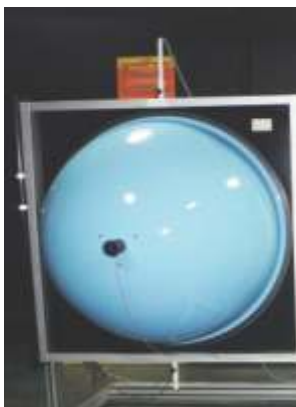
Vibration Tester with Anechoic (Elamitic) Chamber



Testing Laboratory



3-d Coordinate & Profile Measuring Equipments



Integrating Sphere & Photometric testing laboratory

# MILESTONES

**1989**

Incorporated as Rahul Auto Pvt. Ltd.

Fiem products accredited with 'E' Certification by the German & French certifying Laboratories.

**1992**

Rahul Auto Pvt. Ltd. changed to Fiem Industries Pvt. Ltd. and a New Plant established at Gurgaon.

**1993**

Fiem Industries Pvt. Ltd., converted into Public Limited Company and became Fiem Industries Ltd.



**1994**

A new state of art Plant was established at 32 Mile Stone, G.T. Road, Kundli, Sonapat (Haryana) and all manufacturing facilities consolidated and shifted to this unit. (Now known as Unit-I).

**1996**

Fiem Sung San (India) Ltd., a JV Company was established in Noida (U.P.) with Daewoo India and Sung San Co., Korea for Automotive Lighting for Daewoo Cars.

**1997**

Unit-I accredited with ISO-9002.

**1998**

Multi Focal Reflector (MFR) first time introduced in India.

**1999**

Received ISO-9002, QS-9000 accreditations from UL, USA.

**2004**

Setup Unit 2, in Hosur, Tamil Nadu for TVS Motor Co. Ltd.

# 2015

Started receiving orders from EESL for LED Bulbs and Street Lights.

Setup Unit 9 at Ahmedabad, Gujarat for HMSI plant at Ahmedabad

Capacity expansion at Rai and Tapukara Units for LED Luminaires



## 2014

Integrated Passenger Information System with LED Display (IPIS) approval received from RDSO (Railways)

MOU with Honda Lock Mfg. Co. and Toyota Tsusho Corporation, Japan for Key Sets, Door Mirrors and Outside Handles

## 2013

A 50:50 JV Company setup with Horustech Lighting of Italy for setting up a design centre in Italy namey Centro Ricerche Fiem Horustech Srl

## 2010

Unit-VII, A state of the Art manufacturing facility established at Rai, Sonapat (Haryana) with well equipped Testing Laboratory.

## 2011

Setup Unit 8 for mfg Plastic moulded parts in Tapukara, Rajasthan for HMSI

In-house R&D Centre at Rai, approved by Govt. of India

Mfg of LED Display Panels for Buses and Railways

## 2012

Started manufacturing auto lamps and components for Honda Japan

Setup facilities for LED Indoor & Outdoor Lighting

## 2005

Setup Unit 3, in Hosur, Tamil Nadu & Unit 4 in Mysore, Karnataka

Entered into Technical Support Agreement with Ichikoh Industries Ltd., Japan.

## 2006

Setup Unit 5 (EOU) in Hosur, Tamil Nadu

Setup Unit 6 in Nalgarh, Himachal Pradesh

Initial Public Offering by the Company

## 2007

Setup LED SMT plant at Kundli Plant

Setup Mirror Plant including Prismatic Mirror at Unit 5 with technical support from Ichikoh Industries, Japan

Merged Fiem Sung San India Ltd. with Fiem Industries Ltd.

# BUSINESS HIGHLIGHTS

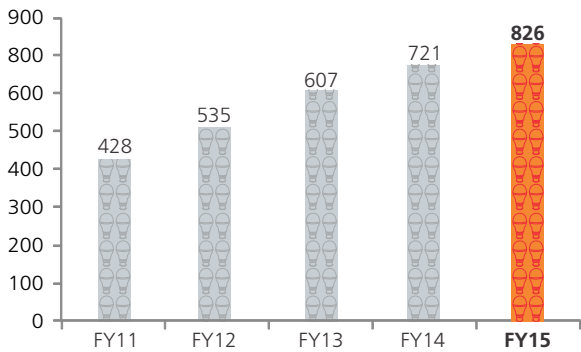
(₹ Cr)

Consolidated	2014-15	2013-14	2012-13	2011-12	2010-11
Total Income	826.37	721.13	606.78	535.44	427.85
Total Expenses	722.72	632.08	536.11	467.46	389.99
EBITDA	103.65	89.06	70.67	67.98	37.86
Depreciation	30.72	21.79	18.35	16.88	12.98
EBIT	72.92	67.27	52.32	51.09	24.88
Interest	12.05	14.45	12.97	20.78	9.52
Profit Before Tax	60.88	52.82	39.36	30.31	15.36
Tax	18.40	15.54	11.63	9.18	4.30
Profit After Tax	42.48	37.28	27.72	21.14	11.06
Paid up Capital	11.96	11.96	11.96	11.96	11.96
Reserves	201.49	171.06	142.19	117.81	99.31
Shareholders Fund	213.45	183.02	154.15	129.77	111.27
Long- Term Borrowings	82.78	89.81	103.85	118.52	92.62
Short - Term Borrowings	34.34	29.25	30.35	44.17	38.11
Total Debt	117.12	119.06	134.20	162.69	130.73
Cash & Bank Balance	3.44	2.02	1.60	5.48	4.78
<b>Ratios</b>					
EBITDA Margins (%)	12.54	12.35	11.65	12.70	8.85
PBT Margin (%)	7.36	7.32	6.48	5.66	3.59
PAT Margins (%)	5.14	5.17	4.57	3.95	2.59
Earnings Per Share (₹)	35.51	31.16	23.17	17.67	9.25
Dividend Per Share (₹)	7.00*	6.00	4.00	3.00	2.50
Book Value Per Equity Share (₹)	178.47	153.03	128.89	108.50	93.04
ROE (%)	19.90	20.36	17.98	16.29	9.94
ROCE (%)	22.07	22.72	18.15	17.47	10.28

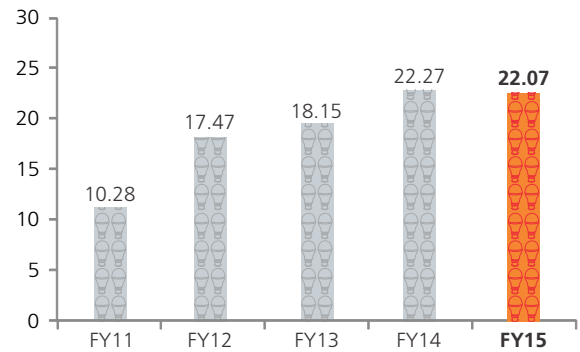
\*Proposed



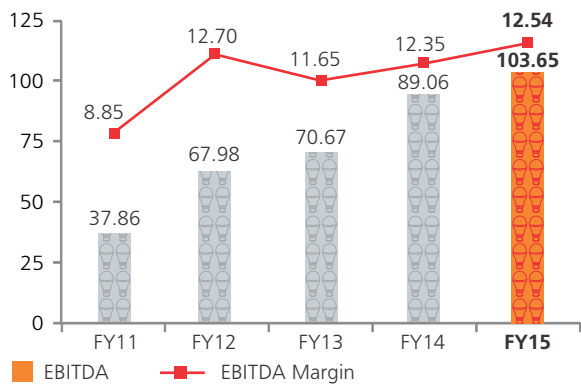
### Total Income (₹ Cr)



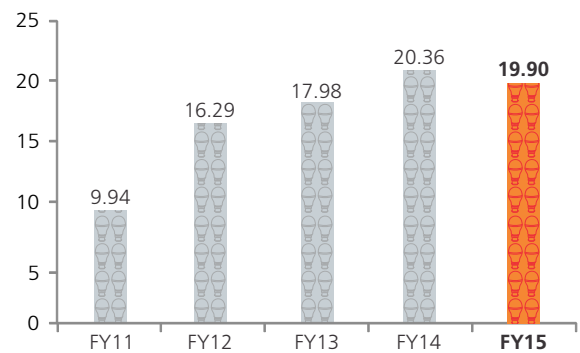
### ROCE (%)



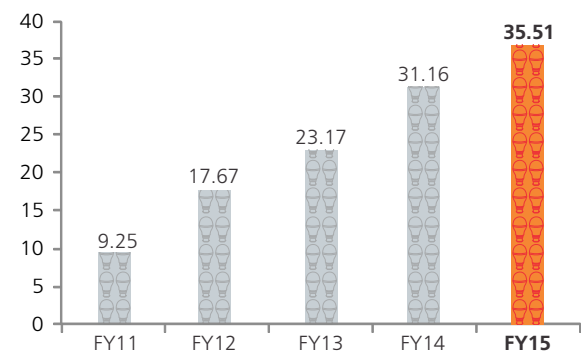
### EBITDA (₹ Cr) and EBITDA Margin (%)



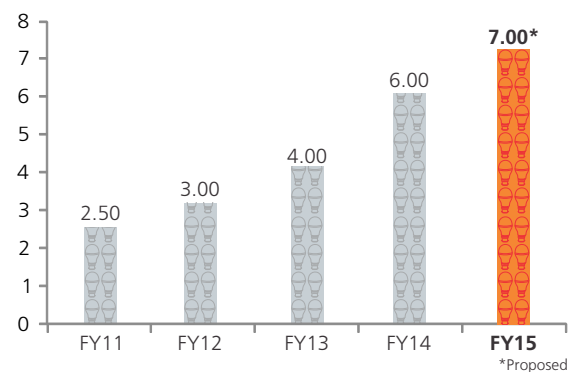
### ROE (%)



### Earnings Per Share (₹)



### Dividend Per Share (₹)



\*Proposed

# CHAIRMAN MESSAGE



## **Dear Shareholders,**

The nation is going through a phase of economic turnaround after a lull period of last few years. The macro-economic numbers including GDP, inflation rate, IIP data and forex reserves are reflecting the improved economic health of India. This enhances my confidence that we are on the right direction on the course of economic recovery led by a pro reformist government in the center.

Domestically, the automotive sales grew by a moderate rate of 7% in FY15 from the previous year. What is encouraging is the growth recorded in the passenger vehicle and medium and heavy vehicle (M&H) segment after a decline in growth in the previous year. The two wheeler segment where we have a very strong presence continued to perform steadily by recording a healthy 8% growth in FY15.