

**February 19, 2025**

**The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai -400051**

**Sub: Q3FY25 Earning Call: Transcript.  
Ref: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred herein as Listing Regulations).**

An Earning Call was held on February 13, 2025 to discuss Operational and Financial performance of the Company for Q3FY25. Pursuant to Regulation 46(2)(oa) of the Listing Regulations, the copy of Transcript of above Earning Call has been made available on the website of the Company under Investors section.

The web link of the above Transcript is as under:

**[Link: https://fiemindustries.com/analyst-meet-audio-recording-written-transcript/](https://fiemindustries.com/analyst-meet-audio-recording-written-transcript/)**

Pursuant to Regulation 30(6) read with Schedule III [Part A, Para A, sub-para 15] of the Listing Regulations copy of the Transcript is also being submitted herewith.

This is for your information and records please.

Yours faithfully

**For Fiem Industries Limited**

**Arvind K. Chauhan  
Company Secretary**

**Encls: A/a**



Fiem Industries Limited  
Q3 FY'25 Earnings Conference Call”  
**February 13, 2025**



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**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 the Fiem Industries Limited Q3 FY '25 Earnings Conference Call, hosted by Monarch Network Capital Limited. 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 the call, please signal an operator by pressing star, then zero on your touchtone phone.

Please 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.

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital. Thank you, and over to you, sir.

**Sahil Sanghvi:**

Thank you. Good evening, everyone. On behalf of Monarch Network Capital, I welcome you all to the Q3 FY '25 conference call of Fiem Industries Limited. We will start the call with the initial comment about the results and the future outlook of the company, and then we'll open the floor for question and answers.

Now I'll 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 Q3 FY '25 earnings call of Fiem Industries. 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 presentation and the results are now available on our website and the stock exchange. We trust that you must have reviewed the same. It gives me great pleasure to report that Fiem Industries has once again delivered an outstanding quarter, exceeding industry's benchmark and demonstrated the power of our strategic vision. Before going into our detailed results, let me briefly give an overview of the economy landscape.

The Indian economy remains on an impressive growth path with GDP expected to rise by 6.7% in FY '25. Further, the Finance Minister's historic move to give substantial relief of income tax to the middle class is likely to inject fresh momentum into the consumer demand, which will have direct positive impact on 2-wheeler industry.

Turning to the automobile sector. The 2-wheeler industry has maintained its robust momentum, growing by more than 10% in the first 9 months of FY '25. Rising rural income, robust demand from the urban market and the new model launches have driven this growth, solidifying the 2-wheeler industry's position as a growth driver in India. Fiem has been able to outperform the industry achieving 22% sale growth in Q3 FY'25.

During the quarter, Yamaha and Royal Enfield posted a strong performance driven by the new model launches. Yamaha launched [YZR 150cc and XTZ 250cc] for Brazil and European market. In line with the trend in automotive lighting industry, we are making significant

investment for strengthening our electronic capabilities in the area of advanced design software, electronic laboratory for EMI and EMC testing and validation. Further, we have also invested in the state-of-the-art electronic manufacturing facilities at our plants in North and South.

In addition, we are also expanding our R&D and design capabilities at our subsidiaries, FRT Italy and FIEM Japan. We continue to make our sincere effort in growing 4-wheeler business our first project of LED number plate of Mahindra & Mahindra has been approved for their 3XO, Thar, Scorpio and other models. Similarly, the second number plate is approved for the electric 3-wheelers Supro and Bolero model. Our manufacturing facilities has now been approved by Mahindra & Mahindra and production is likely to commence from quarter first FY '26.

Moreover, we have received another order for a new project XUV700 refresh model. Further, we are currently working on many more RFQs, which are likely to be converted into the confirmed orders in FY '26. We continue to remain focussed on growing our business in 2-wheeler and 4-wheeler segment through the new product and the new technology introduction.

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 am presenting quarter 3 numbers for FY '25 in comparison to the corresponding quarter of previous financial year. The company has registered sales of INR590.1 crores in Q3 of current financial year in comparison to INR483.11 crores in Q3 of FY '24, which is an increase of 22.15%.

The percentage of LED lighting within the total automotive lighting has increased to 61%. The EBITDA is higher at INR77.88 crores translating into an EBITDA margin of 13.2% as compared to an EBITDA of INR64.48 crores that is 13.35% in corresponding quarter of previous financial year. PAT has increased by 17.64% to INR47.41 crores as compared to INR40.30 crores in Q3 of FY '24. During the quarter, the company has made a capex of INR36.94 crores taking the total capex to INR108.78 crores for 9 months of FY '25.

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

**Moderator:**

The first question is from CA Garvit Goyal from Nvest Analytics.

**Garvit Goyal:**

Actually, I was reading in business standards the commentary from CEO, Niranjan sir of Hero Moto that they are seeing a big rural jump over the next 4 to 8 quarters. So are we witnessing a sharp increase in or any such indication of increasing demand for our products based on whatever conversations happening with our end customers? And can we expect FY '26 to be at a higher growth than our historical growth rate of 20%, driven by the expected industry tailwinds, as you also mentioned in your opening remarks, sir. So that is my first question.

**Management:**

Yes. So specifically, I don't know which comment are you referring to, but we have maintained that the 2-wheeler industry is on an upswing. FY '25 is going to be very robust, and we see no reason why the demand momentum should not continue into FY '26 as well. Both rural and the urban markets are showing positive.

- Garvit Goyal:** Understood. And first half -- first 9 months, basically, we reported a significant growth. So are you confident enough to maintain that Y-o-Y growth in Q4 as well?
- Management:** Yes, Growth momentum is on positive. We are seeing positive offshoots everywhere, and we should continue
- Garvit Goyal:** And lastly on the R&D initiatives and our 4-wheeler initiative, what are the progress happening on that side? And are we looking to increase our revenue in FY '26 to the total revenue from the 4-wheeler side? And what are the updates on the Gogoro side?
- Management:** There are many questions in there, but let's just first take the question on 4-wheeler.
- Management:** So... I am Vineet, I'll answer your question on 4-wheelers. See, as per our strategy, we are first finding entry points into 4-wheelers. Revenue is not our immediate target. And you would have heard in Chairman's speech, we already got presence in multiple models of Mahindra, which is as per our strategic plan. And now our plan is to move up the value chain and obtain orders for higher value. And then next step would be to translate to other customers. So revenue will follow, but we are following our strategy of FIEM Group to go step-by-step in this field.
- Garvit Goyal:** And on Gogoro front?
- Management:** Yes. So Gogoro is facing significant headwinds in the international market. I don't know if you have picked up those comments. They have a lot of challenges that they are facing at global market, which is India strategy yet remains unclear and which is why we are not seeing any significant uptick from where we updated since last quarter. It is right now on pause.
- Garvit Goyal:** Until now, how much fund we have invested in that side?
- Management:** That is not a very big amount, and we don't have that figure handy. So that is -- we are just waiting for the Gogoro response on global team.
- Moderator:** The next question is from Jatin Chawla from RTL Investments.
- Jatin Chawla:** In the opening remarks, you spoke about some order for the XUV700 refresh. Is that also for the number plate? Or is that for some other lamp in the vehicle?
- Management:** No, it is not number plate. Number plate in any case will get commonized what we are developing. And this is for another product, but still small lamp. And -- but it is for a new forthcoming model.
- Jatin Chawla:** Got it. On the quarterly results side, just wanted to check on two things. One, when I look at the growth for Honda, that growth is on a Y-o-Y basis, 4%. I think Honda's production numbers, the growth was much higher. So is that some share loss? Or is this because some models of Honda where we are present are not doing well and some others are doing well? That's one. And secondly, on the replacement side, also, I see there is a double-digit decline Y-o-Y during this quarter. So what is driving that?

**Management:** So on Honda business, you're right, the growth is 4-odd percent versus 6% to 7%, which the Honda has grown. That is primarily driven by certain set of models there at Honda's end, which are doing -- which have taken uptick. There is no sort of change in our business model with them. Our business continues to be absolutely same. And Honda is already showing uptick in volumes as we speak now. The last quarter, there was also shutdown at Honda, which has impacted some volumes. The plant shut down from December 22 onwards. So that has also impacted their volumes.

**Jatin Chawla:** Got it. And on the replacement side?

**Management:** Yes. As in the last quarter also, it is being explained that now all the lamps is being converted from conventional to LED. So demand is, of course, reducing. And further on, we have the agreements with all the customers, whatever properties of customers like moulds and other things are available with us, to be used for their production. So this will be impacting quarter-on-quarter, plus or minus both.

**Jatin Chawla:** So broadly, directionally, we should expect this business to kind of go down going forward?

**Management:** We are working for some other models wherein we are not directly with the customers. Those things will definitely come in the replacement market that will give the boost to our replacement market sales too.

**Moderator:** Next question is from Ravi Purohit from Securities Investment Management.

**Ravi Purohit:** Congratulations on a good set of numbers. A couple of things. Generally, I wanted to understand, we've been speaking about various kind of ambient lighting and lighting per se themselves have also dramatically improved over the last few years on the newer vehicles. So if you could kind of just give some flavor, let's say, for example, 5 years back or 10 years back, in a typical SUV or a typical sedan or hatchback, what would have been the cost of putting all the lightings within inside of the car and head lamp and tail lamp and all those things?

And today, let's say, when we are looking at newer models from newer companies, like recently, Mahindra had showcased their electric vehicles. Hyundai is in the process of launching a few. Maruti has announced a few. So we see a lot of lights in these newer vehicles. So how does kind of the addressable market or the lighting spend per vehicle on an average change between what it was 3 years back, 5 years back and what it is today and what it will be in the next 5 years?

**Management:** That's a very, very broad question. I think we need to spend a lot of time on that, but give you a broad sense -- let's say, 20 years back, a lamp of the minimum, let's say, 800cc model used to cost around INR700, INR800, right? Our typical lamp of LED today would cost around INR8,000 to INR10,000. So that is a big change that has happened in the industry.

The overall market, which was approximately INR2,600 crores now is around INR8,000 crores to INR10,000 crores market just for exterior lamps. But the interior lamps and MEL lighting are also getting added. So the overall market potential of lighting only in India is going to around INR10,000 crores to INR15,000 crores in the future.

So there's a lot of work to be done, you are right. And we at FIEM are working on all these technologies. We are also developing some proof of concept with some of the OEMs, which I can't disclose now on several new technologies. So we are absolutely abreast of what is happening in technology in lighting, and we are working closely with certain OEMs to bring this technology in India.

**Ravi Purohit:** If you could just give like a ballpark, let's say, the Mahindra showcase of the 2 new electric cars that they did, right? What in your guess would be the total spend of lighting in that model, right? If those models are selling at INR30 lakhs or INR35 lakhs, would lighting be INR50,000 worth inside or outside both put together?

**Management:** No, no. This is out of the scope of my purview to give the answer because there's a competitive product. I don't think it is right for me to give the numbers on this subject. We are not supplying them. It is the competition. So it won't be correct on my part to give you any numbers.

**Ravi Purohit:** Lighting in addition to the existing light would increase our substantially going forward. And we already have products and all the ability to be able to service this upcoming demand in the next 3 to 5 years?

**Management:** So there is a strategy that FIEM has. And as we said, we want to follow a robust strategy, which is a step-by-step manner. You cannot address the whole market immediately. It will be incorrect. So we have a planned strategy, focused customer with whom we are working. And gradually, we will expand our base because we are increasing our spending, as you would have heard in the Chairman's speech on R&D. We are focusing a lot on electronics. And these are the future things which will help us in growing our market share in India.

**Ravi Purohit:** And second, we had this tie-up with Gogoro and we were kind of getting tech transfer on the motors and the other parts. Now what happens to that? What happens to the money that we've spent? What happens to the tech transfer that is coming in from there? Are we allowed to kind of use only for Gogoro or can we kind of absorb technology and offer products to OEMs also? So if you could just give an update on what is happening with the tie-up with Gogoro, how much money has been spent? And what does the future look like?

**Management:** So okay. So let me answer that. First, on the money part, the money is kind of insignificant. It's under INR10 crores. So it's a very small number that also is reimbursable. So frankly, that is not the challenge. As you rightly pointed out, what we were hoping for was the technology transfer to happen fast and we could go to the market to other customers as well.

That process is as of now at pause, as we said, because of the global challenges. We expect that technology transfer to happen that should happen in the next couple of quarters. It might get delayed. However, it is kind of clear that Gogoro may not be pursuing the Indian market so heavily. So we do not expect too much volume out of that. But if the tech transfer happens, then that would help us attack this segment in a different manner. But that remains to be seen how it will be played out over the next 2 quarters. At this point in time, it is on pause.

**Moderator:** The next question is from Hitesh Goel from Riddhish Advisors.

- Hitesh Goel:** Congratulations on very good set of results. My first question is on the 4-wheeler business. Can you give us some sense what is the kind of content per vehicle right now you are envisaging in the 4-wheeler segment, especially Mahindra because we've got a lot of these models versus, say, content that you have in Honda or TVS just for us to get a sense how 4-wheeler business will move.
- Management:** Yes. Thank you, Hitesh. I've understood your question. See, as of now, as I said, this is a very small lamp. Our strategy is to make our presence in every model. And the best way to enter into every model is to get into some lamp, which is common, which we have done, right? So the content today is insignificant. And therefore, we are not chasing revenue as of now. We are chasing our presence in various models because that will open bigger markets for us in the future. So that is the plan.
- Hitesh Goel:** So Vineet, any guidance you can give us, say, 5 years' time, what can be the revenue share of the 4-wheeler or your vision? Maybe your vision -- say today, it is only 3%.
- Management:** So as I had spoken in the last conference also, we have not documented and we have not planned revenue as of now. I had requested for 1 more year to bring in our strategy paper because our presence is maturing, and we are getting good responses from our customers. Even the traction on new technology is good. Now it is difficult to quantify at this moment. We will do it at the appropriate time and share it with you.
- Hitesh Goel:** Okay. Great. And my second question is on Hero MotoCorp. You talked about 6 models that you are working on with Hero for development. So any updates on that? When will we see a meaningful revenue from Hero for FIEM?
- Management:** Yes. We are just waiting for the products to be ready for mass production. We are just waiting for the launches, which are being announced by customers. And thereafter, we can start and we can declare in our subsequent quarters.
- Hitesh Goel:** But what can be the size of a Hero? I mean, in that sense, will it become, say, 10% of revenue in 2 years' time? Any sense you can give us?
- Management:** Yes. This will be very difficult as of now because volumes are always decided by the customer. Sales and others will definitely come out with once the customer will launch and customers will declare their numbers.
- Management:** And these are right now new models. So it's tough to say in terms of acceptance of these new models, how quickly they will scale up. But over 3 to 4 years. .. We are working for more than 10%...Yes, we are working on that.
- Hitesh Goel:** Okay. And my final question is on margins. Basically, we are seeing a consistent increase in LED ratio, right, in the lighting business and even in entry-level now customers are putting LED lights. So just wanted to get a sense of margins because gross margins haven't moved much, if you look at gross margin will remain in the same. Margins in LED gross margin...Sorry, go ahead

- Management:** We have kind of clarified in the past as well that there is a gradual turn towards LED, which you can see it's now basically 60%. However, our margins, whether it is LED or conventional are broadly in the same range [inaudible 0:23:56]. As for the volumes and operating level, that has already increased, yes
- Moderator:** Next question is from Khush Nahar from Electrum PMS.
- Khush Nahar:** So a couple of questions from my side. So first is, could you elaborate more on what led such strong growth of 21% in quarter 3 because usually from other auto players, we hear that quarter 3 is usually a weaker quarter in terms of post festive and some shutdowns happen. And consequently, the new order wins that we have won, how much is the LED portion? And my second question is on the capex plan that we have over the next 3 years.
- Management:** Okay. So the Q3, you're right. Q3 industry has grown well in volume terms, if you see Q3 has been 8% growth for the industry. We have outperformed because of our overall mix. We kind of highlighted that some of our customers, notably Yamaha, Royal Enfield and several others did much better than these numbers. So all of this together helped us beat this industry number, and we have grown more than 20% close to 22.2%.
- And as far as your other question, LED is concerned, yes, that has increased from 57% to 61% for the current quarter, and we think that this number will keep inching upward as new models are being introduced new models, all of them are mostly LED and hence, LED number will constantly increase.
- And your final question was on capex. Now we had guided for INR125 crores to INR150 crores of capex. We've already spent INR108 crores for 9 months already. Another INR25-odd crores would be sort of spent in Jan to March. So that -- so we are broadly in that range for the current year. And for the next year, the number could be anywhere from INR75 crores to INR100 crores additional.
- Khush Nahar:** So as of now also, we are not planning to spend in terms of a new 4-wheeler plant?
- Management:** No, this does not include any new greenfield 4-wheeler plant. This includes the normal capex, which takes care of the current requirement of the 4-wheeler.
- Khush Nahar:** So could you help me with the cash number then, the cash on books as on date?
- Management:** This is INR217 crores.
- Moderator:** Next question is from Viraj from SIMPL.
- Viraj:** Yes. So just a couple of questions. First is, if you look at the sales figure for the supplies to Royal Enfield, a quarter or 2 back, we talked about us bagging order for Classic. So if you kind of adjust for that, you've probably not seen a full ramp-up for that -- for supplies to Royal Enfield. So would that be a right assessment?
- Management:** Sorry, can you come again? Your voice is not clear. Just go a little distance from the mic please. Your muffled voice is coming.

**Viraj:** Am I audible now?

**Management:** Okay, better.

**Viraj:** Yes. I was asking if I look at the supplies to sales to Royal Enfield, given that we have bagged an order from -- for the Classic and we are a sole supplier there, one would think the ramp-up would be much faster in terms of supplies to Royal Enfield. So just trying to understand what is driving -- why the ramp-up seems to be a little softer?

**Management:** Why would you say softer? If you see Q-on-Q, year-on-year increase for Royal Enfield, we are almost like up 100% over last year.

**Viraj:** Okay. Because if we map out the quarterly production numbers and the unit realizations, usually one would see a typical sales addition of INR20-odd crores on a quarterly basis. So hence, I was just trying to understand if the ramp-up...

**Management:** It's more like INR30 crores for Royal Enfield, which is a significantly higher number than last year.

**Viraj:** Okay. Second is in terms of Yamaha, can you just give some more color what has driven the growth there? Is it more export driven? Is it more domestic launches? And how should one understand the run rate there?

**Management:** See, as already our Chairman has already announced there 2 models which has given us export volume that is for Brazil and Europe. And simultaneously, the domestic market is also growing, which is together with us.

**Viraj:** Okay. So in the past, we used to talk about us working on 6 to 8 new model platforms for Yamaha, both globally and India. So how is the pipeline looking now?

**Management:** Yes. As of now, we are on the same track. We are as of now also having 8 new models, which are for domestic as well as for export market.

**Viraj:** Okay. Second question was on the PV. In the earlier conversation, you talked about us working on electronics, further making investments and also working on. So can you elaborate a bit more what exactly we are doing there? And an added question is, in the past few calls, we talked about us looking at or having tie-ups with -- for different technologies. So is that largely for the Indian market or there is an opportunity for us to look from an export point of view also with those partners?

**Management:** So I will address this. Your first question is on electronics. Yes, electronic is required not only for 4-wheeler, but also for 2-wheeler because both the products in segments are going electronics.

So FIEM as a group is strengthening the electronic capability in-house, all in design software, validation, setting up EMI, EMC and setting up a good manufacturing facility with the latest equipment. So that is a process, which is not only going to help 2-wheeler, but also 4-wheelers as a business. We are still working with our technology partners and all this development is

focused on India market. So while we are absolutely open for exports, but our focus today is for India market.

**Viraj:** Okay. Just one follow-up. You talked about electronics. Now if you look at for 2-wheeler lighting also, I think we were one of the earliest players when it came to setting up the SMT lines and having that backward integration. So when you say further than electronics, what is further backward integration we are doing there, either for 2-wheeler and 4-wheeler?

**Management:** See, the whole outlook of electronic is changing. It is not only simple electronic. Now electronic is coming with AUTOSAR, CAN and LIN arrangements, connectivity within the 2-wheeler with the ECU. So a lot of things are changing in electronics. It is not very simple. Software is getting embedded into hardwares. So software, firmware, hardware, everything is required in modern products. So this is something which needs to be upgraded by the organization. And we are again taking early mover advantage by taking some actions now.

**Viraj:** Okay. So in terms of capex, I think what you said is we are looking at spending close to INR100-odd crores this year, correct me. Now if I look at the cash balance as of September end, we were close to INR220-odd crores in terms of cash balance. Now even in the end of the December quarter, we're still around the same balance. So is it because of -- I mean, is the working capital increase, is there any significant increase in working capital? Or how should one understand this?

**Management:** So is your question around the end use of this?

**Viraj:** So my question is, if I look at September cash balance, it's still around INR230 crores, INR220-odd crores. And as of December, it is still around similar levels.

**Management:** Yes, your observation is correct. The cash balance is almost same. There are basically 2 big reasons. One is the dividend payout that has happened in the same quarter. And whatever is the additional capex we are doing, this is all from internal accruals. So the balance remains same.

**Moderator:** Next question is from Mohammed Patel from Care Portfolio Managers.

**Mohammed Patel:** My first question is...

**Management:** Your voice is not clear.

**Mohammed Patel:** Is it better now?

**Management:** There is lot of back ground noise.

**Mohammed Patel:** Is it better now?

**Management:** Okay. Much better.

**Mohammed Patel:** Currently, we are servicing the PV market with the help of our current existing lines and plant and machinery. So going forward, would we be requiring new assembly lines and plants for ramp-up of the PV products?

- Management:** Yes. PV products, like any other products, new lines are required. Same lines cannot be used. So whatever products we are doing and will do will require investment in assembly lines.
- Mohammed Patel:** Like what would be the estimated capex just an estimate if you have to give?
- Management:** So the capex figure given you just now includes investment of 4-wheeler and 2-wheeler both. There is only a marginal investment in 4-wheeler as of now. Any significant investment will be informed to the investors.
- Mohammed Patel:** And last question was, basically, I'm sorry if I'm repeating the question. So for Gogoro, as you said we have only spent like INR10 crores for the investment. But have you put any plan for the Gogoro is it remaining or what have we done in terms of investment for Gogoro?
- Management:** Let me try and understand because it's difficult to follow your some noise. Did you ask what is our investment in Gogoro?
- Mohammed Patel:** Yes, sir. Have you put up a plant?
- Management:** As I said, it is under INR10 crores in single digit and that's why it's not a material figure. And plus these are all investments which are returnable from Gogoro. These are part of the agreement with them.
- Mohammed Patel:** Okay. So we have not invested any major asset for Gogoro currently?
- Management:** No. There's nothing beyond this.
- Moderator:** The next question is from Shubh from RatnaTraya Capital.
- Shubh:** Sir, you used to share wallet share data for different OEMs. If that is available, can you share, please?
- Management:** So we shared up to last year only... last 2, 3 years we shared. But as of now, we don't have that figure because that is a lot of information we got from the OEM as well. So we don't have that data for the current year.
- Management:** We'll be able to perhaps put it together as part of the annual results. Estimated number on quarter is difficult, but we try for the annual exercise.
- Shubh:** Understood. No problem. Also, is there any update on the fire money reimbursement?
- Management:** You are talking about the insurance?
- Shubh:** Insurance, yes.
- Management:** Okay. So that is already in the process. INR30 crores is already received in the month of September.
- Shubh:** Right. Understood. And nothing above that as of now, right?

- Management:** That is -- I just informed this is under final process of...
- Management:** Nothing is received further. We have not received anything.
- Moderator:** Next question is from Khush Nahar from Electrum PMS.
- Khush Nahar:** Am I audible now?
- Management:** Yes.
- Khush Nahar:** I just wanted an update on the 4-wheeler European OEM to whom we were supplying approval stages were going on over there. So any update on that?
- Management:** Yes, it's a good question. We have last week submitted our final samples to them. It has just reached them yesterday and with our complete detailed report, all parts from our side are okay. So we have sent the final samples, and that will go to customer next week, and then the process will start. So this is moving as per the plan.
- Moderator:** Next question is from Saurabh from Multi-Act.
- Akshat:** I'm Akshat from Multi-Act. So my question was mainly on Yamaha. So I wanted to understand and get a clarification as to this light that we are supplying, if we are supplying to Yamaha India and whether they are exporting the light as it is or they are making a entire motorcycle and exporting it?
- Management:** No. We are sending the lights to Yamaha India and Yamaha India is sending these lights to outside countries. And vehicle assemblies will be at MBK as well as in Brazil Yamaha.
- Akshat:** And this is mainly for the YBR 150 model, right?
- Management:** These are the two models which is being explained to you. This is models FZ 150, YBR 150 and XTZ 250cc.
- Akshat:** And my next question was mainly on Hero. So we've been working on around 6 to 8 model of Heroes for a long time. So just wanted to understand if you've got any idea of the launch pipeline of those models from Hero and what could be our estimated SOP for those models.
- Management:** It is 3 models, upcoming models are being validated and QAV is being done by customers. Now just we are waiting for the launch and ramp-up plan. And thereafter, we will explain you and we will give you the overall details.
- Akshat:** And sir, any other significant model wins in the Q3, which you would like to highlight because we've not highlighted in the opening remarks.
- Management:** Q3 was, of course, a year-ending quarter. So it is all will be launched in the new year whenever you go for a January. So there are a few models which is being launched by the other customers during this quarter. So we will explain you these models during next call.

- Moderator:** Next question is from Prashant Kothari from Stock Market REIT.
- Prashant Kothari:** I wanted to ask about the Mercedes-Benz project. What is the SOP for that?
- Management:** So as we had informed, we are doing the low-volume development project for Mercedes. So first 2 projects are already complete and delivered to Mercedes. Third project is on, and that is also moving as per plan.
- Prashant Kothari:** Okay. And about the Gogoro project, have you initiated any discussion with the other EV OEMs to commercialize this?
- Management:** No, we just explained that there is the transfer of technology process is pending. And once that is completed, only then can we start that discussion with other OEMs.
- Moderator:** Next question is from Mehul Panjwani from 40 cents.
- Mehul Panjwani:** I'm recently tracking your company. So I just want to understand, I got to know from earlier question that there was some fire for which we have got insurance. So when was the fire, sir, which period of the year? And was it in this financial year?
- Management:** Okay. So this fire happened on 13th of June 2023. And as I informed, one ad-hoc payment we already received INR30 crores in the month of September last year. And rest of the things are under process.
- Mehul Panjwani:** And one more follow-up question, sir. So was there any operational impact during that period?
- Management:** No, we timely intimated to the stock exchange also. This production was resumed within 3 days and all things are now in the original reinstated stage.
- Moderator:** Next question is from Shubham Sehgal from Skill Ventures.
- Shubham Sehgal:** So my question is about the new technologies. So if we see in our annual report, we had mentioned about 4 technologies mainly ambient lighting, laser, capacitive cuts, and microlens array. And we also mentioned that we've been working with our technology partners and we have signed MOUs with them. So I just wanted to ask like how far are we with these technologies? Like could we see them materializing in maybe 1, 2 years going forward? So like could you give some color about these and like any technology that we have got any proof of concept that you are working on?
- Management:** Yes, sure. So as I said, this initiative of ours and new technology is quite well appreciated by our customers. And we did the technology show, and we are quite deeply engaged with our customers. So currently, with 2 customers, we are working on proof of concept.
- And one of the technology has got more traction, and we will be shortly receiving a statement of requirement and RFQ from one of the customers, and that is a result of all the hard work we have done in last 1.5 years on technology. And once we work on that RFQ, then we are likely to get that business deal. So this is a step-by-step process, and we are quite engaged with the customer in bringing good results for FIEM Group.

- Shubham Sehgal:** Okay. And I'm assuming this would be a domestic customer that you're working with?
- Management:** See, we are working with Indian customers. That is our focus.
- Shubham Sehgal:** But my question here is that why aren't we targeting like international customers? Like don't you think like the acceptance rate could be higher and we could get more orders there?
- Management:** No, it is not the wish. As we said, we are a conservative organization moving in robust planned step-by-step process. We don't want to jump. First, we will establish ourselves in Indian market. We will establish a good quality, and then we will approach international market.
- Moderator:** Next question is from CA Garvit Goyal from Nvest Analytics.
- Garvit Goyal:** Just want to know like what is the anticipated margin profile in the upcoming quarters? Like in June quarter, we did around 14% and since then we are doing 13%. So is it the sustainable kind of margin guidance we will guide for future as well? Or are we looking to further improve the margin?
- Management:** We don't give quarter-by-quarter margin guidance. We've kind of said that we ideally like to work in a band of around 13%, 13.5%, but we don't give any other specific guidance, especially quarter-over-quarter. This is what our intent would be over the next couple of years.
- Moderator:** Next question is from Prashant Kothari from Stock Market REIT.
- Prashant Kothari:** Yes. Just a follow-up. With the recent fluctuations in the raw material cost, particularly for plastic and electronic components, are we handling -- how are we handling the price pass-throughs with the OEM? And has there been any delays or pushback in passing on the cost increase?
- Management:** There is a very defined process in terms of handling these sometimes escalation or changes that happen because we have to work very, very closely with OEM on every component. Everything is transparent. So as we've explained in the past also, ours is a pass-through process, any changes is pass through on a quarterly basis. So any impact on any changes will come through discussions with OEM on a quarterly basis. It is a process which will happen. So no impact on any of the -- any changes that may happen in raw material.
- Moderator:** Next question is from Khush Nahar from Electrum PMS.
- Khush Nahar:** So just one question I had, any kind of guidance that you would like to give in terms of revenue for the next 3 years?
- Management:** We don't give any specific guidance. What we like to maintain that we will be ...
- Management:** ...We are very optimistic and we hope as the things are going well in the auto sector. So we hope good improvement.
- Khush Nahar:** So any kind of range 15% to 20%, maybe one point industry is growing by X, what are we targeting?

- Management:** We've always done better than industry and 15% to 20% is something that we definitely would like to get to, definitely not less than that. But again, as we said, we don't give a specific number.
- Khush Nahar:** Right. So when can we expect 4-wheeler to contribute significantly, say, around 10% of our top line? When is that possible in which year?
- Management:** So as I said that we will be coming out with the crystallized numbers after our strategy in entry at OEM is done, which will take a year, and we will definitely present our business plan because currently, we are not focusing on revenue. We are focusing on entry and then we are going to focus on increasing our revenues. So we will be sharing that with you at appropriate time.
- Moderator:** Next question is from Ankur Shah from Quasar Capital.
- Ankur Shah:** Congrats on great set of numbers. Sir, just one question on the margin. Sir, like with the 22% top line growth, we would have expected some operational leverage to materialize on the bottom line. And yes, sir, so is there some reinvestment which is taking up the extra margins? Because last call, I think you all called out that the factories are running at 80% capacity. So in any manufacturing setup, the last 20% is the most profitable. So like why are the margins staying where they are?
- Management:** So here is the synopsis of how we look at our business. And as we explained whether from a product-wise, one of the driver has been LED also. As you see, the growth is coming from the transmission from conventional to LED. That is also one of the important driver of growth. And whether it's LED or conventional, the margins are broadly same at customer level. So while I appreciate what you're saying on operating leverage. However, this is the broad number that we'll operate.
- Ankur Shah:** So is it that if we reach a particular customer volume, is it that the customer will ask for repricing because that is the only thought which comes to my mind.
- Management:** Yes. So we are in a super competitive environment where customer always want lower price... it is never that the customer will not want a lower price. See a lot depends on product mix also. One of the customer goes down, other customer goes up. So margin is complex, and you cannot relate directly that if the sale has gone up, margins will go up. What product mix is there, that is very important. And I can give you example, Ola was doing, for example, 50,000 a month, which is now 25,000. So margins would change. So the product mix is important.
- And also, if you look at Q-on-Q from Q2 to Q3, our sales are actually marginally lower only from Q2, but our margins are better, so it's not just a function. You are right in an environment where there's increasing sales, there should be more, but there are many other things that you will need to kind of factor, including what Vineet mentioned around product mix.
- Moderator:** That was the last question in queue. I would now like to hand the conference back to Mr. Sahil Sanghvi for closing comments.

**Sahil Sanghvi:** Yes. I just wanted to thank all the participants for joining the call and also thanks to the management for very elaborately answering all the questions. Jain sir, would you like to give any closing comments, please.

**J.K. Jain:** Yes, please. I would like to thank everyone for participation in today's conference call. I hope that we have adequately addressed all your queries. If you have any further questions, please don't hesitate to contact us. Thank you, and have a good evening. Thank you.

**Sahil Sanghvi:** Thank you.

**Moderator:** Thank you very much. On behalf of Monarch Networth Capital, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

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**Note:** For sake of clarity, transcript has been corrected as per audio, post receipt from Chorus Call.