"Samvardhana Motherson International Limited (SAMIL) Q1 FY23 Earnings Conference Call"

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Management.

Mr. Vivek Chaand Sehgal,
Chairman

Mr. Laksh Vaaman Sehgal,
Director

Mr. Pankaj Mital,
COO and Whole Time Director

Mr. Kunal Malani,
CFO

Mr. Char Zawadzinski,
CEO, Modules and Polymer Products Business Division

Mr. Rajat Jain,
COO, Vision systems Business Division

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY'23 Results 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vivek Chaand Sehgal. Thank you and over to you, Mr. Sehgal.

Vivek Chaand Sehgal: Thank you very much. Good evening, ladies and gentlemen, the board approved the first quarter results. I'm very happy to explain to you that this is the highest ever sales in a quarter, including when in our earlier avatar of Motherson Sumi Systems. And very, very pleased to tell you that the demand is very, very strong and robust. We are on our toes to keep up with the changing demands of the customer because of certain challenges on components and things like that.

These challenges are basically multiple movement of currency and things like that, and also logistics. People are a bit agitated because of the high inflation, et cetera, in those countries. The good news is that the customers are very willing to support the cost pressure, only they are requesting for valid proofs, and that takes time as multiple moving parts and challenges. Future looks better and better as the world grapples to solve the challenges and demand for the higher value cars, augurs even better for us. Thank you. And over to you for your questions. I have Pankaj Mital here, I have Kunal Malani here, I have Rajat Jain and Laksh Vamaan Sehgal to answer your questions for you today. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of from Siddhartha Bera, from Nomura. Please go ahead.

Siddhartha Bera: Yes. Hi sir. Thanks for the opportunity. Sir, my first question is on this reporting structure, so you have this time separately reported in a format so there is some clarification required, for example, in the consolidated reporting numbers, if you look at the revenues, as per SEBI and as per PPT, while the revenues are similar there is a difference at the EBIDTA level, so if you can just help us clarify that why is that different both for the console as well as standalone numbers.

Vivek Chaand Sehgal: Thank you, Kunal, can you take that please?

Kunal Malani: Yes. So I'm presuming you're referring to slide 24?

Siddhartha Bera: Yes.

Kunal Malani: And the revenue is there, if you were to look at the SEBI reporting, you will find that in the segment accounts, so the segments will look exactly the same as what you have in 24. If you can highlight where the gap is in.

Siddhartha Bera: Okay. So basically when we, as per SEBI reporting format EBIDTA comes to at about INR 1077 Crores. But as per this slide it is INR 1151 Crore. So first trying to understand why is this a gap?

Kunal Malani: So as per SEBI format, if you look at there is interest. One, I mean, I don't know how you're treating the other income portion. But if you look at the segments again, you will see two line items, which says, interest, income, and other income.

Siddhartha Bera: Correct.

Kunal Malani: Those are the two lines that we are excluding from the computation of EBIDTA to reach to INR 1151 Crore. You may have taken the whole other income out of it, because there are some portions of the income, which is still more operating in nature, but classified under other income. And hence, that portion is still getting included in EBIDTA, but specifically the interest income and what is really other income is what is getting excluded, which is in the segment accounts.

Siddhartha Bera: Okay. Got it. So basically that is not coming in the revenues, while that is coming more at the EBIDTA level?

Kunal Malani: That's right.

Siddhartha Bera: Okay. And, second, sir, I mean, will it be possible to indicate the revenues, like you have been doing for the past results also for the SMP, SMR and PKC?

Kunal Malani: Look, we have highlighted this all the way back in January that we will be moving into this new format. You will get a little bit of flavor of what you're asking for in the SMRP BV results, which should be up pretty soon. But and then in the last appendix of the presentation, you would also see the historicals for each of the divisions. So we wanted to move to this new format, in case there are any specific aspects that you want to discuss on the new format we can do so, but now the CODM as per the accounting side has already changed into this new format.

Moderator: Thank you. The next question is from the line of Joseph George from IIFL. Please go ahead.

Joseph George: Thank you. I just have one question. When SMRP BV reports its numbers will the segmental be split into SMP and SMR or will it be Vision Systems and Modules & Polymers in line with your consolidated reporting?

Vivek Chaand Sehgal: Kunal, back to you.

Kunal Malani: It'll be Vision Systems and Modules & Polymers, though as you would expect the erstwhile SMP would largely be aligned to Modules & Polymer and the erstwhile SMR would largely be aligned to vision vertical. Though there be some minor differences, but largely I would say it's aligned with those.

Joseph George: Understood. Thank you. That's all I had.

Moderator: Thank you. The next question is from the line of Saurabh from Ambit Capital. Please go ahead.

Saurabh: Hello? Hi, sir. Good evening. Sir, just like you helped us understand the SMP and SMR breakup. So would it be possible for you to help us reconcile the revenues from various entities into division wise? So basically I just want to understand how have you compiled the data division wise which was erstwhile being reported as per the entity wise, So just help us understand how's the revenue flowing now so that we can kind of align our estimates according to the division wise going forward?

Kunal Malani: So simply put, what was erstwhile SMR is now a part of vision systems. What was erstwhile SMP is part of Modules & Polymer and what is erstwhile PKC is part of wiring harness. So that's the simplest way to look at it. Obviously now you're getting a full picture view of what is wiring harness even beyond PKC, which in our earlier disclosure used to end up being in others. And hence, our acquisition that we had done of MWSI is also part of wiring harness. MSWIL is part of wiring harness, our wire business is part of wiring harness and so on and so forth.

So, this provides a much more comprehensive view of the entire division and all its subcomponent that add up to it, which was not there earlier when it was just a legal structure disclosure that were going on. Similarly on the Modules & Polymer besides SMP, our other international businesses, whether in South Africa, Hungary or our India businesses are also part of this, same applies for the vision side where our India businesses are also now part of it. The others, hence you would imagine is now a smaller number to what was being disclosed earlier.

Though if you add the SAMIL portion the numbers again start looking larger, but as the SAMIL inclusion that has happened, which then has in business here, the elastomers business, the metal side, aerospace, technology and so on.

Saurabh: Got it. But keeping aside the entity division wise breakup, so when I was looking at these SAMIL Standalone figures, so basically there has been some disconnect in the current presentation as compared to the presentation shared in the 4Q FY'22. So could you please highlight if there is any disconnect on this end?

Kunal Malani: The presentation given in FY'22 was under the old format of SMR, SMP, PKC. It was not under the new format. So, sorry, I'm not sure which one are you referring to?

Saurabh: So basically what I'm saying is, so excluding the SMR, SMP or PKC business, I'm talking about SAMIL Standalone business, so basically in the 4Q Fy'22, figure SAMIL Standalone figure was INR 1,611 while currently in the first quarter, we've reported it as INR 1618, sorry, 1,631. So, the difference over here? Similarly for EBIDTA margin as well. So basically in the fourth quarter, you had reported 18.2% as EBIDTA for 4Q FY'22 while currently it's showing as 14%. So there are multiple disconnects. So if you could help us understand how have we transformed those figures into this figure? So that'll help us get some clarity on the accounting part, at least.

Kunal Malani: So the EBIDTA one I can quickly tell you, the 14.2, that you're referring to has a note where we have computed the margin keeping the exceptions out of the 14%, we've kept the margins keeping the exceptions. If you remember in quarter four, we had highlighted this INR 65 Crores of rental income for the nine-month period that we had received, given the demerger was affected in that last quarter. So that's how the 14 is. So the like to like comparison was between 14 and the current quarter. That's why we changed that 18 to 14, just to make sure that it is a like, to like comparison, but the actual number will still remain 18% if you include the 65. So, hope that clarifies this EBIDTA thing.

Saurabh: And in regards with the revenue part?

Kunal Malani: Yes. So, if you see up until now, in the earlier construct you would be seeing something called revenue from contracts with customers, which included, which did not include some of the operating income, which is the line item, if you would see called other operating revenue. Now, just to avoid that confusion and to take the entire operating income into account, we've started disclosing the revenue from operations as the total revenue. That's the difference that you're seeing. Again there is a note on this regarding the presentation as well.

Saurabh: Understood. And sir, if I may continue asking questions. So I have a few couple of questions as well regarding the wiring harness business. So, as addressed in the presentation, it says that we have developed some high voltage solution for electric vehicles. So if it is possible for you can you elaborate more on the product and when we will we start commercial production for the same?

Vivek Chaand Sehgal: Pankaj, can you take this?

Pankaj Mital: Yes, these are the high voltage wiring harnesses required for electric vehicles and these are now already in SOP, for one of the customers for some, they will be coming into SOP soon.

Saurabh: And sir, there was some business question, as in just want to get some clarity on the business part. So, as we know that there has been increasing focus for weight reduction in an EV in order to accommodate higher mileage. So, basically, so with increasing features, premiumization, electrification, we all know that the wiring harness content is expected to rise exponentially. So, in order to fit higher wiring harness content into an EV where there is a requirement for lower weight, so how as an industry are we trying to solve this problem? Are we coming up with improved technology or is it possible that we might come with alternative solutions?

Vivek Chaand Sehgal: So in this Pankaj if you can answer that, but I would just like to add one thing that these are new technologies, which are available with us in the commercial vehicle side, in the passenger vehicle side; Sumitomo is also a great teacher in this particular thing. So we have multiple options, but Pankaj, you could probably explain better.

Pankaj Mital: Sure, sir. And also not just into the wiring harness, but what the car makers are looking at it is light weighting the whole vehicle, because it's understood that when EVs come into play, there are more batteries which are coming into the vehicle, which adds to the weight and also these much more thicker wires for charging connections. So while the, for adjusting more and more circuits into the vehicle that have been more and more compacted cables and other electronic solutions, which have emerged over a period of time, which we already support our customers with. But also our polymer division has done a lot of work to lightweight the products, which we have been supplying. So it's, on the overall vehicle side if you look at it that that's how the car makers approach.

Saurabh: Right and got it. I have a few other questions as well, but I'll fall back in queue. I'll come back.

Vivek Chaand Sehgal: Sure.

Moderator: Thank you. The next question is from line of Chirag Shah from Edelweiss. Please go ahead.

Chirag Shah: Yes, sir. Thanks for the opportunity. Sir, just one question I had in this standalone business, if we look at it, there is a sharp jump in raw material to see. So is it, and I think, sequentially also there is a significant jump, so is it purely because of pass through arrangement or this is a steady state number from mixed perspective. If you can help us understand it better?

Vivek Chaand **Sehgal:** So Chirag that's what I'm trying to say. There are so many moving parts that the customer needs to be satisfied, their auditors, their costing people and all that. They need to be satisfied. So the work for our companies is huge, and that's why what we did is whatever factual numbers that are, we have given it to you we have not made any provisions for the amounts that the customer has asked us to, have agreed to. So till the money comes in we will not accept that. So maybe in the coming quarter or the 1, 2, 3 months up ahead, we are going to be in a better position to recover all the costs, but Pankaj you can probably answer this question for all of us maybe.

Pankaj Mital: So, Chirag you're talking about higher material costs and in consolidated level or standalone level?

Chirag Shah: Standalone, in standalone business I presume it could be either because of the mix which stabilizing because of the pass through arrangement with the OEM, there would be some lag effect, I just wanted to understand what is the driver of this sequential sharp jump?

Kunal Malani: So maybe I'll give you a little bit of flavour Chirag. Number one, when you're looking at it from a historical perspective, specifically, quarter four of last year, you should adjust the income levels for the one-offs that were there, the INR 65 Crore that we spoke about, the rental income that came, and hence, that's artificially depressing the raw material cost on total revenues is one way to look at it. The second, as you rightly said, there is a pass through arrangement on the wire business, which has a lag effect. And, hence as the copper prices, especially in the latter months came down that lag effect will take into account only next quarter.

Chirag Shah: Okay. Secondly, sir, a slightly broader question especially from demand in Europe, any thoughts given the way there are inflationary pressure and the various media articles that indicate at the end consumer level, there seems to be some pressure coming across because some of the other companies were exporting to Europe are indicating some kind of destocking undertaken at distributor-dealer level. So any communication you are getting from your end customer about potentially slowdown for a one or two quarter on volume side or their volume of pay?

Vivek Chaand Sehgal: So, Chirag, as far as our information in our reports go, there's a marked improvement from April to June, June numbers are already phenomenal all over. The customer doesn't give you kind of a letter telling you what his demand is. He is actually working on the electronic. So the kind of push that we are getting from the customer for demand is huge. So I do not know how to answer that question for you, but our feeling is that the numbers are very robust. The demand is very strong, and I do not know what the other companies you're talking about. That's their problem, but we are getting a very strong demand.

Chirag Shah: No, this is helpful. Sir, you have answered the question.

Vivek Chaand Sehgal: Kunal, if you want you can add to that. Yes.

Kunal Malani: Yes. One bit, you may want to just assess this from the pipeline of production that we saw in the month of April to June, which highlight the strength of the demand, I'm presuming the OEMs won't be producing if the demand is not looking like. I understand the inflationary pressures, but as of now with whatever insights that we have from our OEMs, we are not seeing any decline on demand side.

Vivek Chaand Sehgal: Thank you. And this is the highest ever we've done in a quarter. Yes. Whatever people are saying is true, but ours is, numbers are doing the talking.

Moderator: Thank you. The next question is from the line of Dhawal Doshi from Pinpoint Asset Management. Please go ahead.

Dhawal Doshi: Sir, can you just provide us some insights about what is the kind of pass through which is still pending. As you said, you are working with the customers and you've got certain approvals, but till the time we don't get that we are not likely to book. Can we get some sense in terms of what that quantum could be? How material that amount could be and how do we see things going forward in terms of given copper prices have corrected? So, that once again will start reversing, right? So just wanted some sense about the overall quantum for this.

Vivek Chaand Sehgal: Yes. I can understand that you would like to know some numbers over there, but that would be forward looking statement and we can't make that. So keeping ourselves under the guidance of what SEBI and all the big guys tell us to do. So that's why we are doing kind of mercantile accounting, if the money is in the bank, then we will take it into our books, but yes, we are discussing with all the customers, negotiating.

They are, of course, offering certain numbers, which we may not be happy with. There are certain numbers, which we think they should give more. They should take cognizance of certain things in that area, which are relevant to our need. So really, very difficult to quantify it and give it to you. And also, I think by law we are not allowed. Kunal, can you help me out on that?

Kunal Malani: Yes. As you're rightly said, sir, we can't give you a view on the exact numbers and we are being fairly conservative about it is what I can tell you. And Mr. Sehgal was mentioning, want to make sure all of this is in a well-documented written form, cash received, et cetera, before we have to book any of these. But given our discussions that have been occurring, we are at least positively inclined towards it. And hence, we feel comfortable that we should see improvement going forward.

Dhawal Doshi: So, at least in terms of timing, can we expect this to happen in the current quarter?

Kunal Malani: Look can't really…

Vivek Chaand Sehgal: Yes, we are trying our best. Yes. We are trying our best, but just have a little bit of thought for our teams, the marketing guys, the finance guys, we are delving with so many issues. And of course, for them, they would like to have the money into our banks as soon as possible, so that they can book it. But please, bear with us. We can't really make any statements on that.

Dhawal Doshi: Thanks. Thanks a lot, sir.

Moderator: Thank you. The next question is from the line of Arvind Sharma, from Citigroup. Please go ahead.

Arvind Sharma: Hi. Good evening, sir. Thanks for taking my question. Just one question on the revenue over the standalone business, there's a big wiring harness revenue, if you could elaborate exactly what are the Components of this revenue ?

Vivek Chaand Sehgal: Kunal, I couldn't hear it very well. Could you take that question please?

Kunal Malani: Yes. Sorry, just maybe I'll paraphrase and correct me if I heard it wrong, you're asking, what is the wiring harness in standalone?

Arvind Sharma: Right, sir, the wiring harness segmental revenue standalone, what are the components?

Kunal Malani: So when we demerged the domestic wiring harness business, it still retained the export business, which is there in SAMIL as well as the wires business, which is there in SAMIL.

Arvind Sharma: All right. Is there any revenue which is inter party transaction between SAMIL and MSWIL wiring solution, MSWIL wiring business?

Kunal Malani: That is right, there would be wires that would be moving between SAMIL and MSWIL for which we had stopped the shareholder approval as well as.

Arvind Sharma: Sir, is it possible to share that quantum?

Kunal Malani: It's there as part of the AGM notice. I don't know exactly right now.

Moderator: Thank you. The next question is from the line of Hitesh, from CLSA. Please go ahead.

Hitesh: Yes, thanks for taking my question. Kunal, my question is on this, just wanted to clarify again because of the reporting, in wiring harness we have this export business out of India, MSWIL 100% consolidation and PKC, right? And then you are netting it off the wiring harness MSWIL stake removing that from the JVP. So that is how accounting is done. Am I right?

Kunal Malani: That is right. So it will include also our businesses that we have in other parts of the world, which were all lying in others, as I mentioned earlier, which included our US Agricultural Equipment business under MWSI, our Middle East business and so on. So hence, those are getting reclassified from others to wiring harness as well.

Hitesh: Okay. And in modules business, we have SMP plus the India polymer business, right?

Kunal Malani: Plus there are other international business, as I mentioned in other parts like Czech, Hungary, etcetera, which was as a 100% now, again, it was lying in others, which have again moved into Modules & Polymers.

Hitesh: And SAMIL would be largely others. That's how we will look at?

Kunal Malani: That's right.

Hitesh: So that's the breakup, right? Can you give us more clarity how should we look at the others, the SAMIL piece of revenue, I mean, from a perspective of next two, three years, because this is like something which we don't have any clue. I mean, you'll keep on doing acquisitions and maybe growing this revenue, and this is becoming an important piece. So can you give some colour how should we look at the segment and how you're trying to scale it up?

Vivek Chaand Sehgal: Are you talking about others, is it? Yes, go ahead. Go ahead, Kunal.

Kunal Malani: Okay. If we were looking at slide 22, 23, we've given you a little bit of flavour of what others contain among the many divisions. We've given you a split of how this is across these divisions, lighting is the largest division constituting around more than 40% of the INR 1600 odd Crores that is there in others. It continues to have very strong order book, it’s the largest LED player in India. It's also one of the few which has been able to cater to creating unique products, both on the shock absorber as well as on the electronics and lighting piece for the EV segment in India. So the business continues to go from strength to strength and that's how you're seeing both the growth on the top line and the bottom line in the others segment where lighting has a fair amount of share to contribute.

Similarly on the precision and elastomers side, elastomers has an inherent advantage in India and there's fair amount of export potential that we are trying to tap into. We should see again a decent amount of expansion on that business going forward. And interestingly, even beyond automotive we seem to be getting a good amount of traction on the non-automotive side as well. Aerospace, where we've announced, we have closed or completed the acquisition of CIM Tools on April 6th. When we had announced this transaction, the order book was INR 1500 Crores. Today the order book is roundabout INR 2,500 Crores. So that's a 70% increase on order book and that is what we had anticipated, that was the purpose of this acquisition where by bringing Motherson in together with the CIM promoters, we should be able to position the business much more differently in front of the customers and that's what we’ve got achieved and directionally that's how you're seeing the order books swell up.

And then finally, on the technology piece, which was an internal piece and up till now where we are trying to now expand those revenues to non-group side year-on-year you have seen a doubling of revenues occur. So these are some of the key highlights, at least for these divisions and our view remains that we should be able to see significant amount of growth. Given there is a large amount of untapped potential in many of these divisions, also from an acquisition perspective, just the knowledge of these would enable us to look at many opportunities in this space.

Hitesh: Okay. Thank you. And finally on capex, can give us the consolidate capex for this year and how should we look at debt number? I mean, this quarter it's gone because of working capital, but will there be release of working capital in second half? Can you shed some colour on that?

Vivek Chaand Sehgal: Definitely, I think, our focus has always been to be debt free, but Kunal, whatever we can share. Please go ahead.

Kunal Malani: You would look at the current capex for the quarter roundabout INR 350 odd Crores, which is sizeably lower than what we have typically expended and that part of what we had done to make sure we are keeping our liquidities and keeping our business tight. The volumes were erratic and volatile, and hence, we decided to conserve capital. Our guidance, as we had given last time around was 2,500 plus minus 250. We want to keep the guidance where it is given, at least we see that the next few quarters could be strong from a production perspective as some of the supply chain issues ease up.

So we are keeping the guidance where it is right now. Obviously we will calibrate it as you saw in this quarter as well, depending upon how the actual volumes flow out. On the working capital side you've seen the debt expand on account of increased safety stocks, inventories, et cetera, that we have to keep, much depends on how the supply chain plays out. Right now the demand is there and customers have been asking us to keep these safety stocks in place just to make sure we are able to supply the material in time to the customers. Obviously as the supply chain situation recedes, we should see some amount of working capital decrease and hence, decline in the related debt associated with it. But difficult to frankly predict, when, where, how it'll happen, but yes, we are carrying additional working capital and hence, additional working capital debt on that count, which at some point for sure has to normalize, when is an unknown animal.

Hitesh: Great. Thank you. Thank you, Kunal.

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

Jinesh Gandhi: Hi. I've question regarding wiring harness business. So, just the clarification given that now we don't get PKC's separate performance. So, the issues which PKC faced in last few quarters regarding meeting higher expenses due to meeting customers launch project is that behind us and the 7.9% EBIDTA margins for the quarter is without such expenses, if you can clarify on that?

Vivek Chaand Sehgal: Sure. I'll let Pankaj take the credit for that. But I want to also inform you guys as you have seen the annual report in the web, we have opened our manufacturing and quality control plant in Hamamatsu for Suzuki San, we are directly now supplying to Suzuki San in Japan, that has been covered in our annual report. But Pankaj, go ahead and all credit to you, the PKC improvement. Go ahead.

Pankal Mital: Yes, Jinesh, all the ramp ups, which we were doing, they have been smoothened out and we continue. So we had said that there were two customers whose ramp up had come together. One of the customer's ramp up had completed and the other customer's ramp up will continue as more and more models get added to it.

Jinesh Gandhi: Okay. So this quarter there is hardly, and there will not be much impact because of that.

Pankaj Mital: See, this is a consolidated number. So when we look at the consolidation, it has gotten consolidation of all its, the company's 100% businesses as well as all the joint ventures and so if you look at it on an overall basis, 2 - 3 macro things is, of course, there have been inflation for which we have had mixed successes so far, like Mr. Sehgal mentioned that we can't book till we finally achieve our goal, which we believe should be the right thing to do as to how much, so that's mitigation through recoveries from customer have happened to some extent, but then this is a very important work in progress.

There have been like for what we export from India, this quarter, the currencies like Yen and Euro, depreciated, and also China is still, the Q1 was heavily impacted because of COVID as well as the commercial vehicle industry was weak. It was coming through recovery, but Q1 became even further impacted. So a few factors which are there, more or less otherwise teams have working really very hard all across because we know that there have been so many challenges to the whole industry with material supplies and other things that start, stop volumes up and down, mix changing. And yet the most important thing for us is to satisfy our customers demand and continue to keep improving.

Jinesh Gandhi: True. Just a clarification in what Mr. Sehgal talked about setting up plant in Japan, so this is up for CVs wiring harness to Suzuki is that what is or PVs as well?

Pankaj Mital: So these are the very light commercial vehicles which Suzuki San manufactures here, so as you would remember we had started exports to them because of supply chain issues, which were happening and then that was the time when support was sought. So we manufacture these harnesses in India and export them now directly to Suzuki San.

Jinesh Gandhi: Got it. Thanks a lot.

Pankaj Mital: Two wheelers as well. That's what we are doing.

Jinesh Gandhi: Got it, thanks.

Moderator: Thank you.

Vivek Chaand Sehgal: Jinesh, just a point, we started with technology from Sumitomo San in Japan, brought it to India, then all over the world. Now it was great pleasure and honor that we could with Sumitomo San knowledge come into Japan and start supplying from there. So it's kind of a full circle there.

Moderator: Thank you. Next question is from the line of Ronak Sarda, from Systematixs. Please go ahead.

Ronak Sarda: Yes. Hi. I have a question on the reporting. Kunal, if I have to understand now what would be the standalone wiring harness profitability so that is difficult to decipher from the presentation because the overall wiring harness revenues which you have shared, and if I remove the JV part of it, the elimination, that won't be the right way because it would include multiple JVs, which are beyond the wiring harness division. So I'm referring to the slide 24.

Kunal Malani: So if you're referring to slide 24, that's on a consolidated basis, but I thought you were referred to something on standalone you said, so standalone profitability is there in the Clause 41.

Ronak Sarda: Right, so that's the revenue and EBIDTA which I have for the standalone business.

Kunal Malani: That's a revenue and EBIDTA.

Ronak Sarda: Sorry, where should I look for this number revenue and EBIDTA, Clause 41 as in?

Kunal Malani: In the segment reporting under standalone.

Ronak Sarda: Oh, yes, exactly. Total EBIDTA, correct. And let's say if I go back to this slide 24 breakup, when we remove the JVs consolidated as by the equity method, this would include now the Sumi wiring plus multiple JVs, which would, we would have in the Vision System and the China JVs in the SMR and SMP business as well?

Kunal Malani: That is right.

Ronak Sarda: And some of the SAMIL businesses.

Kunal Malani: Yes, absolutely.

Ronak Sarda: Okay. And when we say EBIDTA is net of intercompany transaction, it is the pure profit of those entities.

Kunal Malani: That's right.

Ronak Sarda: Okay. Sure. That's it from my side. Thank you.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to Mr. Vivek Chaand Sehgal for closing comments.

Vivek Chaand Sehgal: Thank you. I think, if it helps, what we have done is we have booked all our expenses, all our addition is done. The number that will come back from the customers for this period will actually go straight to the bottom line. And that is why we feel that the future is good, strong, and the numbers are only going to get better. We believe that the demand is very robust. Our customers are time and again, ensuring that we guys are focusing on what is important and that is to be on our toes to supply to them what they need. These matters of price negotiations and getting all the increments and all that is a matter of time which we would rather make sure that it happens earlier than later. But with that I think, and if no more questions, then we are okay. Thanks a lot. Thank you very much. And please stay safe and healthy.

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