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February 25, 2023

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Exchange Plaza, 5th Floor	1st Floor, New Trading Ring
Plot No.C/1, G-Block	Rotunda Building
Bandra-Kurla Complex	P.J. Towers, Dalal Street
Bandra (E)	Fort
MUMBAI – 400051, India	MUMBAI – 400001, India
Scrip Code : MOTHERSON	**Scrip Code : 517334**

Ref. **:** **Transcript of Investor Call**

Dear Sir(s) / Madam(s),

This is with reference to our letter dated February 20, 2023 informing about the upload of audio recording of conference call with investors on acquisition of 100% stake in SAS Autosystemtechnik GmbH, Germany by Samvardhana Motherson Automotive Systems Group B.V., Netherlands, a step-down subsidiary of the Company.

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: 2023.02.25 11:55:54 +05'30'

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"Samvardhana Motherson International Limited (SAMIL) Conference Call"

(Unedited Transcript of the conference call held on 20th February 2023)

February 20, 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. Char Zawadzinski,
CEO, Modules and Polymer Products Business Division

Moderator: Ladies and gentlemen, good day, and welcome to the conference call of Samvardhana Motherson International Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

Vivek Chaand Sehgal: Thank you. Ladies and gentlemen, good morning, and thank you for joining us today, early morning. We are delighted to announce that SAMIL Board has approved 100% acquisition of SAS Autosystemtechnik GmbH from Faurecia. SAS is a leading global provider of cockpit module assembly, managing complex logistics with strong expertise in JIT/JIS solutions.

This acquisition will further entrench and integrate Motherson in the supply chain and cement our Tier 0.5 position and ability to closely serve our customers. This business has a unique ability to serve new energy OEMs, the EVs, MEVs platform. These OEMs predominantly focus towards technology and product development with outsourcing, manufacturing and assembly to trusted and competent suppliers. With continued EV trend, SAS is already generating 50% of its revenues from EV programs.

The company's gross revenue was EUR 4.4 billion on principal basis and net revenues of EUR 896 million for the year ended 31, December 2022. Further, the business has a strong order book of EUR 3 billion cumulative net revenue over the next three years. SAS has total 24 manufacturing facilities across 12 countries. Europe contributing 60%, Americas 31%, Asia 9% and with the total of 5,000 people. SAS has core competency of complete cockpit module integration, which includes entire design and setup of the assembly line, routing of wiring harness and a whole host of testing and finding suppliers, assemble modules even from within the customer plants.

The close proximity with the customers in complexity of the assembly operation may also create a natural ring fence for the business. We will be able to further scale the business in the next couple of years with insourcing potential for various products that Motherson manufactures. The enterprise value is EUR 540 million to be funded by a mix of debt and internal accruals.

We expect to close the transaction by the quarter second of the financial year '24, subject to customary closing conditions and receipt of regulatory approvals. This includes, of course approvals from Work Counsels and anti-trust approval. Motherson always tries to be complete solutions provider our customers by providing new products and technologies.

The acquisition of SAS is an important step forward in this direction. By adding these complementary capabilities, we will be able to further enhance our Tier 0.5 position with the customers. With this transaction, Motherson will be a leading assembler of cockpit module globally and gain from the increasing electrification trend in the outsourcing modules.

With this, we conclude our overview, and we are open for the questions-and-answers. Thankyou

Moderator: The first question is from the line of Jay Kale from Elara Securities.

Jay Kale: Congratulations on this sizeable acquisition. So my first question is regarding SAS' financial position in terms of -- I mean it's a pretty impressive EBITDA margin and top-line growth in the last couple of years as well.

But if you can just throw some light on their balance sheet in terms of their current debt position, how is the working capital, what kind of liabilities we'll be taking -- we will be taking up as well as their plans of capex, since we understand that they are mainly exposed to the EV OEMs, which are expected to show decent growth going forward. So, and we in SAMIL, are largely done with our growth capex. So some light on the direction of capex for this company as well.

Laksh Vaaman Sehgal: Kunal, can you take the balance sheet question, please?

Kunal Malani: As we know we have bought the asset of EUR 540 million and all debt and debt-like items will be deducted from this, before we meet the payment for the equity value. The equity value will carry the debt in the form of lease liabilities for sure as what we are aware about. It will carry elements like factoring and so on. And we have also structured it as a defined trade working capital that we require from the asset.

Now, what the final calculations will be, obviously, will be done at the closing date level, which is likely in Q2 of the ensuing financial year. That's how it is. The final payout will certainly be lower than EUR 540 million, just given that it will carry some amount of debt with the exactness of this will only come on the basis of the closing balance sheet.

Laksh Vaaman Sehgal: It’s very strategic assets for the carmakers. They are on a trend of outsourcing more of these cockpit modules to suppliers like us. You have to understand that these cockpit modules have to be done very close to the carmakers. It's a mostly assembly process. There is no huge capex that is there.

On a steady basis, already all the capex that is required for the order book that we have announced is already in there. But a steady-state capex is somewhere around 30 million to 40 million, maybe 45 million in this business. Of course, if you win more modules and more orders, then more facilities will be required.

And I think the good thing about this operation is that they have shown consistent growth. So we are optimistic with this asset. We think we will get a lot more opportunities. It is a profitable, very well profitable asset and something that, again, comes with a lot of complexity, the assembly process to manage so many suppliers, to be able to produce just-in-time, just-in-sequence, just-in-line is a very, very complex operation.

So the skills and the know-how are very complex and something that I think we will gain a lot an opportunity for us to grow with the customers with this business, but the capex is much lower than our traditional business.

Jay Kale: So my next question is regarding, you know we've seen you know this time around, you've given this gross principal revenue basis, which is close to around 4 to 5 times of the revenues of SAS. Just trying to understand, you know, historically, also when you would have had these acquisitions, you would have had this opportunity of cross-selling, backward integration, etcetera, which is largely what you're indicating maybe as I understand correctly on this gross principal revenue basis.

How different is this time around versus the historical acquisition? Any trend that you can say that is this a bigger opportunity for you since you have more products in your stable currently, which you can cross-sell along with the integration of SAMIL as well? Any direction you can give on how significant is this backward integration opportunity for this?

Laksh Vaaman Sehgal: Yes, absolutely. I think you hit the nail on the head. For us, it is exactly that opportunity that is getting us very excited apart from a world-class team that is coming along with it. I think you have to understand that in the past, we would still -- I mean, while SMP was doing the cockpit assembly business, it was a much smaller size and only with very select customers.

Here, now we have got a diverse range of customers and entry to be able to, again, use all the backward integration possibilities to be able to supply more-and-more products from our portfolio and also look in the future, which are the products that are coming into the cockpits and have a strategy for growth in them as well, So it's exactly that.

We will obviously try to bring more-and-more products from our side. Obviously, that takes time. You have to wait for the new orders. It's more difficult to do that with the running orders. But in time, as we quote the new businesses from this, we will try to integrate more of our products and also look for opportunities of growth into products that we are not doing yet. So it's a very exciting possibility for us by taking this asset in.

Jay Kale: Just one last question, if I may. There seems to be quite a good acquisition in terms of financials of the current company. If you can throw some light in what drove this acquisition. Was it led by the customer as always? Because the financials seems to be pretty healthy. And how was it led? And how was the thought process from your side as well as the client as well as Faurecia itself, since it's quite a decently financially healthy company?

Laksh Vaaman Sehgal: Look, I can't comment too much on FORVIA, I think we have a very good relationship with them with our customers. I think it was our customers' directive to move more into the assembly line. We see that business as growing with the carmakers FORVIA for their own reasons, wanting to divest this business. And it was great timing for us to really come in and to close this asset in a short period of time.

We definitely have the customers' support. We have spoken to our major customers. And I think, again, they see a positive trend in this business growing and welcomed Motherson to be able to move in this direction as well. So again, like my father was saying, we've always worked with our customers to find ways to improve our services, increase our products to them.

And together, working with them, we found a way to do that with this asset as well. And like I said, it's extremely strategic for us. It makes us the largest assembler of cockpit assemblies for our customers and will enable us to do more products in the future. So it's very strategic and we're very grateful for the team and to our customers for giving us this opportunity.

Moderator: The next question is from the line of Kapil Singh from Nomura Group. Please go ahead

Kapil Singh: Congratulations on this acquisition. I just wanted to understand, from a value creation perspective, where is it that you see maximum opportunity? Is it revenue growth? Is it margins? Or is it the new opportunities that will come along the way? And also if you could share some colour on what is the asset turn and ROCE of this business?

Laksh Vaaman Sehgal: Kapil, if you know Motherson best, you will know that we will look at all those things. Please understand that we've only had a limited access to the business for the closing so far. But till up to the closing, that's when we will get more deeper into the assets and prepare our plans. I think, again, from our side, definitely, we will look at ways that we can improve margins, improve efficiencies, what we can support from the group. We've always tried to do that.

And I think it's a great fit from what we can do from our modules and polymer division. So look, like I said, the business is a very interesting one. The ROCE of the business should be high. Of course, it will all depend what the final closing, etcetera, everything comes out on, but we maintain our 40% ROCE target for this asset. Obviously, no target comes starting there. We will have to prepare a plan that will get us there and pass us that. But to Kunal, he can maybe add what numbers we are allowed to disclose to you as at closing. Kunal, could you…

Kunal Malani: Yes. So a couple of things, Kapil. Number one, I think you should be able to see growth here at both top line and bottom-line level. The top line would also be driven, mind you, as we move some of the steps towards in-sourcing. The principal basis accounting will no longer be applicable to both and hence, those top line will be visible.

Secondly, on the bottom line, we also expect a whole host of other forms of aspects that we could do on a module basis, for example, Faurecia, only does interiors, they are largely focused on interiors. We have the whole front-end module, so that we can do, we can do it for commercial vehicles and so on and so forth. So those are additional pieces of growth that can be loaded on to the asset as well, and those are effectively what we find very attractive about this business.

From a ROCE perspective, I would suggest if you could just wait till we have -- until we do have total clarity on a closing balance sheet basis. Right now, whatever I give you will be an incorrect picture. By the time closing happens, the picture could look a little bit different, depending upon how things play out, so just to really discuss this on closing.

Kapil Singh: Secondly, I just wanted to check on revenue, gestation period from winning new orders and that going into revenue. So how long does it take because you are pretty close to that EUR 1 billion kind of revenue run rate per year, if I look at the order book, it's about EUR 3 billion, right? And on margins also, which cost elements here, are passed through as per contracts and which are not. So what are the risks to keep in mind?

Kunal Malani: Right. So again, the EUR 3 billion order book, this side is clear, it's not the order book. It's the booked business. The difference being the order book that we have typically spoken about are the ones which are not in production. This is a booked business, which is what is in production. And Euro 3 billion tells you it's effectively a line of sight available to -- for these revenues to come into play over the next three years.

So the actual order book or the actual book business is also for a longer duration, but we can only disclose what is disclosable by the seller. And hence, this is what we can say right now that it is EUR 3 billion over the next three years. And hence, on an average, at least EUR 1 billion of net revenue should be visible over the next three years.

Now what are the risks, the risks are the same as what the industry is. It has, again, in a disproportionate share from the premium end of the vehicle. It has a disproportionate share on the EV side of it. So as long as the industry performs around it, some of the customers we have spoken about in the presentation, as long as they perform, we don't see a risk. And with some of these facilities being still relatively newly set up to meet some of the increased demand from the customer space, I see the downside risk being fairly limited.

Moderator: The next question is from the line of Kumar Rakesh from BNP Paribas.

Kumar Rakesh: My first question was around the margin of SAS, which appears to be doing much better than SAMIL's own models and polymer product business division. Now my question was, how are they able to achieve that? Is it driven because of their capabilities in module assembly and logistics? And can it be transferred to our own businesses and hence expand margin of our own business?

Laksh Vaaman Sehgal: Thank you very much for that. I think you're right. It is a slightly different business, what we are doing in modules and polymers. Like, I said, and as we look into it, it's more assembly in logistics. So I think the greater traction for us is that we are already welcoming a team that are experts in the assembly and logistics part of the entire business.

And definitely, we do see capabilities that we can use some of our own module centres, etcetera, which are currently outsourced to be able to bring that in and bring in much higher efficiencies and improve our own business as well. But that's been quite standard for Motherson in all the acquisitions that we do. We try to bring in what's best in our fold to the incoming family member and learn from the family member where we can improve as well.

So definitely, the team's job together with me is that in the next six months, could we close it, we understand all the strengths of the business and be able to prepare a plan that we can, not only improve the businesses that are entering the fold, but also the group businesses as well. And like I said, I think we have very high capability in managing complex suppliers that are coming to assemble entire cockpit assembly and logistics and that's something that we definitely -- the group will gain from.

Kumar Rakesh: My second question was, if I do math, it's about EUR 700 million of opportunity through backward integration using Motherson's existing product capabilities. But based on your interaction with customers and past experience, how much of it do you think can be converted where OEMs will agree to change their nominated vendors?

Laksh Vaaman Sehgal: Look, any customer as you must appreciate that we have those relationships as well, but I think the most important thing for the customer is being able to give them a complete solution at a competitive price. I think definitely, if we are able to do that, we're able to win more business from the customers and be able to direct some of this business more to ourselves. But, like, I said, I think it will happen more over the new programs and the new models that are going to be quoted.

So it's going to be something that we will plan again as we take the company over and prepare a strategy of what we can bring really in-house. But as OEMs are moving more towards outsourcing of these modules, getting specialty suppliers to come in and do this. You understand the situation in Europe with high inflation commodity prices, etcetera.

So they really are focusing on getting more and more suppliers to do the assembly and logistics for them. And that's a growth opportunity for us. Now definitely, we have to be competitive, and we have to do the best. And if we're able to do that, we will win business.

Kunal Malani : And I just wanted to highlight the opportunity is not only EUR 700 million, which is only the set of products that we do currently. And they're really talking only about the larger verticals. As you know, we have a much diverse set of product portfolio that exists. Some of that would be lying in others.

And then, this is not the only set of products that we will do forever. So whatever that we do going ahead as well in terms of new product portfolio could potentially have a synergy with this asset. So in effect, the entire EUR 3.5 billion is a potential.

Kumar Rakesh: My final question was around what – in your understanding, what is the reason Faurecia has decided to sell this asset? I understand, Faurecia, they are running about $1 billion of deleveraging program, and this possibly will help them in a long way to achieve that. But this business appears to be solid with strong margin and revenue visibility, so why pick this particular business to sell?

Vivek Chaand Sehgal: How can we comment on their – this thing? Don't you think they are the best people to answer that?

Kumar Rakesh: Fair enough.

Vivek Chaand Sehgal: Hello? You're asking us to speculate.

Moderator: The next question is from the line of Pramod Amthe from Incred Capital.

Pramod Amthe: Considering that there's a big difference between the gross revenue and net revenue, wanted to know how is the working capital. Who will bear it? Whether the current entity? Or the clients bear the large working capital?

Kunal Malani: Working capital will be borne by us for the entire principal set of the business as well. But given it is a principal flow, the net working capital requirement for the principal flow will not be much.

Pramod Amthe: Would you be able to disclose the number of days of sales?

Kunal Malani: Look, as mentioned, we've targeted this with a certain degree of working capital coming along with the asset. And hence, so thinking from a cash flow perspective, for the current set, we do not expect. And given we already defined the working capital; we do not expect incremental cash flows to get embedded to meet working capital requirements.

Pramod Amthe: Okay. And a second one -- sure.

Kunal Malani: In the past, we have -- it's also a great potential of opportunity as well because maybe we can improve, as well, some of those as we move ahead. It could be a big delta, just surely purely because of the sheer size of the principal set of the business.

Pramod Amthe: And second question is with regard to again, gross and net. How is the revenue recognition or value in the order? What is the correlation between the gross revenue and the net revenue? Is there a way to understand that better?

Kunal Malani: No perfect way. Again, the principle is defined as wherever the activity of -- the asset we're doing is procuring, embedding it into the product and selling it. The agent flow is driven by adding value to whatever that's being provided, whether it be in the form of some processes that are done on it, whether it be in the form of certification that have to be done on it. But there is an additional value that is provided on top of whatever that is produced -- or whatever that is procured.

Moderator: The next question is from the line of Hitesh Goel from CLSA.

Hitesh Goel: Congratulations on a good acquisition. I just wanted to -- I have 2 questions. First on the revenue recognition in the P&L, you will report it on a gross revenue basis? Or net revenue basis?

Kunal Malani: On our P&L, it'll ultimately be net revenue basis.

Hitesh Goel: Okay. And the program that you have won of EUR 3 billion, the OEM will have the -- the orders that we have won on this SAS is EUR 3 billion of orders. So I wanted to understand this product, the OEM parts, which are a pass-through. This will be part of the contract, right? The additional orders you won above EUR 3 billion, then you can do backward integration. Is my understanding, right?

Kunal Malani: So that ballpark, that would be right.

Laksh Vaaman Sehgal: Yes. Go ahead, Kunal.

Kunal Malani: Ballpark, that would be right. This portion of the business is already booked the business.

Hitesh Goel: And that is over a 3-year period, right? So after that, whatever additional business now we win, we'll have negotiation and OEMs to do backward integration, right?

Kunal Malani: That's the potential. And this, again, I'll just repeat this EUR 3 billion business is not the full booked business. This is what we've disclosed as visible revenue over the next 3 years on a cumulative basis. And hence, we are only talking about the disclosures that the sell side is able to provide on this. In reality, the booked business will be larger than this and so will the order book be larger than this. Atleast from our definition perspective.

Hitesh Goel: My final question only is on the market size of this assembly business of cockpit, right? And what is the market share of SAS? Can you give us some sense on the industry size and SAS market share?

Laksh Vaaman Sehgal: Kunal, I'll take that. I think we said that they have about 20% market share, and they are the leading largest independent assembler of cockpit modules. So 20% share. And again, that is only for cockpit. I think they're also doing, possibilities of doing other modules, which in the future, again, once we take over the asset, we will come back to you with a lot more of these numbers with more granularity.

Kunal Malani: And this is all that we are saying is in relation to what we have heard from them. It's not something that is, as you know, we do not drive market share. It is not something that we really dwell into.

Moderator: The next question is from the line of Jinesh Gandhi from Motilal Oswal Financial Services.

Jinesh Gandhi: A couple of clarification. Firstly, on the accounting, which will be applicable for Motherson is -- will be accounting for revenues, including the revenues which we sourced from third-party vendors and later, for what we buy in-house. Is that correct? My question is this EUR 896 million of revenues, then it gets accounted in Motherson, 896 million plus. What is being sourced from third-party suppliers or it will be 896 only?

Kunal Malani. So it will be EUR 896 Mn in our books in all likelihood. To the extent that we are in-sourcing some of these principal streams of revenues, those will be on top of it.

Jinesh Gandhi: Okay.

Kunal Malani : Theoretically, if this is EUR 200 million, then it is EUR 896 million plus EUR 200 million.

Jinesh Gandhi: And currently, our supplies to SAS, from SAMIL, would be very, very negligible?

Kunal Malani: There will be some portion that we do, but there will not be much.

Jinesh Gandhi: And lastly, with respect to this EUR 896 million of revenue, can you talk about how much of that would be split between actual manufacturing, which we will be doing in-house versus more about the services revenue in that – because the services revenue would be more or less with respect to managing entire complex value chain, which they do, whereas the house manufacturing would be -- is that lesser number and managing the entire complex solution is the bigger number of the EUR 896 million?

Vivek Chaand Sehgal: Yes. Just as there are some -- we didn't understand the question very well, yes. The voice was coming and then going. Sorry, could you repeat it again?

Jinesh Gandhi: So of this obviously EUR 896 million of revenue, how much would be the manufacturing portion or in-house manufacturing portion and and how much would be the...

Vivek Chaand Sehgal: No, there is no manufacturing in this. There is no manufacturing in this. This is assembly here. So, if we have the order, we will supply. But this is a different business altogether. This is not the same business as what we are doing here. I mean, I'm getting a feeling that you haven't understood. This is an integrator. We are on behalf of the customer. We are assembling the whole particular thing. We are managing all the supply chain like radios or different parts of the cockpit and all that they come in. We put that together. And depending upon what the order is, what the sequence is, it's a different business altogether. Why are you confusing it with SMP?

Jinesh Gandhi: No, no. So there was... I mean, I wasn't clear on that answer to this question. Thanks. Thanks. That clarifies. Thank you. Okay.

Vivek Chaand Sehgal: Kunal. I was right, do you think?

Kunal Malani: I couldn't hear the question either so I was just clarifying...

Vivek Chaand Sehgal: Okay. So go ahead, please.

Moderator: The next question is from the line of Chirag Shah from Nuvama.

Chirag Shah: Sir, two questions. The first question is that are there any platforms or models for SAS coming up for upgradation or renewal of contracts which would give you opportunity to go into more backward integration over the next 12 months and that was one of the drivers for you to look at this acquisition, because polymers and wiring harness, we all do now, then 20% of the opportunities that you have highlighted in the presentation. Is there anything coming out of negotiations as the end of product life cycle is coming nearby

Kunal Malani: So the driver of this asset is not what is going to happen in the next 12 months. It's a strategic asset. If you can imagine, we will be extremely close to the customer. If you look at the asset even in 2020 when COVID was there, you would see the performance of the asset did not dip as much at least on a percentage margin level. So it just showcases how close it is to the customer as a Tier 0.5 supplier to this. And thereby we come even more closer to it and opens more doors and opportunities to do more with them.

It's not for any short-term, 12-month kind of insourcing related requirements for which we would have looked at this asset. It's still a complex logistic that has been managed for nearly 5 billion of inflows. And that's a pretty sizable operation to look at it for a very short-term thing. So it's a long-term strategic asset, which will help us synergize not only what is there in our existing portfolio, but everything new that we bring in as well.

Laksh Vaaman Sehgal: Yes, just to add to that, it's a running business. So as models, I mean, there are 24 locations, there are multiple customers, as the models are running down, new models are coming up, there are launch of new models as well. So they are constantly, they have an ability to grow. As you can see, they have been historically growing with the customer. So definitely there is a lot of opportunity to quote for the new business.

Again, we need to wait for the closing to be able to prepare a full strategy on which of the models that we're going to go for, what insourcing we can have. But these are all the potentials that Kunal has talked about. And that's what's really exciting us that you're truly a Tier 0.5 leading supplier to the car makers with access to all the assemblies of the car maker in the locations that we are. And future growth opportunities with other modules.

Chirag Shah: So let me rephrase the question. This is a very interesting acquisition and it's a great capability addition moving closer to customer. But when I was looking at, based on historical data, the valuations, for example, they are something very similar to PKC and the asset is also something similar to PKC as far as financials are concerned. Reasonably good effect. These are not like bankruptcy related assets that you have bought.

So I was wondering one of the triggers could be that your EBITDA number which is say EUR 100 million can suddenly shoot up simply because new models are coming for renewed bidding and where you could do more in sourcing or backward integration hence that's a very near-term underlying opportunity to also exist apart from the long-term strategy that you have on this. So I was coming from that perspective.

Laksh Vaaman Sehgal: Absolutely. It gives us the opportunity to do more, to bring in more in sourcing and definitely in the way Motherson, we will figure out a way to deliver a 40% ROCE in the medium to long term on this asset. So definitely we want to make sure that we have all those opportunities and like you said, there is a lot of opportunities to bring stuff in house that should immediately improve the profitability of the company from where it is and bring group support.

So that's why it's extremely exciting for us, it's extremely strategic for us and brings us even that much closer to our car makers where we can give them a complete solution. So, you know, but you'll have to be patient till we do the closing and come back to you with all of these, more granular points and once we have full control of the asset.

Chirag Shah: And just a clarification, Kunal, so you indicated that the entire, the working capital on this 4.4 billion revenue is a part of this 540 million EV that we have ascribed. Plus minus based on final adjustment I understand but let us use 540 million for the discussion purpose. So that entire working capital on net basis is a part of this 540 million EV that you have indicated, right?

Kunal Malani: That is right.

Chirag Shah: Sir lastly, on this vehicle electronics which you have indicated as a new growth area, any more granular comment if you could have, how should we look at it and any actionable that could happen from next 12 to 24 months?

Laksh Vaaman Sehgal: Look, you know our 2025 targets so definitely we are on the lookout. If there are good opportunities again, we will use our the same stated formula that we have done in the past, the customer's behest, using financial discipline, going after good assets and good teams. And if there is a fit, then definitely we will come back to you and tell you. But again, I think the talk today is about this asset. It's a very successful close from our side.

I think one key thing that you guys should look at is the concentration on EV, so you can see how much of the business' book is actually focused on the new vehicles that are coming and the customer support to get suppliers like us to be doing more and more assembly of these new EVs. It's a phenomenal growth area for us. It brings in a lot of exciting opportunities.

And like I said, each one of those insourcing opportunities will come once we close and come back to you when we have a more detailed plan on it. But very, very exciting day for us. And like I said, very grateful to the customers for giving us this opportunity.

Chirag Shah: And EV is a combination of polymer modules and electronics all combined, right? Is there any specific carve out where EV has a higher concentration versus ICE in this in overall scheme of things or is it likely similar in nature?

Vivek Chaand Sehgal: This is a cockpit, it's not a wiring harness or... It's a cockpit. It is assembly of cockpit.

Chirag Shah: Fair point. Thank you.

Vivek Chaand Sehgal: Thank you, everyone

Moderator: Thank you. Ladies and gentlemen, as there are no further questions. I would now like to hand the conference over to Mr. V.C. Sehgal for closing comments. Over to you, sir.

Vivek Chaand Sehgal: Thank you very much. I would just advise all the people that this is a separate business altogether and even if one of our companies or two of our companies are supplying, it's an additional job that we do with SAS. So it's value-accretive in the sense that bring all the revenues and all that to the Motherson bouquet. More answers will be available when we close due diligence and all that.

So please have a little bit of patience with us because in a sense, Faurecia is our competitor. So we don't have to, we didn't get so much of a signal I think. We have enough to do in the next three, four months and then maybe more colour will be added as per your question. Thank you all very much. Have a great day. Thank you.

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