



## (Investment Idea

### Fiem Industries (FIL)

Fiem Industries Limited (FIL), manufacturer of automotive lighting, signalling equipment and rear-view mirrors, has declared strong set of numbers for Quarter ended December, 2006 (Q3 FY 2007). FIL registered Net Sales of Rs 47.8 crore and PAT of 4.2 crore in Q3 FY 2007.

FIL supplies to growing automotive sector (2-wheeler and 4-wheeler) in India and has set up new units to encash growing demand. It has recently commenced commercial production at a unit at Nalagarh, Himachal Pradesh for automotive lighting and signaling and rear view mirrors. FIL has also commenced commercial production of mirror plates in EOU (Unit V) situated in Hosur, Tamil Nadu for Ichikoh Industries Ltd., Japan. Plus, FIL is in the process of expanding its capacities at existing units at Hosur, Tamil Nadu and at Sonapat, Haryana.

FIL has 3 agreements to set up joint venture with Aspock Holding, GmbH, Austria (for signalling equipment), Lchikoh Industries Ltd. (for mirrors) and Korea Air-Conditioners Co. Ltd. (for car A/C componenets). These agreements will help FIL to expand its product portfolio and can fetch new business from new car manufacturers going forward.

At CMP of Rs 125/-, share (Rs 10/- paid up) is trading at 10.8 times FY 2007 expected EPS of Rs 11.6/- and 8.3 times FY 2008 expected EPS of Rs 15/-. Considering decent growth prospects, we recommend to “BUY” the share at CMP.

#### Disclosures:

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