

Fiem Industries Ltd.



Fiem

LIGHT UP THE WORLD

ANNUAL REPORT 2015-16



QUEST FOR BEST



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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 cannot 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.



INDUSTRIES LTD.

Quest for Best



The best part about the best is that it does not exist in real. Like the ideal or the perfect, the best too remains abstract, at best. The best value of the non-existent best rests in its ability to inspire and challenge the mankind to aim and pursue it. In doing so, those who pursue the best end up making things better, life better, the planet better.

At Fiem Industries Ltd. (FIEM), we are in a continued pursuit of the best, which gets exemplified in our cumulative efforts towards steadily bettering the value of our business. Our 'Quest for Best' is about making the businesses of our automotive customers better. It is also about making the rides on those automobiles fitted with our products better and the roads safer.

In LED luminaries, our 'Quest for Best' is about making the ambient illumination better. It is about saving the power energy for better, making our luminaries last longer and thereby reducing our carbon footprints. It is also about manufacturing a world of opportunities by diverting the saved power for other noble usages. May be to a farmer for irrigating his fields or to an underprivileged child for his night studies. It is about making these luminaries biodegradable so that no leftover hazardous substance damages our environment.

In Intelligent Passenger Information System, our 'Quest for Best' is about making our public transport better. It is about making the travel information simpler, more accessible and consumable, inside our buses, trains and metros and also at bus terminals, railway stations and metro stations. It is about making the information sharing better by making real time tracking and updates possible.

At FIEM, our quest for the best is all about innovating better automotive lighting solutions in newer technology like LED, better illumination in general lighting space and better passenger information systems. We are bettering ourselves every day, by way of intense research & development, adoption of the best of available global technologies and their indigenous tweaking and best-in-class mass manufacturing. For, every single step, every single day, at every single location is a step forward in our 'Quest for the Best'.

Quest for Best

PERFORMANCE

In our Quest for Best Performance, we work relentlessly towards growth of the Company. We have been able to grow with a CAGR of 18% over a period of last 5 years. Over the same period of 5 years, this has been translated into an EBITDA CAGR of 27% and Net CAGR of 39%.

Balance Sheet Summary on Consolidated basis

₹ in Lacs

Financial Year	FY16	FY15	FY14	FY13	FY12
Shareholders' Funds	27,314	22,728	19,685	16,807	14,380
Non-current Liabilities	12,921	8,109	8,661	10,292	11,749
Current Liabilities	25,641	19,295	17,162	16,226	15,715
Total	65,876	50,132	45,508	43,325	41,844
Non-current Assets	44,766	34,691	31,866	30,212	29,004
Current Assets	21,110	15,441	13,642	13,114	12,839
Total	65,876	50,132	45,508	43,325	41,844

Income Statement Summary

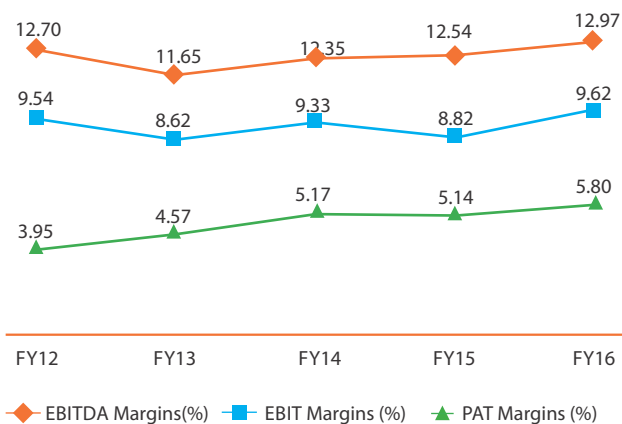
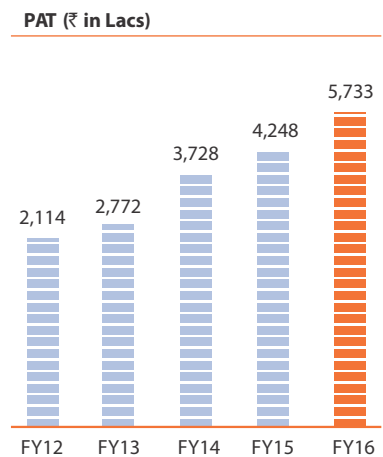
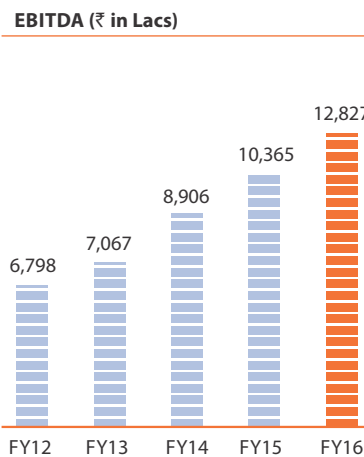
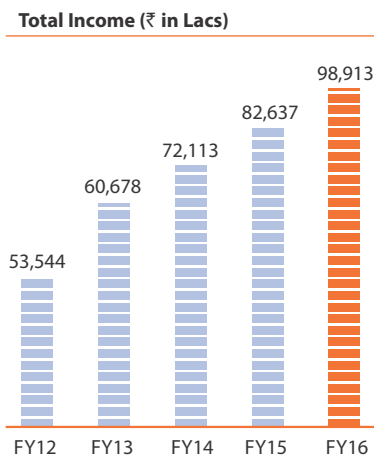
₹ in Lacs

Financial Year	FY16	FY15	FY14	FY13	FY12
Total Income	98,913	82,637	72,113	60,678	53,544
EBITDA	12,827	10,365	8,906	7,067	6,798
EBIT	9,515	7,292	6,727	5,232	5,109
Profit After Tax	5,733	4,248	3,728	2,772	2,114
Key Ratios	FY16	FY15	FY14	FY13	FY12
EBITDA Margins (%)	12.97	12.54	12.35	11.65	12.70
EBIT Margins (%)	9.62	8.82	9.33	8.62	9.54
PAT Margins (%)	5.80	5.14	5.17	4.57	3.95
Earnings Per Share (₹)	47.93	35.51	31.16	23.17	17.67
Dividend Per Share (₹)	8.00	7.00	6.00	4.00	3.00

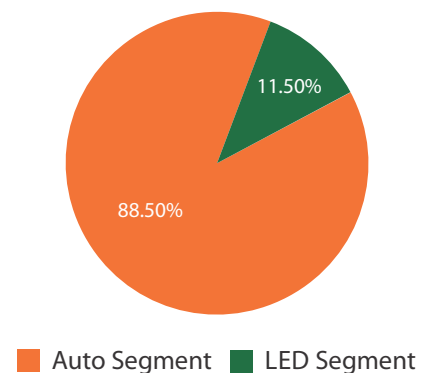
Operational highlights

- 🔔 Commissioned a new unit in Ahmedabad, Gujarat for supply of Automotive Lighting, etc. to newly setup factory of HMSI.
- 🔔 Capacity expansion at Tapukara Plant, Rajasthan for LED Lighting Products.
- 🔔 Completed the supply of 84 lacs LED bulbs (9W) to EESL.
- 🔔 EESL order of LED street lights neared completion (96,700 delivered out of the total order of 111,000 street lights).
- 🔔 Received acknowledgement for 'stringent cost reduction efforts' from Honda Motorcycle and Scooter India Pvt. Ltd.
- 🔔 R&D laboratory received 'Certificate of Accreditation' from NABL for 'Photometry Testing'.

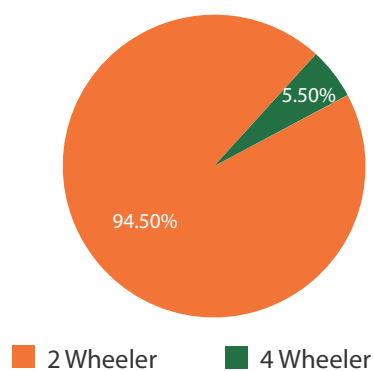
Key Performance Indicators



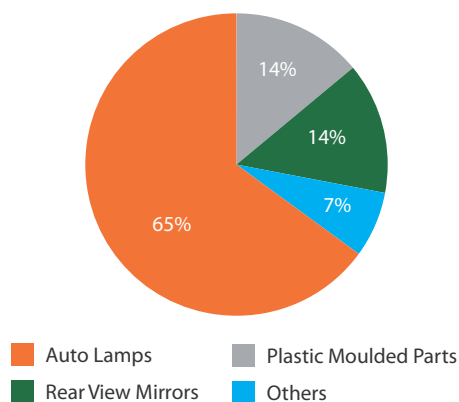
Revenue mix by segment (FY16)



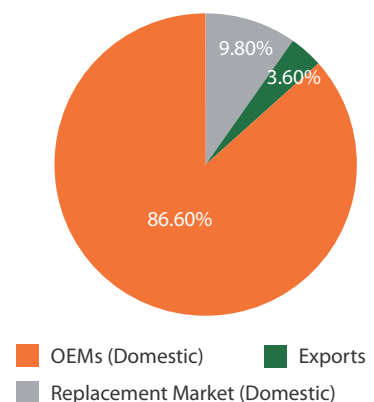
Revenue mix 4/2 wheelers (Automotive) (FY16)



Revenue mix by product (Automotive) (FY16)



Revenue mix by market segment (Automotive) (FY16)



Quest for Best

PRODUCTS

In our Quest for Best Products, we are manufacturing innovative and superior quality products at the very competitive cost, so that these remain affordable for the people at large. Our ability to differentiate our products in quality and value terms continues to give us impetus to develop more and more innovative products as per market demand.

Product Segments

Automotive Division	LED Division	
Automotive Lamps – Head Lamp, Tail Lamps Blinker Lamp, Fog Lamp etc.	Luminaires (indoor, outdoor)	Integrated Passenger Information Systems (LED)for
Rear View Mirror	LED Bulbs and LED Tubes	Buses
Sheet Metal Parts	LED Down Lights	Railways
Plastic Moulded Parts	LED Street Lights	Metros
	Solar LED Street lights	Airports
	Solar LED Lantern	Malls



Strategic differentiators

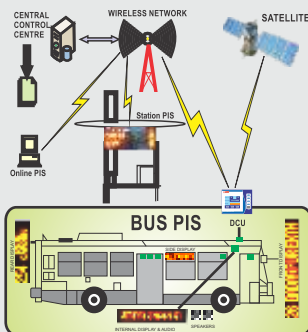
- ⦿ Diversified product portfolio across automotive lighting & signaling, rear view mirrors and LED luminaires for indoor and outdoor applications
- ⦿ Integrated LED operations with in-house research & development, manufacturing and assembly of ambient luminaries and Integrated Passenger Information System
- ⦿ Enviable automotive Customer Base of over 50 OEMs and many supply relationships dating back to company's inception
- ⦿ Three world class Research and Development (R&D) centers, one each in India, Italy and Japan having well experienced professionals in Designing, Optical Simulation and Guest Engineering facilities for development of the lamp assembly and LED luminaires
- ⦿ State-of-the-art manufacturing infrastructure of 9 strategically located plants

RAILWAYS



BUSES

Intelligent Transportation Systems with LED displays for Buses



Quest for Best

MANUFACTURING FACILITIES

We have Nine State of the Art manufacturing facilities in India, 4 located in South India, 4 Located in North India and 1 located in Gujarat, West India. All the manufacturing facilities are certified with **ISO/TS 16949:2009, ISO 14000:2015 & OHSAS 18001:2007.**

The products manufactured by FIEM conform to **DOT, CCC, ADR, AIS** etc.



Unit 1
Location: Kundli, Sonapat, Haryana
Establishment: 1994
Products: Rear View Mirrors, Automotive Lights
Land Area (Sq. Mtrs): 16,588



Unit 2
Location: Hosur, Tamil Nadu
Establishment: 2004
Products: Automotive Lights, Reflectors
Land Area (Sq. Mtrs): 12,505



Unit 3
Location: Hosur, Tamil Nadu
Establishment: 2005
Products: Sheet Metal Parts
Land Area (Sq. Mtrs): 19,110



Unit 4
Location: Mysore, Karnatka
Establishment: 2005
Products: Rear Fender Assembly
Land Area (Sq. Mtrs): 4,014



Unit 5
Location: Hosur, Tamil Nadu
Establishment: 2006
Products: Rear View Mirrors, Automotive Lights
Land Area (Sq. Mtrs): 13,467



Unit 6
Location: Nalagarh, Himachal Pradesh
Establishment: 2006
Products: Rear View Mirrors, Automotive Lights, Plastic Parts
Land Area (Sq. Mtrs): 19,191



Unit 7
Location: Rai, Sonapat, Haryana
Establishment: 2010
Products: Automotive Lights, LED Luminaires & IPIS
Land Area (Sq. Mtrs): 28,357



Unit 8
Location: Tapukara, Rajasthan
Establishment: 2011
Products: Plastic Injection Moulded Parts, LED Luminaires
Land Area (Sq. Mtrs): 42,863



Unit 9
Location: Ahmedabad, Gujarat
Establishment: 2015
Products: Automotive Lights, Plastic Parts
Land Area (Sq. Mtrs): 32,500

Group Companies

- 📍 Fiem Industries Japan Co. Ltd. (wholly owned subsidiary)
- 📍 Centro Ricerche Fiem Horustech SRL, Italy (Joint Venture Company with Horustech Lighting S.r.l., Italy)

Key Customers

- 📍 Honda, TVS, Suzuki, Yamaha, Harley Davidson, Royal Enfield, Mahindra
- 📍 Tata Motors, Force Motors, Honda Siel, General Motors, Hyundai, Daimler, Mahindra Reva

Two Wheeler Segment (Domestic)



Two Wheeler Segment (Global Customers)



Four Wheeler Segment (domestic customers)



Four Wheeler Segment (global customers)





**From the desk of
the Chairman &
Managing Director**

*With the growth drivers
of all our business
segments clicking at the
same time, let us all step
together into an exciting
and fulfilling future.*