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December 9, 2022

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

Scrip Code : MOTHERSON

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code : 517334

Ref. **: Transcript of the Investor Meet**

Dear Sir/ Madam

This is with reference to our letter dated October 10, 2022 and December 03, 2022, intimating about the Motherson Institutional Investor Meet 2022 held on December 3, 2022 and further upload of the presentation and video recording on the Company's web-site.

In respect to above, please find attached transcript of the aforesaid investor meet. The above transcript is also available on the website of the Company www.motherson.com.

Thanking you,

Yours truly,

For Samvardhana Motherson International Limited
(formerly Motherson Sumi Systems Limited)

ALOK GOEL Digitally signed by ALOK GOEL Date: 2022.12.09 17:25:01 +05'30'

Alok Goel
Company Secretary

Resilient. Long Term. Sustainable

"Motherson Institutional Investor Meet 2022"
December 3rd, 2022

Management

Mr. Vivek Chaand Sehgal,
Chairman, SAMIL and MSWIL

Mr. Laksh Vaaman Sehgal,
Director , SAMIL and MSWIL

Mr. Pankaj Mital,
COO and Whole Time Director, SAMIL

Mr. Kunal Malani,
CFO, SAMIL

Mr. Anurag Gahlot
COO, MSWIL

Mr. G N Gauba
CFO, MSWIL

Master of Ceremony: Thank you again everyone we'll be starting in just a few seconds we can all take our seats that will be great.

Welcome all to the investor meet 2022 We are very glad you're here and we are honored to be hosting you today. Hopefully by now you've all had a chance to take a look at our Motherson Experience Centre that was in the corporate office on the second floor. If not, don't worry, you will get another chance in the second half of the day. Before we go any further please let me call on stage our safety briefing coordinator for this event. Major please.

Safety Officer: Good morning ladies and gentlemen. Welcome to Motherson Safety Brief. This arena has two locations called conference hall and trend zone. You're currently inside the conference hall it has got five emergency exits, one exit each is towards your right, left and in front of you. Two exits are exactly behind you and the assembly area is 75 meters behind you.

In case of an emergency please use these exits to reach the assembly area.

Safety coordinator is available inside the hall and trained security staff is available outside this hall to help you in case of an emergency.

Similarly, trend zone has four emergency exits and assembly areas remain the same.

In the due course of this meet, you will also be visiting the first floor. Like the second floor. First floor has two emergency exits.

It's as shown in the flow layout. One exit is near the left and the other is at the backside of the floor. Floor emergency evacuation layouts and emergency exit signage are promptly displayed on the floors. In case of an emergency. Please press the panic bar down on the emergency exit to approach stairs, climb down and reach the indicated assembly area at the ground floor. Training security personnel are available on the floors to help guide during emergencies. Lift will not be functional during emergencies. Thank you very much have a safe stay and engaging event.

Master of Ceremony: Thank you Major for the information.

Before we move forward I wanted to remind you, every one of you will see wearing these lanyards. You will see three different colours. Our organization team is the one wearing the orange lanyard. They'll be able to help you with anything you might need today. In terms of logistical issues or any questions you might have. Anything we can help with. We're happy to be there.

Now ladies and gentlemen up next we do have the main event to get the ball rolling allow me to call on stage our SAMIL CFO, most of you know him as our lean mean finance machine. Please let me help me welcome Kunal Malani

Kunal Malani: Thanks, at least someone told me I'm lean.

Mean I hope not. Killing machine, we'll see by the end of the day.

But good morning, everyone. Great to have you here. It's a Saturday.

I know it takes a lot of personal commitment to be here. So we're very, very grateful for your presence here.

Actually, maybe I should be saying more importantly, we should thank all your spouses and family members to have allowed you to come here on a Saturday. We met here last in November 17. It's been five years. Some familiar faces many new faces as well, you know, the world's quite changed. It looks like a completely different world now.

But some things have remained a constant, as an example are, you know, as you're aware, we have a five year plans and our endeavor to achieve these five year plans have remained a constant. We are here today, in the halfway journey of our 6th 5 year plan, the Vision 2025. And we are very excited to show you where we are, and you know how we will get towards achieving our Vision 2025.

You know, when we announced this event, a number of you have reached out to us to tell us, you know, what you would like us to showcase here what you would like to see in here, we've tried to incorporate many of these elements into the day. And you know, as an example, I hope everyone enjoyed the Motherson Experience Centre, which showcases all our products and technologies, I shouldn't say all, it's actually only about 10% of what we do. But that's what we could fit in here. Don't forget we are having 300 facilities across 41 countries.

Similarly, we have, we have a trend zone after this, which will give you a flavour of how our products and technologies are evolving, to meet some of the changing trends. We also have the entire team, which actually makes this a reality. So please spend some time engaging with them. And they can certainly convince you a lot more about why we do what we do and why we are so good at what we do.

So I hope it's it will be a very engaging and pretty packed day. Unfortunately, we started a little late, thanks to all the weather and traffic. But I hope that by the end of the day, you know you're as excited as we are on this journey. And at the same time, as confident as we are to try and achieve our Vision 2025.

Now let me please invite Vaaman Sehgal to share his thoughts on our journey and where we are. Or maybe I should say, drive us on route 36. Thank you so much.

Laksh Vaaman Sehgal: Good morning, and welcome everyone to our show here today. I take the cue from Kunal and thank you all for being here on a Saturday. I do apologize for the weather. But at Motherson, we're not allowed to apologize for traffic. Because if traffic is red, that means businesses doing well. So not apologizing for traffic. But yes, for the weather. Please, please excuse us. So welcome to our halfway point. It's very important meet for us. We as a whole team are quite excited to show you where we have reached. And it's important halfway point, it's exactly half of where we are in Motherson.

I'm having some issues with the clicker not working. As always, you plan for everything, but the easiest of things don't work. We can send people on the moon but having a presentation work, you know, without any issues is always is always a problem.

So welcome, again, from my side. This is the halfway point, my presentation is going to take you through exactly where we are. I might remind you also of our Vision 2025 What we started to do back in 2020, the world was very different back then when we set on this journey. But that being that we still have a long way to go.

I want to remind you what we started back in, in 2020. What is our vision for 2025? Where is it that we stand right now at that halfway point? And why is it that we stand where we stand?

And then I'm going to hopefully answer a lot of your questions that you have, how is it that we're still going to get to that point of what we set ourselves out to achieve at Vision 2025? After that, we're going to open up the floor for question and answers. And you will have a chance to see the senior management team and ask questions if you do have any, after my presentation, so let's get right into it.

Everything starts at Motherson with purpose. We here at Motherson, constantly aim to delight our customers, and set ourselves seemingly impossible goals. The reason why we set ourselves impossible goals is that is the only way we see that we can provide sustainable opportunities for growth for all our people here at Motherson, and become part of something much larger than ourselves. We've been doing this for a long time, this is our 6^{th} 5 year plan. And as you can see, if we hadn't set such large ambitious targets, there is no way we would have been able to achieve a CAGR of 32%. year on year from the time since our inception. So setting large goals, you know, seemingly impossible targets it works really propels us to unleash our full potential and deliver stellar results for all of us.

But then again, you can really ask, why do we set such high targets? And frankly it is the only way that we believe that we can create value for our stakeholders, while doing that is also the way that we can create opportunities for all our people now imagine if we were one product, one country, one company, how many opportunities could we give to the people that are part of Motherson. By setting very high goals, you're trying to diversify, bringing more products, enter new countries, we give a lot of our people who have been with Motherson, unlimited opportunity for growth. And finally, because we want to do something amazing, and something really valuable. You know, we believe that we have all the key ingredients in terms of an amazing team, sound principles of doing business, a strong philosophy, and we believe that we can really be the benchmark in the industry in manufacturing. And that's why we really set these targets.

Now, let me refresh, what is it that we are trying to achieve by 2025 to be a $36 billion company. But it's not just a top line, it comes with the bottom line, we just don't want to do it for ego purposes or something like that, we want to be a $36 billion company with delivery of a 40% ROCE.

On top of that, we want to be a diversified company. The reason for that is that if we are able to do different products in different geographies, so the 3CX stands for no country, no customer, no component to be more than 10% of our business. If you're able to do that, we can continue to grow no matter what market condition is really out there. And for the first time ever, we are actually targeting to do non-automotive in this five year period. This is stuff that I'll get into a little bit more in my presentation as well. But this is what we have set out to achieve.

And finally, we're going to grow, we're going to triple up from where we are right now, while maintaining financial discipline, and making sure that all our financial policies are intact. So quite a heady mix. But I think it's important that you understand that all these targets are not just one offs, they are interrelated. They have to come with each other, not at the expense of each other. And that is what ensures that we maintain good discipline, and give comfort to all our investors that we're not doing acquisitions or not going for growth just for the sake of going after growth, but actually doing it in very proper, organized approach with financial discipline head on our shoulders, and with the opportunistic in the market, when we get windows to be able to achieve all these things.

So where do we stand today?

You can imagine, announcement in 2020, as soon as that happened COVID hit but we didn't say okay, let's delay by a few years. In fact, we reorganized ourselves, we said that, you know, if we really want to be a $36 billion company in the next five years, some things in our structure have to change. There was a lot of feedback coming from my investors, the structure is complicated. We need it to be simplified. So we listen to all of you. We actually went through an exercise of reorganizing our entire company and putting all of the group under one umbrella. We reorganized and now we have created two very successful and exciting companies. SAMIL being the company which is completely diversified, has a large portion of the revenues, will house all the international acquisitions, and of course being a very focused entity called MSWIL, which is again, with a joint venture partner, Sumitomo San, where Motherson originally started, which will focus only on the Indian passenger car wire harness business, which in itself is a huge market opportunity, as we know that India has tremendous potential moving forward in the automotive growth. So two very exciting companies, market leaders in their own domain, one will focus more on the international side, one will focus more on the Indian pass car wire harness - creates two very exciting entities for all our investors.

While working as one, we've also not just simplified the structure, we also simplified all our branding, all our logos. So instead of having multiple companies that people not really know that where they belong, now everybody belongs under one logo, one brand, which is unified, all of us under one simple logo Motherson, which you will see all around you and everywhere that you go.

So this is a start of a new chapter.

It's something that we call Motherson, 2.0. And 2.0 is not just a number, it's an attitude in Motherson. It's a way that we are asking every single person in the Motherson family to imbibe certain principles, certain values, we want to be a company that becomes more agile. Now as we grow in size, we want to triple up in size, we're going to have to do something different than what we have done to get us to where we are, especially in the world where there is so much volatility, there's so much uncertainty, we are pushing our people to have a fresh approach to deal with the challenges, be more dynamic, be more agile, be faster to react to any situation. And that's what we call Motherson 2.0. I have a small movie that I hope you guys will enjoy and we'll explain more what I'm trying to say.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So, as you can see, our platform is ready. And we were ready to really go after the 2025 targets. But since then, the world has become that much more uncertain and unpredictable. In fact, you see some research out there, researchers from Stanford are saying that the level of uncertainty that there is in the world and the range of the unexpected events that are happening are reaching extremes, which means that it's really hard to predict anything that's really going to happen.

So, extremes are getting more extreme. There's getting faster, unpredictable events that are happening in the world that is making it very difficult to really have a plan. In fact, you have to be the fastest to respond to any situation which is a much bigger strength than trying to predict it because obviously, that's not possible to do in our world anymore. When most of us, you know, thought okay, COVID is going to be one year, you know, 2021 is going to be much better year. Hey, we will hit with even more challenges. COVID on hindsight was just the start of a domino effect of a lot more problems that happened- chip shortage, rising commodity prices, geopolitical situation in Europe, crazy levels of inflation, rising labour costs, all these things have hit us one after another.

So there's two approaches right one say Hey, let's take a breather, let's take a break, let's postpone, or the other approach which Motherson adopted was that this is the reality of the world that we live in. If you think of 2022 is coming to an end, and 2023 is going to be a better year, hey, don't hold your breath, I got news for you, new challenges are going to come up. And that's what Motherson 2.0 was about. That's what we are embracing ourselves and saying, Hey, even in these tough times, even with these things that are constantly going to happen, we're not going to get a breather in a year, we're going to have to find ways and means to still grow to still achieve 2025 targets no matter how difficult the world is, is really out there. So needless to say, we've had the most challenging start to any five year plan in the history of Motherson. Not only that, as we saw that post COVID, the 2021 time that we had, everything started to go up really unreasonably, unrationally and there was a lot of cheap money available, there were a lot of acquisition opportunities available. And, you know, we had a lot of opportunities to really go and grab and bite, do a large acquisition, and actually have already achieved our $36 billion vision. You would have seen a lot of news articles that are saying that Motherson was trying to acquire quite large companies. Well, frankly, if we would have done any of those things, in hindsight, we would have significantly overpaid for these businesses. And that's one of the reasons why you didn't hear large acquisitions that have not happened at Motherson, because we didn't see a path to 40% ROCE.

So what I'm trying to say is we are patient, we've got our head on our shoulders, we're only going to go after a $36 billion dollar target when we find a sustainable path to a 40%. ROCE. But at the same time, we're not wasting time. Even though acquisition opportunities will come when the timing is right, we've actually focused on getting our house stronger, reduced fat, leaner operations, and that is showing results on the organic side, while the inorganic is an art, but organic is in our control. The teams have worked extremely hard. As you can see our revenues, annualized will be 12 billion this year, it'll be a record for Motherson. And this is an environment where the passenger industry has actually declined. There is de-growth in the industry, yet Motherson is growing, is outpacing the industry growth by 8- 9%. That is the magic of our teams, that is the hard work and commitment of these teams to make sure that even in the toughest of times, we find ways to grow.

We don't ride on EBITDA margins. But we do, obviously focus on our profitability. And that's why I think it's key for you to look at this chart and understand that we focus on absolute growth of EBITDA. We don't like to be judged on the percentages, because, you know, the fact is, we're not a cement or a tyre company where the product largely remains the same year on year. After every single cycle of five to seven years of our particular program of the carmaker, we have an ability to completely re-engineer or redesign, completely create a new product.

Let me give you an example. Let's say for a mirror business, let's say the mirrors which are simple mirrors, just giving you an illustrative example, a pair of simple mirrors cost 10 euros, we have an EBITDA margin of 10% on those euros, we make one euro in EBITA. Now the next version and something that you will see in our experience centres, you will see mirrors coming up with highly embedded cameras and the future will be perhaps only camera these are also things which we have already developed in house. Now these cameras will be priced, which will replace mirrors, which will be at perhaps 100 euros. Now, these 100 Euro cameras is not that we're going to be producing every single part, there are a lot of stuff that we will be buying out. So our EBITDA margins, because there's a lot more bought out content will actually come down from 10% to perhaps even half 5%. But the absolute growth in EBITDA. From that one is not five, it's a 5x growth, while the percentage of our EBITDA of may look like it's halfed. So please don't judge us on the percentages, look at the absolute growth. And you can see in the chart that I'm displaying there's been absolute growth on the profitability as well 23% CAGR year on year. So that is how you should be looking at Motherson. And don't get thrown off for the last few numbers. Why that's coming down. This is the performance in one of the worst conditions with significant headwinds, the companies are still maintaining profitability. And just imagine what is possible when the market comes back. And when the uptick happens, the effect that's going to happen to our bottom line as well.

What we do guide on what we do focus on is ROCE. Here again, you might say, why is it at that 8% When your target is 40%. But here also you have to understand ROCE is a journey, it's not something that happens overnight. For us to deliver ROCE, it takes a five to seven year period, for us to really make a company sustainable put the necessary investments, win the new customer orders, and as those orders are taken by the company, the ROCE increases. So if we remove all the new plants that we have invested in, and by the way, we've set up 41 new Greenfield and brownfield plants in the last five years that are ready for new business orders to take off as the market comes back. So if we take out all these new investments in Greenfield and Brownfield, we take out the new acquisitions that we have done because they do require investment, require for us to win the new orders for the customer and really show our true colours. If you take out one cycle five to seven years, you will see that this ROCE is already sitting at 19%. And that too, in a very tough environment that we have right now. So again, please do understand our numbers a bit more deeply. They'll give you an understanding of how Motherson is performing. And I'm sure as you will see, as the industry becomes better and stronger, and some of this noise on the macroeconomic side goes down, this ROCE will get much closer to that 40%.

Despite the tough times, despite all the challenges, the teams have worked extremely hard to maintain our leverage and conserve as much cash as possible. In fact, some of the toughest times Motherson has proven its capability by de leveraging in these times and conserving cash. Don't get thrown off by the 22 number. This is when the merger of SAMIL happened. So it's not an apple to apple comparison. And even with that merger, you can see that we are well below our financial policy of being under 2.5 times net debt to EBITDA. As the situation improves, as the working capital gets to open up because of the numerous macroeconomic challenges that we're having. Again, we significantly believe that these numbers will improve and show you the delivery of where we want to be by 2025.

So in short, the world is uncertain, yet Motherson has increased our revenues, maintained our profitability, is on a path of improving ROCE, while keeping our leverage well under control. We are strong, we are resilient.

The good news about bad times is that they threw up some of the biggest opportunities.

We doubled our turnover in the 2008-09 financial crisis. With the acquisition of Visiocorp, that's how SMR came into being, it's now one of our strongest companies delivering ROCE of over 40%. Similarly, with SMP, we believe that in these tough times, is when the biggest opportunities for Motherson will come. So it’s not all that bad. I think, even though we're in tough times, it's good times for Motherson as acquisition opportunities will present themselves. But now you can still ask me, how is it that we are really going to get there, we understand that the opportunity is there, but how is Motherson really going to get there. So I want to break down these targets one by one. But I'm not going to do it by just standing here and constantly talking to you. I'm going to do it in true Indian style, because India will have Bollywood. So we've created a movie here in eight parts. And I'm going to take you on a journey with me. Instead of me just standing over here and taking you through numbers and the presentation, we have created an eight part movie, which is going to take you with me to numerous plants of us around the world for you to understand how Motherson is on a solid foundation and on track to achieve our 2025 targets. Let's see the idea of the film in the first part.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So welcome to route 36 with me, I'm glad to have you on this on this journey. The first chapter of this movie is of course addressing revenue growth.

And before I get into revenue growth, because that is a large part of how we are going to hit USD 36 billion, I want to take you to our strategy of growth in Motherson is the reason why we have grown to where we are today is what we call the value chakra. It all starts with having great performance, focus on QCDDMSES. These are the parameters that the customer judges you on Quality, Costs, Design, Delivery, Management, Safety, Environment, Sustainability - got that right.

As long as you do great in these parameters, the trust of the customer keeps going up, you rank in the top 0.5% of their ratings. They build trust, you know what, they come back to you and they ask you to do more. It could be different products. It could be growth in new countries, it could be acquisitions, it could be joint ventures, whatever is the customer's problem right now, as long as they have trust in you, they'll come back and tell you to do more, they ask us to do more, we obliged we take that as a challenge, our value content increases. As that increases, again we become a preferred solutions provider we solve their problems, we focus on the QCDDMSES and the chakra goes on and on and on. It is an endless upward spiral for us. As long as we do well, we are guaranteed growing business with our customers as we become an integral part of their supply chain.

So, now I'm going to break down the organic revenue growth into two parts. First bit is of course the organic growth which is more in our control. And for that I'm going to take you on the journey with me again in the movie and we're going to talk to Pankaj Mital Sir, who is the head of SAMIL as well as responsible for the entire wire harness division. And I'm going to show you two very fast growing units in the group as well in Mexico and in Hungary and show you how they are helping us achieve our revenue targets. Let's see how they do it.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So, here you saw in the movie real examples of how the Motherson Chakra works. You increase the customer's confidence, you are asked to do more and more products, more locations, more business, continue to perform, you keep on growing. Now, I want to take you to more details on how we really grow on the organic side. And I'm going to break it down into few key themes that we believe are going to have a strong impact on why our organic growth is set for explosive growth coming up.

The first one is obviously a no brainer. We're actually at the lowest point of automotive vehicle production that we have seen in years. And we believe that this is bottoming out, we believe that worst is behind us. And as we move forward, volumes are definitely going to have an uptick, why? First, there is a significant amount of demand backlog. And two, after COVID people have really changed their preferences towards having a personal mobility. Most people that could believe that they could do with public transportation or the Ubers and Olas of the world have now realized how vital it is to have a personal mobility option in case of an emergency or stripe.

And in this uncertain world, as you can imagine, most people are gravitating towards it. So there is a significant backlog. Volumes are at the lowest point. And as the macro-economic tension start to ease, we believe that the next few years and also looking at any of the industry estimates, we believe that volumes are going to uptake and that obviously is going to have a dramatic impact on our organic growth and make sure that we outgrow the market as the volumes really pick up.

The second important thing that we have seen that I want to share with all of you is changing customers preferences towards high-end vehicles. We're seeing that not only in the developed countries, but also in the emerging countries, we are seeing people wanting to choose more the higher end version of the cars, the SUVs, the premium vehicles over entry level. That means the sophistication, the maturity of the customers is getting there. And they are all opting for the premiumization that's happening in the vehicles and that augurs very well for Motherson. As you know, Motherson is more exposed to the premium side. And our value and our content will keep growing as this continues to play out in the markets that we are present in. Even within the high end models, there are a lot of variants. Let me give you an example for our plant in Alabama, where we are making doors for Mercedes, there are more than 1500 variants of just the doors that's possible.

If that's mind boggling, I want to make you understand that for the Porsches for one the very select cars that we make, there are more than 50,000 bumper variants that we are making. That's the level of customization that is being offered to the customers in the premium segment. And that augers obviously very well for us when there is more customization, more selections that the consumer has, that obviously drives our content more our value more. And as you can see, for all our product groups, this means significant value and content increase as this is playing out for our markets. Now, this is an illustrative example and is based on a set of vehicles that we have chosen, it will marginally change depending on the data set. But largely the direction holds extremely true. So to summarize, as the premiumization is happening as the customization is happening, as the shift is going towards the premium vehicles, we believe that our products are going to significantly increase in content and value as this shift really happens.

Similarly, for as you can see what I was talking about before, even in the model variants within the shift from low end to high end, this is a meaningful increase. And that augurs for all our product groups as well, some more than the others. And, of course, this will depend on the country, on the offering that we have within the high end models, what are the different variants, and that's what I'm trying to tell you that the customization and the selection that the consumers have now really helps Motherson to grow our value proposition as people are moving from low end to high end and the premium variant of that high end as well.

Now, let's talk about the elephant in the room. I'm sure a lot of you have a lot of questions about electrification, electric vehicles. Let me put all those questions to bed with one single comment. Motherson is powertrain agnostic.

So no matter what car is going to be the car of the future and we can really argue till the cars come home, debate endlessly that when is it that electrification of vehicles is going to happen? We believe that our products, bumpers, door trims, mirrors, wiring harnesses, etc, will all still be relevant, will all still be value creating for us and keep growing in value and content even when this shift happens.

We have no meaningful products in the engine which augurs very well for us. Now, we believe that there is a world out there where all cars will exist, all different options of powertrains, because there's a lot to be done to make only electric, a reality. There is infrastructure problems, there is government support that is going to come and regulations are going to come in, technology developments that need to happen. I mean, there's so much out there that is currently unsolved, we believe that the future will be one of mixed reality, they will be ice engines, they will be electric engines, they will be hybrids, they may be fuel cells, I mean, there's so much that is really out there, and the market, which is so big and diverse, that everything will survive.

Again, I would request you to go and see some of our trend zones, because there you will see that no matter what is the future, Motherson's part will be relevant, we'll have an opportunity for growth, and have a very exciting, bright future for us, as the different levels of components do come in from our portfolio.

Let's suppose for a minute that this EV does play out exactly how everybody is saying and that all the challenges are overcome. Even then, as you can see, for all our products, there is meaningful increase in our value and content as the shift happens. So we are well prepared, we are well equipped. And this is also being shown by our order book. As you can see, our order book Orderbook is at record levels at 18.2 billion. 37% of this is electric only. That means that the customer has the confidence and trust in us. Even with the new technologies, even with the new vehicles that are coming, Motherson is winning significant orders, and is growing in value and in content. So regardless whether these vehicles are taken on by the consumers, or they still prefer the ICE engines, Motherson will still find pockets of opportunity for growth, and be able to deliver on our organic growth targets for 2025.

I hope I was able to explain that to you too well. The final, but perhaps the one that is most clear, is the theme of increasing security and safety in the car. This is undeniably happening in all countries around us. And this is something which is a big force from the regulators as well. When if you look at all the things that are going to improve the safety of the cars, such as ADAS, airbags, like LiDAR, radar, all these sophisticated sensors, cameras, which is going to help the drivers be more safe. They're actually coming on our real estate in the car.

What do I mean by that? If you look at the car, the front bumper back bumper and the two mirrors, that's the key real estate in the exteriors, all these sensors, camera etc. are all coming onto our products.

You as drivers that are using these sensors, cameras to get the information, where are you getting it inside the car- the dashboard? Well guess what? That's a big part of what Motherson makes as well. So we have all the key real estate in the car and a huge opportunity to integrate all these technologies and give the customer a one stop shop solution to be able to do that. And they are completely free. We can design it ourselves. We can do joint ventures, we can do acquisitions, we can do technical assistances, we can work with startups, we have every option available to give the customer a solution that can help them drive into this direction. And that is why we are placed in a very exciting point in history with all the key real estate in the car under Motherson's belt. Again, I would direct you guys to the trend zones, you will see a lot of this playing out with our different partnerships with the new technologies that we are developing and creating exciting new products for the car makers to be able to offer to the final end customers who are driving these cars.

I think I've spoken enough on the automotive side. And you would have gotten a good idea of how we are going to grow on the organic side in the automotive. Now let's shift the focus a little bit to talk about the non-automotive piece. I'm sure a lot of you have a lot of questions about that as well. But I think first it's important for me to tell you, it's not that we have just chosen these new industries by chance. We actually seeded these new industries in the last five year period. We first sat down and we really thought about what are the strengths of Motherson? What is it that makes us really good and strong on the automotive side- our engineering capability, our operational excellence, our ability to give the customers global supply chain solutions. And all these good attributes and strengths came up of why we are strong on the automotive side. We pick them, we analyze them. And we said, where is it that we can use these strengths to give us the highest chance of success in the new industries. And that's how we came up with these four verticals.

Now, before I dig into each one of these verticals, I'm obviously going to take you into the next part of the movie, where again, you're going to go and see one of the new facilities in the aerospace one of the acquisitions that we have done and how wonderfully that is supplementing our growth. And also our technology division. MIND is the backbone, new name is MTSL. It' s Motherson Technology Solutions Limited. And you see how using software competence that we have built in the group over 20 years, is really helping us to achieve our growth targets, and make our company a secure one, and be able to go for 2025 targets. Let's see it together.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So that was a real familiar face of the gas station. Well, it's not every day that your gas tank gets filled by a superstar.

So I hope you were able to get an insight on how we are growing with the new verticals as well. You saw that we are using our strengths that we built in the automotive side, and moving to new industries, such as aerospace for us. Now I'm going to dig a bit deeper into each one of these verticals. Each one of these verticals has strategic importance, not to forget that with the strength that we have on the software side with MTSL, we're able to really transform these companies very fast. So let's get into it. On the aerospace side, I don't need to tell you this, the opportunity is quite large for the products that we are targeting. On the top, we already have existing capabilities. And we're using the same machines in the automotive side. Of course, we have to change up what we do in the certifications, etc. But that's exactly what we were able to leapfrog with our acquisition with CIM Tools, some fantastic people share the similar philosophy, very hungry, very driven, focused on Motherson principles, quite similar to how they were doing their business. And you know, that has been an excellent partnership for us, we have been able to obviously use the strength that we have on Motherson to bring it to CIM Tools. CIM Tools strength with the customers already allowed us to increase the trust with the customers give the strength of Motherson's capability on a global footprint, be able to expand their order book online. And we're seeing the results of that very fast. Already, together with Motherson CIM Tools, our order book has doubled in a very short period of time. We are building two more facilities for the increased order book, and a lot more things are to come. This is the same play that we want to use for the different verticals that I'm going to talk about. Partner, getting together, use the strengths of each other, significantly grow the order book and look at international expansion that can really leapfrog the division into a new level altogether. Again, some of these products are available in our trend zones, in the display centre, please go have a look at them, it makes us extremely proud that now apart from vehicles that touch land, we're now looking at vehicles that fly in the air as well.

The next vertical, the logistics side, the thinking over here was quite simple really. We have a very large internal opportunity in Motherson, we spent more than $300 million on our internal logistics, the idea was get in there, look at consolidating this fragmented supply base, drive synergies, drive benefits to our own group. And once we perfect it, we can take this as a service to outside as well. Already with a 3PL operations, we're handling more than 15,000 shipments per month. And this is set to grow on an international base as a next step. We have also identified opportunities in XM and 3PL. And again, this is where we are going to grow moving forward internally first, setting the foundations, getting it right, understanding the business, then going outside and then to external customers.

Secondly, we've also identified packaging, internal packaging for us is more than $150 million spent. Again, there's huge opportunities to consolidate this, drive efficiencies and also have a sustainability angle. By doing this in a more sustainable environment friendly way. With returnable packaging etc, there are new concepts that we are developing here that can address not only our internal spend, but be able to grow this as a service externally as well. And finally, we also have a joint venture. I'm proud to announce that we have partnered up with HAMAKYOREX san from Japan, they are industry leader of transporting from the car factories to the dealerships nationwide. And again in a short period of time. We're already transporting more than 2500 cars a month and as the Indian auto industry grows, I think you're all seeing that there is huge upside potential in the growth in the Indian automotive sector this business is going to grow largely from there as well.

Health and Medical as much as I would like to say that we are discovering the next COVID cure. Unfortunately we are not we're again using the strengths of what we have built in the automotive side - Engineering, our competencies in plastics, electronics. These are all what we want to supply to OEM manufacturers who are manufacturing devices, and are looking for good, reliable suppliers to help their supply chain. When we got a lot of these medical device manufacturers to our facilities in the automotive side, they were blown away, they saw our focus on quality, our focus on zero defect, how we can give them the same quality product, regardless of where the world that they are in. And while they have a very fragmented supply chain, this is something that excited them very much. So as you can see, using the strengths that we have built in Motherson, using our competencies, a very big addressable market. Using our synergies, we can grow quite rapidly in the medical space as well. In fact, from getting the confidence from the customers executing small orders, we are now building our first Greenfield plant, especially on the medical side is going to come up and Chennai is 10,000 square meters. We're going to introduce new technologies here that are not available for our customers to be sourced from India is going to help us grow the top line and have solid profitability margins as well, to make sure that we can deliver 40% ROCE. And this facility is almost up and ready, we will get all the certifications, and again, we'll use the same play that we did in the other verticals, what we did in the automotive, deliver on the customer first orders, the pilot orders that they're giving us, give them the confidence and scale this up rapidly. And as well look at acquisitions to leapfrog the scale as well.

Finally, but perhaps the most important, the technology side. In the past, this company has only focused on Motherson, it's been a key reason of our success- our software and technology company MTSL, is the reason why we are successful in all our acquisitions. See, the most important thing for us when we do acquisitions is getting reliable data. And this is where MTSL comes in. They go to any facility of ours or the ones that we acquired in the world, very quickly plug into the data and give us the relevant information we need to drive process improvements, to drive operational improvements to make sure that we can deliver that 40% ROCE and take good decisions in the business that can help us grow business. So focusing on Cloud, focusing on infrastructure, which they have done for us, they taking the same software and now for the first time going outside. And like Rajesh was saying in the video as well. They've got a significant feedback that this is very welcomed from the external customers as well, while the Motherson business is growing, you can see that even external business is growing because of the huge pool and reputation that this company has building very, very low cost yet very stable, advanced technology and software for manufacturing companies. And as you can see, the result is there in front of you a CAGR of more than 20%. And I believe again, we'll have explosive growth in the future as well.

Now that I've explained the organic side, let's tackle the inorganic side, which is going to be obviously, the large part of the 36 billion is where that's going to come from. But before I go in there, of course is going to be the next part of the movie. But this part of the movie is going to focus on something very strategic and important. We recently announced an acquisition in Japan. And for us this was a very, very strategic move because while we were present there, we didn't have a manufacturing facility in Japan. Now that we will have a manufacturing presence and facility in Japan it completely changes the future for Motherson in that region. And the possibilities we have with Japanese OEMs let's understand why.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So I hope it was easy for you to understand how important actually being in Japan is for us.

Actually, it was always my father's dream to have a manufacturing facility in Japan since we started a first business relationship in Japan. And it's finally a reality.

But of course, the important bit is that look at the influence of Japanese OEMs in the world today. They have 30% market share of all cars that are produced in the world. So they have a very prominent position. And something that is extremely important for us. And like was explained in the video. A lot of the decisions for these platforms, not just in Japan, but globally for them are made in Japan. So when you do have a facility in the local area, talking real time to the car makers, talking in their language with the local face, it has a completely different impact and opens up a lot more opportunities for Motherson to not just grow on the mirror side with the Ichiko acquisition, but also for our new footprints.

Just like Ichikoh, in a short period of time of two and a half years we have announced seven acquisitions, we have been extremely picky because of the tough market conditions. And all of these acquisitions have strategic importance to us. We only choose those acquisitions where we see a clear path to 40% ROCE. Because the world is actually quite a difficult place to be in and there is a very tough market environment. Interest rates are at record levels, the leverage market has practically disappeared. Peers are over leveraged as they've taken on significant amounts of debt by mistiming the market. The result is the lesser deals are happening because there aren't enough players who can have the appetite to go out into acquisitions. Yet the macro-economic problems remain. Our customers are having problems with suppliers who are not able to keep up and the result of that Motherson becomes the partner of choice. Why? Because the customers are looking for strong partners who are able to absorb these underperforming assets and Motherson with a strong balance sheet being a trusted partner and our ability to quickly turn around these companies becomes the partner of choice for carmakers.

Hence, our pipeline is completely full, we are assessing more than 50 Live opportunities right now hand held by the customer. And again, the reason why customers choosing us is because we are a focused long term partner for them. Motherson does not buy and sell companies, Motherson buys and grows companies, Motherson invests in companies, we make these companies sustainable and competitive over the long term. So our pipeline is full. As you can see, it's not just in the products that we are in, it's in different products and also in different verticals. And I'm sure that some of these will click which will help us to get to a $36 billion figure. Yet, don't be fooled, we don't get too excited, just looking at the opportunities that are over there, we have a very clear and robust evaluation framework, which is very stringently controlled in our group. The first bit, of course, it has to have the customers blessing if the customer is not supporting the acquisition Motherson will not even consider it, no matter how attractive it looks. Secondly, it has to be able to mark the financial criteria, and we must see a path to be able to get to 40%. Our operating teams must tell us what are the synergies that they can drive, what are the things that we can do to do better than what they're already doing, and have a better fate for this company than it was in the past. Every single acquisition is led by an operating team who will handhold it, who will take the responsibility to put the Motherson DNA to put the Motherson values in it and make sure that it gets turned around in the shortest period of time. And not that it is just, you know, an orphan somewhere and hoping that things will change for the future. No, very, very strong control over which acquisitions we go for, we are extremely picky. And there has to be a leading team, which will take the responsibility and say, Yes, I will drive this acquisition, I will take the responsibility to make sure that it gets turned around. That's how we can do multiple acquisitions. At the same time, as different teams focus on different parts, have responsibilities of different areas of growth, we can do multiple acquisitions at the same time.

Now, that's all great, the pipeline is full, but I'm sure your question will be does Motherson have the financial wherewithal to go for these acquisitions? Let's look at another illustrative example. Based on the analyst reports that you guys are writing, what headroom does Motherson have, based on the profitability that you guys envisage us to have? Of course, I'm going to push the teams to do even better than this. But envisaging on average what is the profitability that you guys envisage Motherson to have in the next few years, and the easing up of the macroeconomic conditions, which will, you know, help us with the working capital, release, etc. We believe that on a conservative side, we will have about $2.3 billion of headroom growth, for ammunition to go after acquisitions, 2.3 billion USD, hey, you still have targeting to be 36 billion. So what is 2.3 billion going to get us?

So 2.3 billion is a conservative headroom that we have. We believe that having still following the Motherson principles and the values of being value buys, we're not going to go and buy something ridiculous, we are going to still stay maintain our financial parameters, we will look for companies that are not operationally so well off, because that's where we can really drive our synergies and deliver a 40% ROCE. So looking at companies, and again, this is an illustrative example, to give you an idea of what is possible for us to reach on the top line, looking at a company at five times enterprise value to EBITDA, with still maintaining the 2.5 times financial leverage principle that we have, with basic 6% EBITDA margins, we believe that a $15 billion top line company is available for Motherson to acquire. Now this 15 billion might be three $5 billion ones. One big one, I don't know. It will depend on what opportunity comes at what time and which customer is allowing us to go and really do it. So 36 billion is much closer than we do. You know, fear it to be like too far away. No, it's actually possible with just one acquisition, even if these financial parameters are a little bit different to what we end up acquiring, we have more levers in our hand, for me, and for my father equity is very, very important. It's very, very invaluable to us. But for us to be able to hit our targets where all the financial metrics have been reached, and if there is some stress on the leverage policy, we will look to even as a last-case scenario, dilute or raise equity, or use our equity as currency to do mergers or do partial stakes, many, many opportunities are there, like I said, for vision 2025, we're going to have to have a different approach to what we've had, so far to deal with the new circumstances that they are in the market. So we are going to be creative, we are going to be Imaginators, true to our DNA and we'll figure out a good path to get to 36 billion while maintaining our financial discipline.

So one acquisition can change the whole situation up for us. So please don't think that we are too far away from $36 billion. One acquisition itself can change the whole game. But we're not getting excited, we're driving with caution. And we are making sure that we stay remain focused on value buyers and don't make any mistakes with large acquisitions, making sure that everybody is well disciplined in this approach.

So I'd like to summarize now with what is it going to be that is going to get us to the $36 billion target, I have taken you through the organic side, I have taken you through the inorganic side. And I want to summarize that the first step like I said, at the start, do volume growth to industries at the bottom as a volume optick our organic growth is going to grow. The second one is electrification, as electrification is going to happen, our content is going to grow. You saw that in the charts that I showed before. And then the content and value increase to the shift in consumer preferences on the car, as they move from the lower end models to the to the next end, you will see that again, our content and our sales is going to grow. And finally supplementing that it with the acquisition opportunities.

We layer that up with all these drives that are going to happen on the organic side, the inorganic one large acquisition that could take us up to 15 billion on the conservative side, we are very close to the 36 billion.

With that I complete the chapter of revenue growth and move to the next chapter of our journey, which is 3CX10.

Now, this is a fundamental pillar of Motherson. The reason why we have been able to grow over our entire history is because we are focused on diversification. 3CX10 means no country, no customer, no component to be more than 10% of our business. This was all the way up to 90%. When we started as you can imagine, when my father started the business, we were only focused on Maruti Suzuki, and over the gradual five years times we have got this further and further down. Now what this enables us to do is to be able to grow even though there are problems in the world today. And as always, I'm going to take you on the movie on the journey with me in the movie. And I want to take you to three plants and talk with Char, who's the head of our polymer division and show you three locations in Turkey and also in Hungary and Morocco where we have significantly been able to grow through the diversification strategy. Let's see how.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So, in case you guys are not believing our automotive ambitions, hopefully by now you are believing our theatrical and Bollywood ambitions. So just in case this doesn't work out, there is a future in something else. The next company will be launched will be called SOFA productions. Son Father so far, no. Okay, anyway.

So where are we with the 3CX10. On the customer side, we are practically there. No customer is larger than 10% of our business. That doesn't mean that we say no to business. We grow with the customers wherever there is opportunity. And of course work on the other customers to make it more and balanced as we get the growth opportunities.

It's very important to realize that even on the countryside, we have, biggest focus in India, it is our deep, deep roots. 24% of our business is still coming from our roots, which is India. And also important to realize that 57% of our exposure is in emerging markets, which is where we believe a lot of the growth is really going to come. The merger of SAMIL has significantly helped the diversification and also opened up new opportunities for us for growth in these new verticals where we believe, just like we did with the mirror business, we will have opportunities to do large acquisitions, and further balance this chart out but then again, we have to follow where the opportunities are. And as you can see, India still remains a core focus and market for us, and so does the emerging markets.

On the component side, wire harness is the largest part of our business, it's about 29%. But this is also changing as we continue to do more and more acquisitions, you have to understand the biggest opportunities in acquisitions do come in the products that we're in. So we're not going to say no to those opportunities. But as the new verticals, the new industries, the new products continue to grow, These things will significantly help us to grow and balance out this

3CX10 component as well. The customers giving us more opportunities. And we are confident that as we move towards 2025, you will see a lot more verticals and a lot more balance in this also come as we get closer to 2025.

Now I'm moving to the next chapter, which is the chapter of ROCE. This is of course, the fundamental philosophy of Motherson. We do not guide by margins, we do stay focused on ROCE. And this will take us to the next part of the movie where I will chat with Rajat who's heading Vision Systems. And we're going to visit two plants. One is SMR's plant in USA, Michigan, and second polymer plant in MATE, where you will see that even though they have grown significantly in size in these locations, they've still managed to not only defend their ROCE, but increase ROCE, which is a bit counterintuitive to how people think about it. Let's see what they were able to achieve.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So, we will be submitting this movie to the Oscars this year, in the category of Best corporate movie, looking forward to your support and votes to make this a winner and add to our portfolio. So but in all seriousness, you saw real impacts of ROCE, sometimes you have to invest in companies to be able to deliver a better ROCE, it is a bit counterintuitive sometimes, sometimes, you know, you have to understand that in the shorter timeframe, putting more investments in reduces the ROCE. But by doing that you can significantly improve the efficiencies, reduce the customer defects, delight the customer, actually, that pays back in multi fold. So you saw a real example of how investing results in increase of ROCE. And that's why we tell you that it is actually an art. It's actually something that takes five to seven years to really build a company with sustainable advantage. You have to think about the long term. And that's why there's a journey where we give our plants up to five years to be able to hit that 40% ROCE is not something that happens overnight. We also saw how engagement of the teams really breaking it down, taking the rules, giving it to interval departments and the people and investing in where we are already in high cost countries right next to the carmakers being able to take their direct feedback also results in significantly increasing business and therefore increasing ROCE. So as I move forward to the next slide, capex is a big impact on ROCE and as you can see Motherson over the last few years has significantly reduced our CAPEX, in the sense that all the investments that were required for the new order wins for our order book that I showed you before of record, those investments are already there.

Don't let again, the FY 22 number put you off. That's because of the merger of SAMIL. And all of those increase in the SAMIL companies, the CAPEX also came. But in general, as you can see, the overall trend is in a very positive direction. And as the uptick in the volumes that I showed you earlier, this capex that we have already invested is good enough to take us into the future and deliver both top line and bottom line results, again, getting as close to the 2025 mark.

The second thing that we do, which is very pertinent to increasing the ROCE is keeping a focus on each and every unit, we don't look at companies on a consolidated basis. As you can imagine, we have more than 310 facilities in the group, it's very easy for us to consolidate and only look at it as a company. But no, we go down to the unit level, every single year, each and every unit gives us a budget of what they're going to produce, what capex are going to use, and how they're going to drive to profitability as we are going and we're acquiring different companies, sick companies, companies in Greenfield, there are going to be companies which we call red units, which are EBITDA loss making, then there are companies that we classify as yellow units, which are EBITDA positive, but EBIT still negative and green units, which are both EBITDA and EBIT positive.

Our endeavour is to focus on these red and yellow units and push them towards green and push the green units even into further green with our focus and complete diligence, working with those teams in those units and pushing them further and further. I'm proud to say that as compared to 2015-16, where we had 37, red and yellow units through very focused efforts, and very diligent work done by the teams, already 26 of them are green, even though 11 are red and yellow. Because of the current macroeconomic environment. I'm sure these 11 will too in very short time be in green, which again will push the ROCE further up for those units.

I'm going to give you an example of a company this was in the shock absorbers space which again, were asked by the customer handpicked by them to look at this company, they were loss making in FY 16. Motherson came in worked together with a partner in a very short period of time already got it down from a red unit to a yellow unit. Achieve break even, made this necessary investments in there, won the new customer orders. And now as you can see in the first half is already delivering close to a 20% ROCE, this too in the next couple of years will progress towards that 40% ROCE. So this is an art in Motherson, this is something that we have perfected. There are many such examples where we go but nobody else wants to go to these trouble companies, go to the sick companies use the Motherson DNA, the tried and tested formula of our operational excellence, our DNA injected, handhold it and convert them to a green unit.

Move to the next slide, you will see this is a scatter graph of all our units, you will see that there are still a few units which are in the red and yellow category. This is what we're going to be focusing on for the next two and a half years. If we take these red and yellow units, and convert them to break even, our ROCE will double at the group level. If we are able to convert these red and Yellow units able to deliver the average profitability of what we're having it the Green, our ROCE triples up. So in summary, we're not too far from being able to hit that 40% ROCE it's completely possible. Of course, we have some luck with the macroeconomic environment as well. But every single effort is being made by our teams in a focused manner on every single unit to try and get them into that green zone and be able to hit that 40% ROCE.

Not only on the operational side, this is where MTSL, this is where the software side this is where the real genius of Motherson comes in. Because of course, there are only so much you can drive on the operation side. But if you can supplement it with our own automation, low cost automation, what we are doing in Chennai, we are building our own AGVs building on old software for Cobots. Using digital boards, using ways that we can reduce the cost in the high cost countries by bringing Motherson build Motherson designed software and hardware and be able to reduce the cost that adds a huge layer for us to be able to increase our profitability and keep the business in house where it will be given to outside suppliers.

Not only that we have successfully built in the last five year period, a Global Strategic Procurement Office based out of Dubai, which now with the use of technology can give information to any unit of ours worldwide, which is the best supplier at the best cost for what they want to purchase. It's a huge database, it's a huge advantage because everything is consolidated in one area, and everybody can drive advantage and procure now, at the best cost possible for the entire group. Finally, the management have a complete free hand in the sense they are completely empowered and responsible. They build and choose what MIS systems, they want to see what are the information systems they need from the group, depending on their product, depending on the customer, depending on their location, what do they want to see, and our software company very quickly transforms that into a software which takes a lot of the value at work out. And the teams again can get real time information from their operations and be able to drive business decisions, which improves ROCE and helps Motherson, you know, hit that 40% target.

So I would like to summarize this chapter as well. What are the key drivers that is going to help us get to that 40% ROCE. Of course, I spoke about the lower capex with the end of the capex cycle, there is very little that needs to be invested now to be able to deliver on an order book. And as the macroeconomic situation improves, there'll be normalization of the working capital. This will result in a lot of cash being freed up from the companies. As you can imagine, with the semiconductor shortage, we've all had to sit on a lot of inventory because we don't know when the customer will start and go. Also, with the other issues that are there. I believe that this was settle down in the next couple of quarters and a ton of cash will be released. Our focus on the red and yellow units. Again, on the budgeting cycle, this time, we are going to be relentless, trying to push the red and yellow units into the green zone and push the green units to do even better. And that again, will result in higher profitability and higher ROCE for the group. And finally, like I said, as the macroeconomic condition eases up the volumes uptick, it's a no brainer, we'll have economies of scale, we will be able to use the leverage. And we will get as close to that 40% target as we can. And I'm quite confident you will see this happen in the next few years.

With that chapter complete moving to one of the last few chapters in the entire presentation which is on dividend payout. This is quite important to all of you as investors and us as shareholders as well. You will see that throughout the history of Motherson, we have maintained the dividend payout. Even in some of the most tough conditions such as the global financial crisis or during COVID, we actually increased the payout ratio for our shareholders. This shows a lot of discipline by our operating teams, a lot of focus made sure that we conserve cash and paid cash out when we knew that there was a need of cash to be paid out yet conserving enough to be able to invest in a company and go for growth. So our payout ratio has been maintained. In fact, we've even exceeded it in the last few years in some of the most tough times that you've seen on the automotive side.

And that will remain for the foreseeable future. Now I'm going to take your attention away from numbers and go into another very key theme and Motherson that has been developing over the last few years. And this chapter is about sustainability. Sustainability is becoming increasingly important for all of us. I think Motherson has taken a bold step and have declared our ambitions in sustainability. And we really want to be a leader here in the steps that we are taking to make sure that we can deliver our goals of sustainability as we move forward. Next part of the movie is me talking to Barry who's responsible for sustainability in our group. He's here you're able to talk to him afterwards as well. And you will see how sustainability is taking centre stage in Motherson in everything that we do still while keeping our growth ambition and target in intact for 2025. Let's have a look.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So, we saw real sustainability at work and Motherson, you saw that we are transitioning ourselves to renewables, I was on practically the roof of our facility in Pune, seeing the solar panels at work, not just driving electricity from renewable sources, but also driving our teams such as our engineering teams to be more sustainable. That resulted in development of the Eco Mirror, which you saw in UK. Actually driving sustainability in the group is opening up more platforms for revenue growth as well, the Eco mirror has been a huge success, the customers are wanting more of it for the new vehicle programs. And you will see a lot of that come in the future as well.

The units now do believe that sustainability and better financial performance go hand in hand, as you saw Vishals unit was able to demonstrate that with the investments that we had made in sustainability and those solar panels, and that's again, something that has been replicated in our group worldwide.

Finally, it is about people, it is about equality, it is about giving people all the opportunity in the world equal opportunity for all and giving them an ability to drive their ambition to no limit. Finally, it has to be surrounded by governance, making sure that all these things that we are wanting to implement are happening with the highest code of conduct. And that's something that we're doing through our training programs and awareness for the people. To show you how strong sustainability really is, and the importance it has in Motherson for the first time, we've actually amended our vision since 1997, and added the word sustainable innovation. So it is now to be a globally preferred sustainable solution provider to show to all our employees, all our family members, and all our customers that everything that we are going to do is going to be driven with that overhang of make sure that it is sustainable. We are serious about sustainability. We have also developed our own logo of sustainability, which encompasses three main areas that we're going to focus on the planet, the people, and having strong governance to make sure that everything that we are doing has real impact. And we can continue to grow while making sure that we're sustainable while doing it.

Just like our customers, we too have set an ambitious target to be carbon net zero for all our current operations by 2040. You will see a lot more progress on this as you read our annual reports as we continue to disclose all our efforts in this direction. So in summary, we are building Motherson for the long term. We want to be good global citizens while we are doing it. We want to help build a world which we are all happy to live in, and we can proudly pass it on to future generations, even better than where we found it.

Finally, I'm at the last chapter of our story here today. And I bring you back to where we started-our purpose. And I'm going to summarize everything that we do from this as well. Everything flows for us at Motherson from our purpose, our ambition that I spoke to you about the start how we create value for all our stakeholders how we create sustainable jobs for all the people here at Motherson. And finally, we become something larger. What better way to show this to you by the final part of our movie, and here you will see how we really spread the philosophy of Motherson, keep it intact, even though we grow quite rapidly in these tough times, please enjoy the last bit.

Movie Clip (available in the video recording of the event)

Laksh Vaaman Sehgal: So I hope that the movie showed you how precious our philosophy is. And as we grow, we're going to make every effort to preserve it. In fact, we are creating education programs for all our people so that not only do they understand what it is, but they also imbibe it, because our philosophy is at the centre of every single thing that we do. And because of this philosophy, we've been able to create a business that is resilient. That is long term. And that is sustainable. And that, ladies and gentlemen, is how we're going to get there to our targets of 2025. It's been a real honour to have you with us on this journey. Please do remember, it's only halfway because the foundation is set. And the best is yet to come. Thank you very much.

I apologize for the small glitches that we had. But that just shows you know, you can have the best of preparation, the best of equipment, the best of everything, yet the world will keep throwing curveballs at you. But the most importantly this show will continue and that we are geared up for no matter what comes we will head towards the 2025 targets. Now I will request Papa and our senior management team to please come up on stage as we open up the Q&A session for all you and answer your questions.

Master of Ceremony: So on stage we would request our chairman Mr. Vivek Chaand Sehgal to join us along with us, the SAMIL COO Mr. Pankaj Mital, the MSWIL COO and CFO Mr. Anurag Gahlot and Mr. G N Gauba and of course back on stage the SAMIL CFO Mr. Kunal Malani.

While we set up just an FYI for everyone after the Q&A, we will go straight into lunch and then a few more interesting things waiting for us.

Be ready for any Q&A. If you have any questions just raise your hand and we will find you and bring a mic to you.

Raghunandan NL : Thank you, thank you very much for the innovative and comprehensive presentation especially like the part so far.

Couple of questions. Firstly, thanks so much for sharing the increase in content per vehicle, the potential from ICE to EV. If you can expand or elaborate on that, because there was this 8x increase happening in wiring harness when it came into two wheelers and 2.4x for four wheelers. So, Pankaj, sir if you can elaborate what is leading to this increase in content and also in the MSWIL, is this already started reflecting with our two wheeler customers on the EV side and how do you see this progressing forward?

Pankaj Mital: Yes, you're right that the content goes up. If there is a ICE car and a EV car if we compare that you know as we go forward. A lot of car makers are building platforms which are not ICE and EV together but they will be just EV. The content goes up primarily because when there is an EV car there are more features in the car. One is that which adds to the low voltage side also. In most of the cars, the low voltage side remains as it is except for the engine, as engine goes off, the engine harness was out, but nearly 75% 80% of the low voltage harnesses will always remain in the vehicles forever. What goes as In addition, are from the charging side to connecting all the motors, the high voltage stuff, which is made up of very heavy connections, because it carries a lot of current, a lot of amperage into those wires to charge up. And when you go for fast charging, it's even more. So that's what adds to the content. And that's how we see it going up. in that ratio, as we move forward, it's both in the pass cars, as you mentioned, and also in the two wheeler side, as well. Even when we do business for buses or trucks also, the content goes up tremendously.

Raghunandan NL : Thank you. So just a follow up to that. And before I go into my second question, just if you can give an indication how you're seeing this EV portion of business in MSWIL in terms of part of your future orderbooks, or I'm assuming currently, it's a negligible portion of your revenues. So in terms of the number of additions you're seeing to clients and for electric PV, CV as well as in two wheelers,

Pankaj Mital: I would just say that we are there with most of the customers. So definitely you will see a lot of Motherson in all kinds of vehicles, including the EV vehicles, as they come in India. And as you rightly mentioned that it's a very nascent stage, the penetration of EV is a step by step on two wheeler side, you would be seeing still some content coming in with the subsidies and the support coming from the government on the pass car side, we are there for the buses as well. And we do see that we are there with the customers for the new platforms as they come. So as they come and as the volumes come, you will definitely see us there.

Raghunandan NL : Thank you, sir. My second question was on the acquisition side, which you call the art. So a couple of queries relating to that number one is one of the objectives for the restructuring was that company could focus on certain segments. So within that wiring harness acquisitions, which you are evaluating, how are you looking at getting into the passenger vehicle wiring harness in Europe or US, and secondly, being a powertrain neutral entity? You know, like, do you focus on remaining powertrain neutral? Or would you think of opportunities even on the, say, ICE side, if recommended by customers?

Laksh Vaaman Sehgal: Okay, thanks for that question. I think it's very important to realize that we have a very strong relationship with our joint venture partner, and that will continue we're actually the oldest Indian Japanese joint venture partnership there is, even in the past with PKC, you have to understand that Sumitomo is still there on the SAMIL side. And there is absolutely no issue whatsoever for us to grow in any wire harness segment. We do it through communication with route with complete transparency. And we have complete support of our partners in everything that we do. I think the second part was you talking about us getting into engine parts? Look, I think that's what we were talking about in the part of the presentation where I said, we really don't know where what the future is really going to hold depends on a lot of factors. And if you look at the car numbers, there is still 1.5 billion cars on the road today, that will need products that go into the engine for servicing for repair or maintenance. I mean, we only make about 85 million cars a year.

So for the entire fleet of cars to be replaced, is still going to take 10-15 odd years for that to really happen in the best case scenario. So we see a lot of opportunities in there anywhere where we can see a 40% ROCE, the customer is again holding our hand, we see an opportunity to that Sure, we will definitely evaluate even those things because we do believe in the world where there is still space for ICE engines, of course, they will continue to become more efficient, less pollutant, as there is still more to happen over there. But if there is a good opportunity for us to drive 40% ROCE and growth, we will definitely establish it on our merits. So open mind and an open heart for all possibilities that are really out there and really no issues to go into any segment or any product.

Vivek Chaand Sehgal: And also I think Vaaman, the customer is driving the acquisition. So if the customer is saying do it, we are nobody to say no. Of course we will take the opportunity in the right spirit and make sure that it's Sustainable.

Abhishek Agarwal: Thank you so much for the lovely presentation. And I believe the movie can definitely be nominated for the Oscars. Just on the acquisition part, my question is slightly more medium to longer term, especially the newer businesses, which are looking to grow.

Are the thresholds a little more, kind of more lenient? Or can you be a little more aggressive on the newer businesses, the medical or the aeronautics part? Or, you know, you look at everything at the same slate, especially because that's a newer verticals where you need to grow. Probably customers are there but not as much as on the automotive side. So

or the other way to look at it is when you're evaluating, are there more acquisitions, which you're probably evaluating on some of the newer businesses versus the autos, where you're already deep rooted, etc, right now?

Kunal Malani: I think the financial premise of acquisitions remain exactly the same, right? We don't want to go after it, if you're not able to see a line of sight to 40% ROCE. Obviously, in the set of evaluations, you did hear that, you know, we're inundated with the acquisition opportunities right now. You know, there are about two to three that come every day. And we really have a problem right now saying no, rather than saying yes.

So in that scheme of, let's say, the opportunity set that exists, it's also about capital allocation. So, we would want to allocate capital wherever we can get the best returns. And hence that premise remains the same irrespective and at the same time, to achieve a 3CX10, we obviously have to keep in perspective, what it is that we are acquiring, what is it that will lead to further level of diversity, there is also a target of 75-25, which is 75% of our business to be automotive 25 to be non-automotive. So these are parameters that are then considered in our evaluation as we're doing capital allocation.

Abhishek Agarwal: Sure, and just one added question, if I can ask is life post COVID, wherein, you know, there has been a lot of smaller guys who have kind of gone out of business, how do customers look at you as in do they now find you a little more preferred partners do they kind of do contracts, which are slightly more longer term, or probably it's just life back to usual and not so much has changed.

Laksh Vaaman Sehgal: Abhishek our pipeline is completely full, I think you, you saw that we are a partner of choice, because see the customers see longevity with us, we are not a financial partner that will come in, of course, bite opportunistically and then sell it, no, we will buy it, we will invest in it, we will grow it, grow together with our customers. And that's what they really want. One car platform lasts for five to seven years. So, you at least need to give it that much time for it to really show its true colours and what you can put into it. And the customers have seen so for example, with SMR, when we acquired it, it was Visiocorp- 500 million top line is getting close to 2 billion now, that's happened through investment and growth for the customer together with the customer. And they're very, very happy with that they see the good job that we do there, SMP came along, and so forth and so forth. All the acquisitions that Motherson will do, will have the customer's blessing, will be directed either by the customer or be okayed by the customer for us to move forward. I showed you that in the slide on the, you know, the decision matrix. First one is customer, if the customer is supporting us standing behind us, no matter what it is, it could be a product that we have never done.

We just acquired a company in Chennai, that's doing frames for Bharat Benz. We've never done that product before. But if the customers they're supporting us holding our hand, why not? And that's how we really make a success. And you know, we're the preferred choice of the carmakers, because we go in with an open mind. We give them solutions. And we are a partner for the long term.

Amyn Pirani: Hi, this is Amin from JP Morgan. First of all, thank you for inviting us here and for the presentation. I think one of the things that I took from there, among the many other things was the green, orange and red classification that you put, very interesting frame to look at your profitability.

So since you've given us the frame, you know, we'll also ask questions.

The businesses in orange and red, like why are they there? Are they because they are mostly new acquisitions, and obviously it will take time, or are there businesses which are, you know, in a tough geography or in a component, which doesn't make margins inherently, so some color on that will actually help us, you know, evaluate how these things could move forward?

Laksh Vaaman Sehgal: Sure, I can start in the team can add on. Understand, I mean, that, you know, we always give you more information, we are careful about it, because we know, you're going to ask more and more questions. But still, I think it's important to be as transparent as we can. We acquire companies which are sick. At the same time, we're building Greenfields, at the same time, we have companies in geographies where a macroeconomic event happens or a currency plays havoc, while we try to mitigate all those risks, by being local, there's always some impact to the other, that's happening, you know, there could be a customer impact, there could be a whole bunch of things that happen.

This is a live graph of all the units that are there, some are green fields, some are perhaps units that, you know, have had an impact, maybe volumes have not taken off on that particular program. That I mean, they could be variable reasons, there are some, obviously red plants that move towards yellow and green, we have a plan for that. Some that could be surprised shocks that come from Green back into yellow. The idea is that we keep constant focus on these plants. And I've kept that pulse live. So we don't classify them as facilities it is, you know, a greenfield or a new plant, or we have to solve that issue. Of course, Greenfield we know if as long as it's hitting its budget, it will move into the green, you saw a lot of those plants that have already moved into the green, yet there are 11, which are still there in yellow.

So it's a part of life, you know, you will always have plants that are performing very well. And some plants, which for some reason or the other, you know, have certain small term issues. But we fundamentally do not shut plants, it's very easy to close the plant and walk away and said, Oh, we tried, it didn't work. No, we have a responsibility to the people, we have a responsibility to the customer. Whatever that effect is, we have to find a solution out of it. And that's an integral part of our DNA - never give up, we will keep focusing, I'm sure those 11 units that you saw will also push to yellow and green and more challenges will come with some of those units dropped back to yellow and red. It's a constant process. But our endeavour is to keep pushing them into the green side. And those ones that are green, push them even higher into the green. And that's how we deliver a 40% ROCE.

Vivek Chaand Sehgal: We call that purple, purple heart ,purple colour- the units which are beyond 40% ROCE, we are introducing the fourth colour which is called Purple, you will start to see that in the next presentations, two years- three years from now.

Hitesh Goel: Hi, this is Hitesh from CLSA. My question is on EV versus ICE asset turns. And so you know, we have shown that we've seen the complexity of the product in EV especially, you know, like wiring harness and all, we've seen, so, just wanted to get a sense on the asset turns how does the asset turns you know, capex and density or R&D required in EV how does that vary between EV part versus ICE, wiring harness if we can take an example

Pankaj Mital: See, it depends on a variety of reasons and projects, when you talk of asset turns, because in the very initial stage, when the volumes are very, very low, and if we have to make a specific investment in a specific location just for one customer, the asset turns and may look to be lower than regular one but it's not so, asset heavy. There are some specific processes which need to be built in and as we have, you have seen that what we have done on the low voltage side also a lot of work is done by us internally. Our engineering is very capable, and they are always continuously working on what is needed by the company in the next two, three years to find better cost structures of doing things by ourselves. So we're working together with partners to find better solutions. So, I personally feel that as the volumes are normalized, a normal volume should be there. It should be very good.

Hitesh Goel: So, my question is more on the similar volumes.

Pankaj Mital: We do not have very high asset turns days especially on the wiring harness side. And we do not see very high asset turns days for high voltages.

Jay Kale: Hello, this is Jay Kale from Elara Capital. Thanks for the presentation as well as the product display earlier as well. My first question, you know, Motherson's key strength historically has been, you know, your backward integration capabilities as well as increasing cross selling your products to different products to different customers. If you could just give a, you know, broad direction of how the or value of Motherson components in a particular vehicle has moved over the last three, four years, and going forward, or what kind of scope further is there for cross selling, you know, in a couple of years back at mentioned that it's around 2 to 3% of the cost of the vehicle, Motherson products, how do you see that going forward in the next five to seven years? And how is that moved in the last five years just to get a direction of the opportunity of content increase?

Laksh Vaaman Sehgal: Look, I think this definitely driving Motherson. We can go back and calculate all those things. But actually, it's quite decentralized, we give all the authority in the autonomy for the operating units to decide for themselves how much backward integration that they want to do. So for example, in this some places, we have done backward integration for the mirrors in producing our own glass factory, but in some other certain areas, we say, hey, it's more cost effective to source it from a from a different supplier. So that varies, I think, each company and each unit has its targets of how much more backward integration they want to do, what is the investments that they will require. And that all comes in the budgeting process, we do take your feedback, we will look at it from a consolidated level, and perhaps try to give you some more information on that in the future. But definitely, it's Motherson's drive to be able to, you know, strengthen our supply chain as much as possible. That's how the polymer division is really growing, because all of the small plastic parts are done by MATE. You know, and that helps to feed in for SMP, which is, you know, able to do the larger plastic parts and use the strength of our sister companies. So that's happening, even the tooling, we have our own tool rooms. We have eight tool rooms, which are really state of the art. So instead of buying a lot of tools from outside, we're endeavouring to bring out those tool purchases in house and setting up new tool room facilities as well. So it is a constant effort, it is something that we have made progress on and we continue to make progress. And we take your feedback to give you more detailed numbers in the future.

Vivek Chaand Sehgal: But I think we all know, last two and a half years have been really lost years. So if you really go for five years, you won't really get the impact. I think, wait for another two for two and a half years, you will understand what I'm talking about. Because no matter what, you know 2019 December, when COVID hit our plants in China, we actually exported masks from Dubai, to China. And by three months, four months, China was exporting masks to the world, isn't it? So a lot of changes happened in the last two and a half years. But still, it is important for you to understand we're a 'not yet company' - not yet company means are we doing it now? No. But tomorrow, for sure you're willing to pay for it, we'll do it for you. No issues. So in Motherson, we don't say no at all. But I think last five years how the content has gone the scene has gone you will all have an anomaly it may not give you the kind of figures that you're looking for. But all the other past five years we can share, do that numbers out there in the annual reports. But as Vaaman said, he'll do it for you

Jay Kale: Thank you just one more question one of your slides you did mention on the EV versus ICE you also mentioned about bumpers, instrument panels etc content moving 3x even higher than mirrors which was around 1.4x. So, if you can just throw a little light on what exactly is changing so much and bumpers and door panels etc., that was such a big increase.

Char Zwadinski (CEO, Modules and Polymer Products Division, Motherson): All right, good. Thank you. Look, if we are talking about specifically bumpers while you do not see the direct impact on bumper Versa EV versus ICE but what we do see is that the facias are evolving and changing to accommodate this new technology the EV vehicles and with that the technology and value additions increases. On top of it, you also are going to see more value and content and more features mounted in those bumpers where in the past, you would be able to install sensors, radars, cameras, etc. directly in the bumper. Now you are going to be talking about putting this technology behind the facia, that it will require different, more advanced materials that are going to allow the radiation to go through to detect the objects. All of that is going to create value addition and more money for our company.

Now on interiors, again, we are very agnostic to that. Nevertheless, as the EVs are growing, you are going to also see penetration going towards autonomous driving, that change is going to very much change experience of how you're going to drive and sit in the car and with the interiors will have to catch up with that. Thank you.

Kunal Malani: Look, if I might just add, just to bring it into perspective, while this is all about the content growth that we spoke about, not all of it is necessarily something we'll be making. But by being the Integrator as well, we do get access to a lot of this, and enables us to figure out the right time when we want to do vertical integration around those. So those are all additional opportunities that will keep coming up. As more and more content get featured into our into our product lines.

Master of Ceremony: If anyone has any more questions, please raise your hands now.

As it might come, sir, just a reminder, please do introduce yourself. There are a couple of lights here that really hard to see.

Pramod Amthe: This is Pramod from InCred. So this is with regard to the order book increasing towards the EVs for international business. Can you just walk us through the experience in the sense how your partners either in terms of Sumitomo or PKC helped you to acquire this one? Second, as the content is increasing drastically for wiring harness will the R&D responsibility come over to you guys? And will it be an exciting opportunity in the next 5-10 years? As the content is going up for wiring harness? Any thoughts on the same?

Laksh Vaaman Sehgal: I'll answer the Orderbook question first. And then I'll pass to Pankaj Sir for the wire harness. On the order book, we're showing you the new orders which are not executed yet. So these orders will become zero in the next two years. This is our definition of order book that we have. That's how much because it was started maybe 100 million out of that maybe 1 billion, all depends on again, what the uptake of the customers is. What we're trying to show you is that the customer is awarding us with the new programs, even for electric vehicles, because we have the capability to further develop our components with the relevant technologies that they want to see on their electric vehicles. So these are again, bumpers, mirrors, dashboards, door trims, all SMRPBV parts that you are seeing in our order book, which again, with newer technologies, if you go to the experience zone, you go to the trend zone, you will see a lot of these new features which are coming up in these cars, and that much more prominent in the EV. Now again, goes to see how much of these will be sold as compared to the ICE. For us we're supporting both sides. But the whole idea of that is that look, our parts are still relevant, growing in content, and extremely strong and Orderbook as the customer is shifting towards EV. But then my caveat, let's see how these offerings really play out in the market.

Pankaj Mital: You had a question on wire harness as to how the partners are helping us

Pramod Amthe: As partners, and we have a responsibility as a in- house R&D. Because as the content is rising, right, you can add a lot of value to the customer. Will it be going to change as you progress more into EVs, or the next 10 years?

Pankaj Mital: See, what happens is that definitely all partners are working together. PKC is not a partner. It's our own company. So we are just one family, all the members, all the engineering folks work together. So it's one team, what we learned from PKC in the very initial time was since it was doing a rolling stock business, which meant doing high voltage harnesses for electric engine so the technology was evolving from there and how to join, how to combine and that has been running for years. So that was a very stable know how of putting the wires and the components together.

And then that was translated into buses into trucks. What we have done together is for pass cars, for two wheelers, all the segments and this has been done by us, of course, all the partners including Sumitomo wherever there are needs for the Japanese carmakers, we are always working together and getting all the know how, as far as the R&D is concerned, definitely over a period of last two decades, we have our own product design capability, we are designing the products, we are working as best engineers, if the customer sites, we designed wiring harnesses, we design components, we are designing and developing junction boxes, we have our own tool room. So we do all this stuff together. Wherever the design is done by us, we are developing our own product, total responsibility definitely is ours, together with the customer where there is a core development, and where there is a build to print product, they are our responsibility in terms of manufacturability of the product that our product is manufactured as per the specs. That's how we work and continue to work in that sense.

Manish Ostwal: Wonderful presentation and thank you for the opportunity. My name is Manish Ostwal from Nirmal Bang Securities. Sir, my question on the our non automotive business which we are indicating 25% will be this year from that business by 2024-25. So the first question is what is the total incremental capex in that business will be required to achieve that target? Number one, and number two in our in terms of customer addition, and the sales force to build that business- What are the initiatives? Can you talk about it a bit in detail?

Laksh Vaaman Sehgal: Okay, thank you for that. Look, we are going to be opportunistic, for what the opportunities that present for the new verticals. I think the great example is what we've done with CIM Tools that was the aerospace company, we acquired it. And now it's become a partner with Motherson. And together with the customer, the new orders that they've given us, we have configured, the relevant investments, as we make them for the new facilities have to drive towards 40%. ROCE as well. So everything remains the same any investment criteria that we take will depend on the business, will depend on the opportunity and has to show a direction towards 40%. Obviously, that's not going to happen overnight, we're going to have to make the investments we've invested in a new plant in Chennai, as this volume picks up, and again, we have to give it at least a five year period, we believe that this will trend closer to those 40% marks,

You will see the total capex that we will spend as we announced it every single year, we gave you a guidance for last year, as these divisions are developing all the capex is within that limit, we will continue to give you guidance next year as well what we envisage the opportunities are and obviously acquisitions will supplement that on top. But any financial decision that we do take an investment has to hit our financial criteria. Even if we take a strategic one, it has to end towards that 40% in a particular time zone. And obviously for the different industries, we will have to take some you know some tinkering with that depending on the strategic opportunity, but largely that that holds strong. On the logistics on the interior side, that's the same we're looking at building our own competencies in house putting investments in that will drive better efficiencies, better profitability for our group, more consolidation should result in better profitability. And again, that 40% mark should be hit in a period of time. So there is no change for the new verticals, in terms of what we want in terms of ROCE for all the investments that we do make.

Vivek Chaand Sehgal: And also please don't forget this is not a this five year plan. The seeding was done the last five year plan and it draws a tremendous amount of power from existing for example, CIM Tools Motherson, they do a lot of machining, we are already making tools ourselves. So there is a lot of synergy that you may not be able to just see directly but all the seeding that we've done these particular for projects that have come for new projects that have come, there you will see that the originate the power really comes from Motherson, existing plants. So the capex and all that are is not such a big thing. Unless a big thing is happening in that company, which we love. Why not? We will do it.

Kaushal Maroo: Hi, this is Kaushal Maroo from DSP mutual fund. So in over the last two, three decades, the business world has changed a lot. We have been getting into new geographies into new business verticals, have you ever considered that if we dilute the benchmark from 40% to 30%, it will be easier for us to grow the way we want to grow.

Vivek Chaand Sehgal: Motherson is known for big, ambitious targets. So why not? I do keep telling them FPR which means 40% ROCE. The day you'll achieve 40% I'll change the F again, I'll call 50%. ROCE. So I think we have to be aggressive. And it changes the mindset of the team. Unbelievably, you cannot imagine. I still remember some of my friends here. When we were taking over SMR, Visiocorp at that time. They said in India, how much of the businesses is in India. I said 2%. They said it's impossible for you to make a 40% ROCE, they asked us to dilute to 20% and then grow from there. And we said no. And in two years, three years, the heroes sitting here Mr. Char who was at that time looking at the SMR thing. But they move- they came to 38%. 98% of the business was from outside. The concept which never why taught us at that time. It took us six months to understand 40% ROCE, how to calculate it. But we liked that particular idea so much and appreciated his teaching to us that we today give it as a minimum benchmark. First is 40% of FPR. FPR means 40% ROCE. From 40 it will go to 50 and then 60

Master of Ceremony: If anyone else has any questions, please raise your hand. I do want to remind everyone that you will get an opportunity to discuss a lot of things with a lot of senior management, even for the rest of the day. Any question that you would not want an answer to right now? Good to go. No questions. Great, everybody. Thank you again for all these great questions, and also great answers. Thank you again for all your time. And thank you for these great questions.