Samvardhana Motherson International Limited
(formerly Motherson Sumi Systems Limited)
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November 16, 2023

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 Investor Call**

Dear Sir(s)/ Madam(s)

This is with reference to our letter dated November 9, 2023 informing about the audio recording of conference call with Investors on the unaudited financial results for the half year and quarter ended on September 30, 2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of aforesaid conference call.

The above information 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: 2023.11.16 12:26:50 +05'30'

Alok Goel
Company Secretary

“Samvardhana Motherson International Limited

(Formerly Motherson Sumi Systems Limited)

Q2 FY24 Results Conference Call”

November 09, 2023

Management:

Mr. Vivek Chaand Sehgal,
Chairman

Mr. Laksh Vaaman Sehgal,
Director

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

Mr. Kunal Malani,
CFO, SAMIL

Mr. Rajat Jain,
COO, Vision Systems Business Division

Moderator: Ladies and Gentlemen, Good day and welcome to the Q2 FY24 Results Conference Call of Samvardhana Motherson International Limited.

This conference call may contain certain forward-looking statements about the company, which are based on the company's beliefs, opinions and expectations as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in listen-only mode, and you will have an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. V. C Sehgal. Thank you, and over to you, sir.

Vivek Chaand Sehgal: Thank you very much. Good evening, ladies and gentlemen. Thank you for joining the results conference call of SAMIL. First of all, a very Happy Diwali to all of you and your family. I'm pleased to announce that the board has approved the results for Quarter 2. Motherson has delivered a consistent performance against a backdrop of global uncertainties. We have posted the highest-ever quarterly revenues.

All the divisions have shown good double-digit growth. The customer continues to trust Motherson, with the highest ever booked business of US 77.3 billion U.S dollars. The environment is also offering us a lot of opportunities. We have announced 15 acquisitions since September 2022, and the team continues to explore more. This is definitely a work-in-progress quarter, and I have with me Vaaman, Pankaj, Kunal and Rajat to provide further business insights and clarify all your questions. I hand it over to Vaaman.

Laksh Vaaman Sehgal: Thanks, Papa. Good evening, everyone. So, as Papa was saying, SAMIL has delivered the highest ever quarterly revenues of 23,500 crores, which is about 28% growth year-on-year and an absolute EBITDA of about 2,000 crores, which is 34% growth year-on-year. All the business divisions have performed well and were further supported by four acquisitions coming on stream in this quarter.

These were SAS, the mirror business of Ichikoh, Saddles and Rollon. Our ROCE on business, excluding the Greenfields and the M&A that were done in the current five-year plan has improved from 12.6% in FY23 to now 16.0% in H1 FY24.

As we speak, we have a solid booked business of more than $77 billion U.S. dollars, which is up from 69 billion as reported in March 2023. All of this we have been able to achieve all of this in a challenging business environment where wage inflation across key geographies, rising interest rates, and geopolitical uncertainties continue to mount pressure.

Thankfully, there is slight respite from energy and commodities stabilising, although these are at higher levels than pre-COVID. The automotive production developed markets were impacted by the annual summer shutdowns, disruption in the supply chain for key European OEMs and labour strikes in North America.

At a global level, production remains stable at 22 million due to significant growth coming from emerging markets, specifically India, and now India and China comprise about 40% of global LV volumes.

With the ever-changing and unpredictable external factors evolving industry dynamics, we have taken several measures and initiatives to remain agile and breathe with the market. A few I would like to highlight. We continue to remain in constructive discussions with our customers as sharing of inflationary cost structures will remain a recurring feature in the short-to-medium term.

At the customers' behest of acquisitions, we have added 22 facilities in Europe and 7,000 associates with the recently closed M&A. Given this footprint expansion, we have also announced a phased reconfiguration in a few countries in Europe. This is done to streamline our operations, improve efficiencies, and deliver more synergies. The current quarter's results include a one-time cost provision of about 250 crores INR, which would enable us to be competitive on a sustainable basis and capture future growth from our reorganised footprint.

In emerging markets, specifically in India, there has been a spurt of growth opportunities for both auto and non-automotive businesses. India is among the fastest-growing economies, and as you are already aware, most of the OEMs are now building new capacities to support this growth. We're also investing 1,500 crores of CAPEX in India to set up ten new Greenfields, a few of them which will come online this year and the remaining in the subsequent fiscal year. This includes capacities for both automotive and non-automotive businesses.

Therefore, we are revising our full-year CAPEX guidance to about 4,500 crores plus / minus 5%. This is done to support the growth that is coming out of emerging markets, and CAPEX outlays for the acquired assets, which were not part of the earlier guidance. Our net debt has increased by 5,000 crores, but this is mainly driven by the payouts for the acquisitions of nearly 3,800 crores, which were closed during the quarter and the higher CAPEX that we are going to put in to capture these growth opportunities.

Consequently, the leverage ratio has also increased to 1.9 times EBITDA. please note this is a temporary increase and well within our stated policy of 2.5 X. As you can imagine, to capture these growth opportunities, we definitely do have to invest in CAPEX. I'm pleased to inform you that we have announced 15 acquisitions since

September 2022, which have a combined pro forma revenue of about $6.4 billion U.S in gross revenues and about $2.6 billion in net revenues.

Integration of closed transactions is progressing well and is completely on track.

I would like to thank our customers for their continued support and trust in Motherson, and with this, I would like to conclude and open the floor to questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Raghunandhan NL from Nuvama Institutional Equities. Please go ahead.

Raghunandhan NL: Sir, my first question on the standalone side is that raw material cost as a percentage of sales is higher than the last three quarters, and even the employee cost is higher. What has led to this cost increase, is there any one-off, and would you expect the RM cost to sale to normalise ahead?

Kunal Malani: If you're referring to employee cost. Employee cost is a function of the nature of the business that we are in. If you look at it as a percentage, employee cost has actually decreased on a quarter-on-quarter basis it was 11.4% as I see for the three-month period June ’23, and it is 11% for the three-month period September ‘23.

The absolute value would obviously go up because we have done more business. The top line has gone accordingly in that line. If you're referring to the cost of material, it's a mix of businesses, as you know in standalone that we do, and it's dependent on how the commodity prices are, etcetera, etcetera.

In this particular quarter, you also had the business that we had acquired, the DICV business, which has a metal component to it and then it varies depending upon how those commodity prices have played out. At an aggregate level, I think the margins in the standalone business has actually improved, and that's showing you the operating leverage that's there in the existing business, also showcasing in some way how the growth in India is playing out.

Raghunandhan NL: Just to understand and sum up so this increase in the raw material cost would be mainly because of the DICV metal components effect and would there be any increase in input prices as well in this quarter which you think can normalize in the coming quarter?

Kunal Malani: It's a variety of different businesses. There are metal, polymers, wires, and wiring harnesses. So, given the variety of mix, it's very difficult to predict how things is going to move, and much of this is really a pass-on construct, at least in India. The majority of it will have a pass-on element to it with some lead-lag effects. So, we don't really worry too much about it.

Raghunandhan NL: Standalone When we break it up, there is wiring harness, modules and polymers. When I look at the segmental reporting of these emerging businesses, how much of that number would be coming from the standalone?

Kunal Malani: We will come back to you. It's very difficult to really get it.

Raghunandhan NL: Secondly, on SMP, profitability has reduced on a QoQ basis. Would it be mainly due to lower volumes and higher employee costs? Was there any one-off?

Laksh Vaaman Sehgal: So, for SMP, as you know, the majority of the business is in Europe. So, definitely, if you're looking at on quarter-on-quarter and not year-on-year, you will see differences because this quarter has a lot of holidays in Europe and the shutdowns. So, it's not really the right reflection. You should look at it year-on-year. Apart from that, of course, there are multiple challenges in the European region you know what's happening in the macro economy front. Not only that, but some of the customers are also not hitting the volumes that they wanted on the EV front. Luckily for us, we're engine agnostic so where we might not be selling as much on the EV side, some of the platforms on the non-EV side are getting extended. So, those kinds of challenges are still there, and you are seeing quite a bit of macroeconomic pressure still coming up now the winter is coming, a lot of things are still to play out over there, but like we mentioned in the in the report that talking to the customers and getting those discussions with them on support for capacities that were not filled up or for commodity prices, fluctuations that are happening. They're ongoing. I think the good part is that look, the confidence is on us; they're giving us more and more acquisitions. We're taking on more assets there. So, definitely, in times to come, once it stabilises, we'll show a better result, and we are working closely with the customers to take support where we are getting hit for no fault of ours.

Raghunandhan NL: And the impact of wage increments, would that be already factored in numbers or is there any major increase expected in the coming quarter?

Laksh Vaaman Sehgal: For which are you talking about in general or are you talking more about?

Raghunandhan NL: In general sir?

Laksh Vaaman Sehgal: So, most of the wage increases that have already happened have been factored in. There could be certain locations where there could be certain events where the regulation changes or something like that where we have to change in mid-year, but most of them are already you're already seeing the impact of that.

Raghunandhan NL: Sir, lastly, on the loss of net monetary position in Argentina, the net effect is 57 crores, and this should be one off or is there any more impact expected in Q3 excluding this the interest cost is 360 crore. Would that be a fair number to work with for the coming quarters?

Kunal Malani: In Argentina, it's a special situation where the Central bank has disallowed FOREX payments for importing material, and hence you have liabilities sitting in dollars and euros, which you are unable to remit, and as the currency has devalued, it's created a large FOREX loss. The impact is classified it in interest costs because there is corresponding cash that is there where we are earning interest.

So, this is the net monetary position, which is the income you're generating on the cash that you're sitting on versus the FOREX loss that you have incurred there, which is the 130-odd crore number given in August and September; there was a very steep depreciation in the Argentinian Peso after this regulation came into play. Where things stand, I believe the new government is coming into play in November, the elections will happen sometime now, and by December, there will be greater clarity on how the monetary position is going to look like going ahead. So, it is difficult to comment on it whether it's one of or not, but hopefully, after this depreciation, the impact will be significantly less, even if there is any.

Secondly, on the interest cost, you're right on the 360 that the number may be a little bit actually lower because there would be other charges, etc., the upfront payment, etc., that is done for all the debt that was raised right now for all the acquisitions. Those would have also brought up the interest cost to some extent. So, if it's on a normalised basis, this would look more like 300 crores to 320 crores versus the 360 you are referring to.

Moderator: Thank you. We have our next question from the line of Jinesh Gandhi from Motilal Oswal Financial Services. Please go ahead.

Jinesh Gandhi: I have a few questions from my side. One is with respect to they called out for organic growth of about 18% at the consol level; any colour which can give on either organic EBITDA or organic EBITDA margin for the quarter to have a like-to-like comparison?

Kunal Malani: Sorry, could you repeat the question again? It was not very clear.

Jinesh Gandhi: In the presentation, we have called out for organic growth of 18% at the revenue level. Similarly, can you talk about what organic EBITDA or EBITDA margin for the quarter?

Kunal Malani: The EBITDA margins for the quarter for the organic business, is that what you're asking for?

Jinesh Gandhi: Yes.

Kunal Malani: So, that is, I think it is 8.4% odd if I remember right, the number is there I think it's 180 crores is what you need to reduce from the 2,000 crores. So, that's the 1,820 number for the organic piece, which should be tantamount around about, I think 8.4 if I'm getting the math right.

Jinesh Gandhi: Secondly, we have also called out for restructuring in Europe. So, is the large part of the cost already reflected in the second quarter or we expect some more provisioning coming in the coming quarter, and what exactly are we doing there?

Laksh Vaaman Sehgal: So, that is the majority we're taking it upfront. We've added 22 facilities and 7,000 people. So, obviously, a lot of those facilities that we have taken over are not running at full capacity, as these were some troubled facilities that the customer asked us to take over. So, we're looking at merging some of the facilities, really rationalising footprint in that context. So, we are really breathing with the market because we are growing significantly in that region.

So, that will again require some reorganisation. These are all that we have already put into play. These were all parts of the acquisition when we took that over. So, we're taking them all upfront. So, the majority is already there.

Vivek Chaand Sehgal: Jinesh, I said in the beginning that this is a work-in-progress quarter. So, we would close a lot of the acquisitions I can't give immediately magic this thing a bullet which will solve the problem, but give us three months to watch what happens next quarter.

Jinesh Gandhi: And lastly, we have talked about the booked business going up to USD 77 billion at the consol level. SMRPBV also shared the number, would it be possible to share the net order book number of SMRPBV, which needs to be shared for March 20, which was close to euros 20 billion, 19.7 to be precise, what would it be for September 23?

Kunal Malani: Jinesh, we've moved to the book business construct I think it will give a wrong picture. The booked business gives you a better reference point to see how the trajectories versus the revenue stream that you're seeing on a quarterly or annual basis as the case may be. So, request if we live with the booked business contract.

Jinesh Gandhi: So, in that context, the delta and book business over a period of time is the gross addition, that's the simple way to look at it?

Kunal Malani: You are saying, is this gross revenue? So, look at the order book; the booked business moved from 69 billion to 77 billion, which is only automotive on the non-automotive side at least on the aerospace side, you would see we've highlighted the fact that after the acquisition of AD industries will be 1.3 billion on the aerospace side as well.

Jinesh Gandhi: This USD 77 billion is the gross revenues, right not the net revenue as we report in P&L?

Kunal Malani: No, this is in relation to the economic revenue that is closer to the net revenue construct rather than the gross revenue.

Moderator: Thank you. We have our next question from the line of Arvind Sharma from Citi. Please go ahead.

Arvind Sharma: Sir, the first question would be on the broader demand scenario that you are seeing in the SMRPBV business; on the organic part, where do you see demand going on from here, both for the industry as well as for SMRPBV that was the first question?

Laksh Vaaman Sehgal: You're seeing a lot of new launches that are coming up in the Europe region, and I guess in the globe in general, I mean, SMRPBV is not a global enterprise. So, it's more helpful if we talk about the different regions; we've talked about the immense traction that we're seeing in the in developing economies; we're seeing a lot of stuff that's happening in India. So, the demand is holding very, very strong here.

Internationally as well, like I said, there are some challenges in EV with some of those models. Customers have spoken about that, but whenever that happens, the customer comes back, and even more facelifts and new models are launched to capture the customer back. Our strategy of 3CX 10, no customer, no country, no component, is favouring really well for us because we are not overexposed to EV, and we're that engine really agnostic.

We are seeing growth even though there may be pockets where demand could be weaker. Motherson continues to grow because of our diversification strategy.

Arvind Sharma: Just one clarification: somebody asked you previously as well if these 250 crores of one-time cost provision is it reflected in the 2Q P & L anywhere.

Kunal Malani: Yes, it's coming as part of the exceptional items.

Arvind Sharma: So, this entire 250 crores is in the second quarter, the one which you report?

Kunal Malani: That's right.

Moderator: Thank you. We have our next question from the line of Siddhartha Bera from Nomura. Please go ahead.

Siddhartha Bera: Sir, the first question is on this acquisition what we understand is in the past, this company used to do about like 11.5% margins. I understand we are in the process of restructuring. So, any colour, how much improvement can we potentially say in a year when we are done with this entire restructuring process and the business is happening in a normal pace?

Laksh Vaaman Sehgal: Sir, which acquisition are you talking about we've done 15 since September 22, so which one are you talking about?

Siddhartha Bera: This is by SAS, which I had come for two months in the quarter.

Laksh Vaaman Sehgal: So, SAS is a running business, and it is a profitable business. So, it is very different to some of the other acquisitions that we have made. So, some of the reorganisations are more towards the other acquisitions, which were not performing as well and which we need to restructure, but SAS is looking more towards growth. We've actually added CAPEX and, therefore, growth. There's not much restructuring or one-offs that are that are happening over there. There could be a small exception, but in general, we are seeing that as a growth business. Kunal, maybe you want to add something there.

Kunal Malani: If you're referring to the margins of SAS, please bear in mind it's two months; August, September, and August is where the summer shutdowns have been. So, this is not necessarily reflective of assets capability if we were to put it. We do anticipate things to improve in Quarter 3 and Quarter 4 when the production levels are much more normal.

From a restructuring perspective, as Vaaman was mentioning right now, we see a lot of synergy benefits and lots of areas where it can grow, and the business is structured on a more variable cost structure versus some of our other businesses. So, if we see some of the places which are unviable, at least in SAS, it's a lot easier and more flexible to move the production centres around. So, it's a relatively more flexible manufacturing construct.

Laksh Vaaman Sehgal: Yes, it's important that you understand the real synergy of Motherson SAS because whatever Motherson SAS is assembling right now, Motherson currently produces. The synergy benefits are tremendous, and we hope to play them out in the coming quarters. It's just been two months. Please give us some time, but it's a very exciting opportunity. It really transforms us to a Tier-0.5 and gives us a lot more ability to grow on the assembly side as well.

Vivek Chaand Sehgal: I think in just two months, we've already transferring one from SMP to SAS business because….

Laksh Vaaman Sehgal: So, you already saw that there are some business movements from our SMP or polymer business into Motherson SAS. So, we're already starting to push through the synergies and like I said, please give us some quarters, and a lot of that will play out down the line.

Siddhartha Bera: Sir, the second question is on this CAPEX number of 45 billion now, shall we assume that this will be the normalised CAPEX going ahead, and does this factor in the CAPEX for the new acquisitions also which we have done?

Kunal Malani: Yes. So, that's the exact reason Siddhartha that we are highlighting the revised CAPEX. We had highlighted 3,000 (+/-10%) earlier, now we are revising to 4,500, which includes a portion of the CAPEXs for the newly acquired assets that have been assimilated in this quarter. Also, it includes the 10 actually 11 Greenfield/ Brownfield that is being set up in emerging markets, 10 of them in India, 1 of them in China.

If you remember, we highlighted 7 of them to you in March '23, which was part of the 3,000 that we talked about. There are 4 new ones for which have the orders now, which are under the execution stage, for which the additional CAPEXs would be required.

So, the 4,500 really carries a lot of growth CAPEX into it, given how the Indian environment is, and how we are seeing a lot of traction on the non-automotive side of the business as well. Hence, you would not say it's a normalised maintenance CAPEX. If we were to put it that number would probably be half-odd or so of this number.

Moderator: Thank you. We have our next question from the line of Pramod Amthe from Incred Capital. Please go ahead.

Pramod Amthe: What I was asking was the 45 million CAPEX which you guys have called out, is there a scope to give it by division-wise that can help us to build the revenue profile or growth profile going forward?

Kunal Malani: I don't have the details right now maybe we can add some of those details going forward, but I think, as I mentioned, you should consider half of it as give or take regular maintenance, which will flow and all the divisions in their respective places, the new ones we can give you more colour as we go ahead, we don't have it right now.

Pramod Amthe: And the second question is with regard to the broader industry-related trend for wage cost. The type of negative surprises some of the auto OEMs faced in the US, do you see that falling through for some of the Tier-1 and Tier-2 suppliers also as increased wage cost when you renegotiate or second considering your global operations and inflation being pretty high in many of the countries you expect some repercussions of the same in many other plants?

Rajat Jain: So, look, as far as we are concerned, we have already closed this year's increases, and we are doing it year-on-year. So, we don't have a pile-up of three years and then put together as one contract, which might be there in more unionised environments. So, for us, it's a regular. We've already been talking about inflationary pressures in the last year and this year as well. So, we are already aware of such increases to date. Now, how does that affect on other companies really, we can't comment.

Vivek Chaand Sehgal: We can't guide; we don't even know what will happen.

Moderator: Thank you. We have a question from the line of Joseph George from IIFL. Please go ahead.

Joseph George: Just a couple of questions. One is when you look at the debt level at the end of September and you think of how it will move over the next 6 months, can you please guide us on the pluses and minuses that will come through in the next 6 months, maybe more acquisitions or payment against more acquisitions, working capital moving up and down, etc.? Just some guidance will be helpful.

Kunal Malani: Let's put it this way we can't really guide on acquisitions; difficult to predict when it will happen, but needless to say there is a strong pipeline, there is a lot of…

Joseph George: Can I just interrupt you guys sorry so when I said the acquisition, I was referring to payments for the acquisitions that have been announced and yet to be made so that is one and whether you expect some reversal of the work in capital, etc., going to the second half of the year?

Kunal Malani: So, organically if you're referring to, I think we should continue our deleveraging path organically even after considering the 4,500 crores of CAPEX guidance that we have spoken about. I think working capital, it would have seen our presentation earlier in March, we had highlighted around about 2,000 crores of additional inventory, that number is down to 1,500 crores. So, directionally things seem to be improving.

As we synergize with some of the acquired assets, we do expect Quarter 3, Quarter 4 to play out better that's how traditionally our business has been where Quarter 3 and Quarter 4 have typically been better than Quarter 1 and Quarter 2. So, with that concept we do expect some amount of deleveraging to happen.

Laksh Vaaman Sehgal: Look I want to reiterate that this is a really, really exciting time for us here at Motherson. We have patiently waited for the last four years, waiting for this moment really in a sense where the customer is asking us to go and pick up all these acquisitions when interest rates were extremely low, and a lot of deals were happening; we were patiently waiting and deleveraging. So, we have come down significantly because we knew that we have to grow at when the time comes, there will be an opportunity for us to really make large acquisitions and increase our footprint in the customers' portfolios, and that's what exactly is playing out. So, it's not that we are looking at these numbers and saying the numbers have gone up significantly. This is has been planned for us we deleverage from our erstwhile levels because we anticipated that this growth there would be a window of growth, and if you can understand, we are literally the last man standing in that sense where the customers are saying, please look at some of these acquisitions and support and we have the headroom to be able to do it. So, this was an event which is really setting us up for the future, a lot of growth will come in; as you can see, we're putting in a lot of investments for these acquisitions and the growth opportunities, and this will play out in the coming quarters, I mean, 15 acquisitions in 12 months that is the pace that we really haven't seen before and like I said we are prepared for it.

Joseph George: The second question that I had was in relation to CAPEX. So, you have upgraded the CAPEX number to 4,500 crores for this year, but this wouldn't include CAPEX that you would incur for some of the acquisitions which are yet to be completed due to get completed, I think in 4Q, which will add another billion also in terms of revenue. So, would it be right to assume that for FY25 we should look at a CAPEX number, which would be higher than what you have guided for FY24 because some of those acquisitions will happen towards the end of FY24?

Kunal Malani: Joseph, I think Vaaman highlighted 10 new Greenfields for which we are setting up, for which we are spending 1,500 crore; that has nothing to do with any of the acquired assets. So, this is not the normal CAPEX level that our business will be carrying going forward. These are growth CAPEXs, more specifically in India, just given the trajectory of what's happening in India. As you see, every OEM has announced expansions, and as vendors, we do need to be ready to be able to cater to these expansions that happening in India. Plus, on the non-automotive side, there is a great amount of traction to set up facilities in India and showcase our strength in there. So, that's the organic part. You're right to the extent that the assets with which we haven't closed the CAPEX associated with that are not embedded in this number, and as they close, we will have better colour. We can come back to you with whatever changes need to be made around this, but for the current set of business, as for the current quarter, we do anticipate 4,500 crores this year should be more than sufficient.

Moderator: Thank you. As there are no more questions, I would now like to hand over the call to V. C Sehgal for closing comments. Over to you, sir.

Vivek Chaand Sehgal: Thank you all very much. I would again request you to understand that this is a work-in-progress quarter. We are always seeing that traditionally the second quarter is always where the holidays come in Europe and then coupled with the UAW strike in U.S, it sort of dampened the whole particular thing, but I believe that the quarter was phenomenal and the results, the teams worked very hard to deliver these superlative results that are there in front of us. Thank you very much and wish you all a very, very Happy Diwali and all the festivity. Thank you.

Moderator: Thank you, sir. On behalf of Samvardhana Motherson International Limited, that concludes the conference call. Thank you for joining us and you may now disconnect your lines.

Safe Harbour: The transcript for the Investors' Call has been made for purposes of compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the transcript, best efforts have been made, while editing the translated version of voice file for grammatical, punctuation formatting etc., that it should not result any edit to the content or discussion. The audio recording of transcript is available at website of the company, viz., www.motherson.com. This discussion contains based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, are reasonable and can may include forward-looking statements. Forward-looking statements involve known and unknown risks, contingencies, uncertainties, market conditions and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results to differ materially from the results, financial condition, performance, or achievements expressed or implied by such forward-looking statements. The Company disclaims any obligation or liability to any person for any loss or damage caused by errors or omissions, whether arising from negligence, accident, or any other cause. Readers of this document should each make their own evaluation and assessment of the Company and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.