



“Bosch Limited Q4 FY2018
Post Results Conference Call”

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Moderator: Ladies and gentlemen good day and welcome to Bosch Limited Q4 FY2018 post results conference call hosted by Batlivala and Karani Securities India Private 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 the operator by pressing “*” then “0” on the touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Annamalai Jayaraj from Batlivala & Karani Securities India Private Limited. Thank you and over to you Sir!

Annamalai Jayaraj: Thank you Stanford. Good afternoon everyone. On behalf of B&K Securities we welcome you all to 4Q and FY2018 full year post results conference call of Bosch Limited. We are delighted to have with us today Mr. Soumitra Bhattacharya – Managing Director and CFO, Mr. Jan Oliver Röhr – Executive Vice President – Engineering and Regional President, Powertrain Solutions and Mr. S. Karthik – Joint CFO. I would now hand over the call to Mr. Soumitra Bhattacharya for the opening remarks to be followed by Q&A. Over to you Sir!

Soumitra Bhattacharya: Thank you Mr. Jayaraj and thank you B&K Securities. Before we look into the results of January-March 2018 quarter of our company, I would like to brief you about the overall domestic automotive market developments in the last quarter looking at production volumes excluding the two-wheelers.

During the quarter ended March 2018, the Indian automotive market grew by 19% against the quarter ended March 2017. The heavy commercial vehicles increased by 22.3% with a demand of high tonnage vehicles on account of stringent restriction on overloading, replacement purchases and increasing infrastructure projects. Light commercial vehicles also increased by 36.7% against the quarter ended March 2017 due to increased thrust in agriculture based FMCG as well as e-commerce sectors.

Tractor industry increased by 13.2% driven by increased focus on agriculture reforms, rural infrastructure and good progress in Rabi sowing.

The passenger care segment grew by 5.9% due to higher festive season sales, recent new model launches and easy availability of finance.

The three-wheeler segment has also increased by 90.8% mainly on account of demand driven by abolition of permit system in the State of Maharashtra and Karnataka and issue of new permits in Delhi.

We will now look at the company's performance in January-March quarter of 2018. With the introduction of goods and service tax, which is GST, revenue from operation needs to be reported net of GST with effect from July 2017. Accordingly all the percentage of revenue has been adjusted for excise duty for the previous year quarter to make it comparable. On a comparable basis, revenue from operations has increased by 22.7% and is reported at Rs.31,581 million.

The mobility solutions segment grew at 23.1% whereas the business beyond mobility solutions had a strong growth of 22.4%. The domestic sales of this quarter show a double-digit growth of 24.2% wherein mobility solutions showed a growth of 24.17% and business beyond mobility solutions increased by 25.2%. Net sales from export increased by 9% with exports in mobility solutions segment increasing to the extent of 12.1% mainly coming from Powertrain Solutions division. By the way for all colleagues in the telcon, Powertrain when we say we mean gasoline and diesel.

Exports of business beyond mobility solutions declined by 12% due to lower exports in security division and ATMO business, which had a onetime project in the previous period.

Now coming to other operating incomes. The other operating income has marginally declined by 47 million from Rs.458 million in January-March 2017 to Rs.411 million in January-March quarter of 2018. Material cost as a percentage of total revenue from operations has increased from 47.6% in January-March quarter of 2017 to 53.5% in January-March quarter of 2018. This is mainly due to change in the product mix from manufactured to traded consequent change in emission norm with effect from April 1, 2017 and higher freight cost on import of traded goods.

Employee cost has increased to Rs.3,297 million in January-March quarter of 2018 from Rs.2,826 million in January-March quarter of 2017 because of annual salary revisions and reversal of excise provisions during the previous year's quarter.

Depreciation has decreased by 15.6% in January-March 2018, as against January-March 2017. There were major investments in new generation products in Bidadi and Nashik plants in the previous year quarter.

Other expenses stood at Rs.4,486 million in January-March quarter of 2018 as compared to Rs.3,626 million in January-March quarter of 2017 an increase of 23.7% due to higher packing, forwarding tools and power cost, which is in line with the volume increase. It is coupled with the increase in professional and consultancy fee charges for BS6 projects.

The operating income is higher by 2% in January-March 2018 as compared to January-March 2017 though revenue showed a double-digit growth, change in product mix resulted in only a marginal increase against operating stocks.

The other income has also increased from Rs.1,310 million in January-March quarter of 2017 to Rs.1,582 billion in January-March quarter of 2018 at the increase of 20.7%. The increase is because of higher interest income on fixed deposits and marked to market gain on marketable securities. In the quarter ended March 2018, the company posted a profit before tax or PBT before exceptional item of Rs.7,236 million as compared to Rs.6,624 million in the same quarter of 2017 an increase of 9.2%.

As a percentage of total revenue from operations, PBT stood at 22.9% in the quarter as compared to 25.7% in the corresponding quarter of 2017. The Government of India has increased the maximum amount of gratuity payable to an employee under Payment of Gratuity Act, 1972 from Rs.1 million that means Rs.10 lakh to Rs.2 million that is Rs.20 lakhs. The impact of this past service cost has been disclosed as an exceptional item for the quarter ending March 31, 2018. The profit before tax after exceptional items has declined by 4.9%. Consequentially profit after tax has increased by 19.7% before exceptional item; however, after exceptional item it has marginally reduced by 1.5%.

To summarize, the quarter results our topline show a strong growth of 22.7% driven by excellent performance of our mobility solutions and strongly backed by business beyond mobility solution segment. Our continued growth in domestic market aligned with growth rate of the automotive production.

Now I will give you a synopsis of the key results of April 2017 to March 2018 as compared to April 2016 to March 2017. The company clocked total revenue from operations of Rs.11,690 Crores or Rs.116,901 million, an increase of 12% in the financial year 2017-2018. The mobility solution segment registered a growth of 15% while business beyond mobility solutions registered a marginal growth of 0.3%. Domestic sales grew by 11.6% with growth from both segments. Export grew in double-digit by 25.6% coming majorly from business beyond mobility solutions.

Material cost as a percentage of total revenue from operation increased from 50.9% in 2016-2017 to 53.9% in 2017-2018. The employee cost has marginally increased by 1%. The company posted a profit before tax without exceptional item of Rs.21,345 million in comparison to Rs.20,944 million in 2016-2017. As a percentage of total revenue from operations stood at 18.3% in the current year as compared to 20.1% in the corresponding period of 2016-2017. Profit before tax with exceptional item is Rs.20,406 million 2017-2018 whereas it was Rs.20,944 million in 2016-2017.

The net profit after tax are at from continuing operations without exceptional item is Rs. 14,646 million as against Rs. 14,441 million in 2016-2017 showing an increase of last 1.4%; however, PAT from continuing operations with exceptional item has decreased by 5.1%. The Profit after tax from continuing operations with exceptional item in 2017-2018 is 13,707 Mio whereas in 2016-2017, it was 14,441 Mio. Decrease is mainly due to change in product mix, one time gratuity provisions undertaken after the amendment of Gratuity Act, 1972. Previous year profit after tax included profit from sale of its Starter Motors & Generators Business which was executed as on August 1, 2016.

The company has prepared the consolidated financial statements for the group which has one subsidiary company Micro Trading Private Limited and Associate Company, Newtech Filter India Private Limited. The subsidiary company has not commenced its operations and hence there was no material impact on the group financial.

Bosch is transitioning from a component manufacturer to a leading provider of technology solutions, in this regard the Bosch IoT conclave, which had been convened in June 2017 at Delhi to showcase Bosch's technology offerings in this aspect, Bosch is moving from a product base company to a IT solutions driven company. The technology driven trends of electrification, shared mobility connectivity, autonomous driving are leading thus automotive industry to disruption. Electrifications in alternative solution to go in levels of vehicle solution in metropolis is of particular importance to India today that is stay relevant and as one of the measures to future group Bosch Limited an agile project house on electromobility has been launched to work on local solutions for the Indian context within Bosch Limited.

While the Q1 of FY2017-2018 saw the impact of demonetisation settling down in the next quarter introduction of the landmark, goods and services tax (GST) brought in some uncertainties as businesses adjusted through regime. First quarter onwards signs have growth returning continued into the fourth quarter. Our forecast for this current fiscal year is optimistic with expected normal monsoon with reducing interest rates, stable political scenario, the market sentiments look positive.

The budget demonstrates significant push on infrastructure including rural infrastructure which opens up opportunities, not only for our mobility division but for our beyond mobility divisions like building technology, consumer goods, example, power tools as well. We are optimistic about the growth meanwhile and closely monitored upward trends in the fuel prices and the currency fluctuations, which can have also reversible.

Colleagues thank you for your patient listening and call for your questions please.

Moderator: Thank you very much Sir. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Navin from CIMB. Please go ahead.

Pramod Amte: This is Pramod from CIMB. Couple of questions; one, you were talking about some GST related issues for aftermarket when the initial stage of implementation. For the full year, now the GST has been settled, what has been the growth for your aftermarket division and would you give some feeling what proportion of your sales comes from this division?

Soumitra Bhattacharya: I would like to tell you that you know as I mentioned before that the GST impact, which has happened in aftermarket, the last quarter that we have had in the fiscal year 2017-2018, we see a pretty positive high single-digit growth and we are also seeing high single digit even upwards to a double-digit growth possibility for aftermarket in 2018-2019. So we have bounced back. We see that by putting in digitization looking carefully that our channel partners, focusing on our processes, we have had positive bounce back including GST behind us.

Pramod Amte: For the full year is there a possibility to get sales mix from this aftermarket division just to get a feel?

Soumitra Bhattacharya: We do not give guidance nor do we give the numbers, but what I can tell you aftermarket has been a sizeable market for us out of this 11,700 Crores that we clocked for this fiscal and will be sizeable, so we have given relayed focus and we see a clear results of aftermarket happening as I mentioned already in January to March including the current planning quarter and the prospects for 2018-2019.

Pramod Amte: Second is with regard to the cost reduction programs, can you give some colour in terms of what is your imported mix for the year ending FY2018 and can you give some indications of what components you plan to reduce and what is the direction you want to take might be a one or two year down the line, what is the benefit we can look forward?

Soumitra Bhattacharya: I think you have always got this that we have very systemic localization plan and I mentioned this many times including if you remember when we first introduced common rail way back in 2001-2002, the same question has been asked the last 15 years, so we systematically bring in something, we start with saving, then we start looking at localization game plan, we bring in one line then later multiple lines and we also parallelly do our very well on supply development program, so with the transition like the industry from BS3 to BS4 so naturally there will be a change in product mix. Second even with the new products, we have a very clear game plan for localization and we are executing it. So this is going to be sort of done deal for every case that Bosch India has been doing.

Pramod Amte: Thanks and all the best.

Moderator: Thank you. The next question is from the line of Sonal Gupta from UBS Securities. Please go ahead.

Sonal Gupta: Good afternoon Sir. Thanks for taking my question. What is the domestic overall growth this quarter in Q4?

Soumitra Bhattacharya: For domestic?

Sonal Gupta: Yes.

Soumitra Bhattacharya: For domestic total growth that in this quarter we had was 24.2%.

Sonal Gupta: Would you be able to share the overall exports for the year and for the quarter also, what was the absolute number?

Soumitra Bhattacharya: Exports of business beyond mobility solutions, we had mentioned declined by 12% for beyond mobility, but when you take of net sales from export increased by 9% and with exports in mobility solutions increased to the extent of 12% and for the full year if you look at export growth we have nearly 26%.

Sonal Gupta: Could you share the absolute number for export as well rupees, million, how much?

Soumitra Bhattacharya: I have given you a ballpark number that we do around anywhere between 8% and 12% here that is the bandwidth of our exports, because we are mainly local driven, but we give to our sister units and divisions where required or where an opportunity exists, but we are full up with very local, so that has been a policy and you can take that bandwidth for anywhere between 8% and 12%.

Sonal Gupta: Just in terms of I mean would you be able to sort of qualitatively share your thoughts on the competitive environment on the fuel injection side, what we hear is that a lot more players are coming in and some people are moving it in-house as well, so could you just talk about, are we seeing more players present in the market now than there used to be specifically more in the commercial vehicle space or do you think the environment has not really changed even with BS4?

Soumitra Bhattacharya: Sonal, the transition from BS3 to BS4, as we had mentioned before, Bosch is in a full position to have done a very good set of acquisitions including for BS6. So, we respect our competitors. I think you know competitors in this area for emission and regulatory changes, do not change overnight that happens more on e-commerce and other areas. We have been this core business for many years and we had a good set of acquisitions so I would say overall it has been good partnership with our customers both for BS3 to BS4 as well as

acquisition for BS6 because Bosch can provide end to end solutions. We are not just delivering products, commodities and component and we walk with our customer from conception right up to SOP and in BS6 this is a big challenge both time-frame and engineering requirements are forex of ex-deployment for BS3 to BS4 and Bosch is very well prepared because of parent plus long heritage in India to provide these and more importantly we have also stationed our colleagues at the site of our customer so there is high level of so to say customer satisfaction, but may be few words also for my colleague who is Chief Technical Officer, Mr. Jan-Oliver Röhl.

Jan-Oliver Röhl: Afterwards let us say competitive landscape we endorse competition and it is just for the market to provide the best solution to the customers. Now on the SID, after treatment with some side competition does not change overnight so the competitors that we are facing are the ones that are in the markets, you referred now for commercial vehicles, it is a very specific situation that we are having and let me tell you here that we have currently full supplying to our customers also in that specific case where we have in-house competition and for BS6 let us say BS4 is down the earth so nothing to change here for BS4 anymore and for BS6 we are well on the road, we acquired beyond our target so I think we are in a good position to be maintained of good position in the market.

Sonal Gupta: Okay great Sir. That is very helpful. If I may ask one more question just on the two-wheeler side because with BS6 coming in I mean and two-wheelers will also be significant opportunity and I mean how do you see that market I mean do we see substantial market share even in that segment given that I mean you have talked about in the previous facilities or Bosch has talked about two-wheelers as a target area especially for Asia so anything on BS6 side for two-wheelers?

Jan-Oliver Röhl: We stay with what we stated earlier already that there will be changeover on carburetor as we see then today the carburetors to engine management system in most of the markets. In some areas we would see also electrify may be even I would say Powertrains and we are working on all these segments.

Sonal Gupta: Okay Sir. Great thank you so much.

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

Jinesh Gandhi: My question pertains to the two-wheelers emission norms and BS6 opportunity so is there a possibility of maintaining BS6 norms particularly for 100cc, 120cc engines using carburetor based engines do you seeing that options has been evaluated by your customers?

Jan-Oliver Röhl: Both the carburetor as we see today in the market will not be enough and you will have to have close loop system and you will have keep the number one, in order to work gasoline area and we will see if it happens and this will not be possible B2C carburetors let us say your question is referring to the large linked carburetor there might be option but let us be honest about this if so this might be very specific market segment and we are seeing heavy challenge the emission norms now specifically if and we have to consider this and we will be having main prior emissions for two-wheeler in the future.

Jinesh Gandhi: Okay so real life definitely would be possible using carburetor?

Jan-Oliver Röhl: The question at the end will be commercially viable beyond the point of emission norms compliance solutions now on time off or later industry and I would not say no to anything because the technology makes each ahead but predominant solution if we look another margin is EMS that will also be predominant solution.

Soumitra Bhattacharya: I think colleagues who are on the telcon, one point, which is very relevant from us and from Bosch we want to share that in India, in the history we have never had seen such change. The delta between India and Europe so Germany or BS above the Euro norms up to BS6 was 15 years with BS6 introduction has go down to six years. So 12-15 years coming down to six years. The same you see also in two-wheelers so I think one very important alignment all of us should have is these changes in India seamlessly happening at a very fast pace.

Jinesh Gandhi: Understood and Sir given that change in the timelines are we still looking at achieving similar localizations in BS4 considering that or effectively you have another two years or year-and-a-half or so or BS6 becomes applicable, are we looking at similar localization as we had in BS4or BS3?

Soumitra Bhattacharya: It would understand that when we did for BS3 and BS4 we had done already our investments on both local R&D as well as manufacture. Please also understand that many of the platforms reasonably similar and whether it is transitioning in some cases they were or not for example we explained to you about it is still required, but not as much required when in BS3, but some platforms are more or less similar some required tweaking, and some as I mentioned do not need. So we do use this optimization and big change is then from BS4 to BS6 for which again Bosch is getting prepared just like our OEMs and customers are getting prepared. In summary, we do these changes well in advance with planning and try to do it seamlessly.

Jinesh Gandhi: Understood Sir last question pertains to the car multimedia business, which we have divested. What could be its revenue, which has reflects in our P&L in FY2018?

Soumitra Bhattacharya: We had mentioned to you that there were two areas that we had taken out, one was global, which was starters and generators and car multimedia. We do not disclose these revenues. We very carefully look at and right now it is nothing much so and this year 2017-2018 it will be low anyway so there is no car multimedia revenue so that is what already full year revenue.

Jinesh Gandhi: Okay understood. Okay great and thanks and all the best.

Moderator: Thank you. The next question is from the line of Harshit Kapoor from IDFC Mutual Fund. Please go ahead.

Harshit Kapoor: Thanks Sir for taking my question. Two questions; the first one is on the gross margin in the current quarter so I understand in the press release also you had mentioned that because of the product mix we understand the purchase part has increased so going forward would we be able to pass on some of the price increases even the nature of the contracts that we would be having so to that extent the gross margin should normalize going forward?

Soumitra Bhattacharya: Look, point for us in Bosch is we deal with our customers not on a component-selling mode. We give a holistic package, which is far more value added. It is a question that you raised may be relevant for some companies, but not for us, so we give a value proposition to the customer, and the value proposition is not linked to a sum of the parts of what we sell. So we are giving engineering support, we are giving what we call consumption wide SOPs, we are giving an integrated solution and we also take less possibility, so while your question is theoretically right, in practice for Bosch it does not apply, so our balance proposition is higher and different as we deal with our customers.

Harshit Kapoor: So to that extent how do we build so given the fact that we have such a strong value proposition with the customers, again a theoretical question to that extent, so do you see the margins recovering going forward as and when our products, we improve in terms of managing the products that we supply to the OEs?

Soumitra Bhattacharya: Yes, I think that is quite evident. If you just look at our history the last 20 years, when we introduced from conventional dimension to common rail that was 100% imported product, whether it was the pump or whether it was the rail or whether it was the injectors and then we frankly localised. Today, those older versions of the new generation products are extremely highly localised in many of our plants. So systematically, we are doing this also for BS3, BS4 and we will do it for BS6 products. That is one. Second you must have seen that we have systematically reduced our personal cost which was around 15% down to sub-12%. If you see our headcount we are systematically over the years reduced a couple of thousand headcounts and what you cannot see is what we do is on our competency building and productivity measures wherein we use less alliance to produce more and finally we are

re-skilling our blue and white collar to meet the newer demands of the industry. So I think all good companies need to do this as a process, localization, productivity improvements, operational excellence and doing more with less.

Harshit Kapoor: The second question is on the passenger vehicle segment, so I believe our content per vehicle for a diesel engine would be far higher as compared to a gasoline engine, so one, what would be our market share in the gasoline segment, and two, with BS6 coming in, how do you see the diesel part of the passenger vehicle segment going in once the BS6 gets implemented?

Soumitra Bhattacharya: Look on gasoline, which is a part of Powertrain Solutions, we started much later than diesel and you know that, but in the meantime, we have had a very high accelerated growth and occupy a decent market share. Of course in such a nascent and short period you cannot occupy the same position as diesel, but a very high and we are talking of a very good solid double-digit market share and this is not 10% and we are working very closely with all our customers to further increase it. So summary gasoline has had historically for the last four years a very high geometric progressing CAGR. We see this continuing for the next year in gasoline. In diesel, we believe strongly that the diesel case is still very strong, because IC will remain. If you just take all the areas that you will use and for a second packed are out. You need diesel as completely and in case of Pass-cars while diesel has a very solid case on CO2. So emissions, diesel is a very, very important player and the facts proven on how efficient diesel is getting especially the leak and later on we will in our, we do a press conference or annual conference sometimes in July-August and at that time we will share with you the advances of diesel that are taking place and what Bosch has done about it globally but what Bosch India will do so that will be a separate session altogether on facts and figures. Lastly on Pass-cars while yes there has been a shift and downwardly and if that is no, there is still on the pie which is increasing and right now we are four-wheeling cars and Maruti Suzuki said by 2030 India will be 10 million of diesel is not dramatically going to get on, and do not forget that utility vehicles are mainly only diesel and India's new generation including everyone wants a SUV. So diesel has a very strong future in India and we believe we can play a very strong role including in BS6 and clarifying the myth between perception and reality, but I would also ask my colleague, our Chief Technical Officer, Mr. Röhrl a few words on diesel because he is a very passionate on diesel.

Jan-Oliver Röhrl: Thank you for that. We cannot predict the future of course and writing on the wall that are there is that diesel is going down in the market share. The opposition is trying to prove if you look on the numbers published diesel's share for domestic side is very stable beyond 40% and of course we would love to keep it there, because the Powertrains comes to India, which has long distances and we have the infrastructure is improving further on, so local transport will be increasing, for commercial people it is a credit and if you do not come to what is happening in shared mobility and specifically in the taxi segment whether it is an

Ola or an Uber or any other companies that is offering that kind of services, a diesel is the most efficient engine available and hence Powertrains available you have a natural benefit compared to a gasoline of up to 15% and that is directly paying back in to your treasure box. So the diesel will have a very strong position also in the future and as pointed out in the beginning of the call, we are offering a host of solutions to our customers and that means that all are strategy is coming down, but also that we the costs of BS6 that is for our vehicle these are live in the small cars or in the smaller utility vehicle or in an SUV are coming down and that is the big unique selling that we have into all other competitors that we have been asked. So future is uncertain, that is a good thing about the future and we need to get future ready and future ready means that we would be having a diversified powertrains and that is why we are also investing on the engineering side in our gasoline expertise and in the gasoline business.

Soumitra Bhattacharya: One thing, I can for colleagues in the telecon should also know Bosch has a very strong heritage and lineage on both diesel as well as gasoline. So out of our 78 billion of our parent's turnover 20 billion comes from diesel and gasoline. So we are strong on both, so we believe that we would be winners on both sides, while clarifying the perception on diesel because diesel has a lot of advantages including the advancement on BS6 is something amazing and a very important point our CTO mentioned, which is perception of increased cost due to diesel on BS6 is not as high as what will vary.

Harshit Kapoor: Last one on this, with BS6 can it provide a turning point where an opportunity where you can increase your market share in gasoline disproportionately because of say BS6 kicking in or it will again be in line with what you have been giving over the last couple of year?

Soumitra Bhattacharya: What we mentioned to you that we are galloping on the gasoline CAGR and we intent and we want to continue that while respecting our competition. So, we want to continue that very strong growth and over the years, you will see Bosch India being a very, very strong player in the gasoline front.

Harshit Kapoor: Thanks a lot.

Moderator: Thank you. Ladies and gentlemen we will take the last question from the line of Nishant Vyas from ICICI Securities. Please go ahead.

Nishant Vyas: Thank you for the opportunity. Sir, I have three questions; first could you help us with the growth that we have witnessed this year in mobility, gasoline and diesel side?

Soumitra Bhattacharya: We gave you the number for mobility, which was 15% for the full year and I mentioned to you that the automotive market had grown by 10.8% and I am not talking of the fiscal year,

quarter was even stronger than that but for the fiscal year, we had a pretty good growth of plus 50% on mobility.

Nishant Vyas: Can we assume the growth spread equally between gasoline and diesel?

Soumitra Bhattacharya: Now we are not going to give you the breakup. I mean that is a leading question.

Nishant Vyas: Second there has been a very good growth in the non-mobility profitability this year, Sir, if you could be kind enough to highlight what were the levers that we exercised this year for us to understand that will be great?

Soumitra Bhattacharya: I did not get it where you got the profitability numbers from?

Nishant Vyas: Sir EBIT margins, segment profitability that we give the segment profitability?

Soumitra Bhattacharya: We did pretty well in most of our areas but within that the shining factor was our PT.

Nishant Vyas: Sir, when can we expect this to be in a steady state basis?

Soumitra Bhattacharya: That is also a leading question.

Nishant Vyas: Sir, last question is I will obviously congratulate Bosch for developing the breakthrough in terms of diesel technology that we have highlighted on our press note as well. Sir just an understanding do you think the OEMs per se will have no major challenge in terms of cost structure of this technology. Do you think basically not leading per se but do you think this is commercially viable in probably a five year timeframe in the industry?

Soumitra Bhattacharya: I will add a sentence and then I will request my colleague to also give his view. We strongly believe in diesel and that is why I mentioned that when we do this select financial analysis and big players make views of road show and we do that in a very systematic way and B&K Securities is involved in that and that some of you will be participating, even we will share with you in a granular way why we want to differentiate between perception and facts and the advancement of diesel in relation to Euro6 and beyond not only by our parent, but also what we see in India. So I think we leave it here, but we just want to leave you with one thought we believe very strongly in IT, we believe that the other mobility areas will come in for which we are getting prepared and we know have better agile projects out, but we also believe very strongly that within IT diesel has a very strong future. So with that we leave you and we are not going to give you numbers and growth and other things, and those who will join us later we will share with you granular details on the progression and differentiate between perception and facts.

Nishant Vyas: Thank you.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Mr. Annamalai Jayaraj from B&K Securities for closing comments.

Annamalai Jayaraj: Thank you everyone. On behalf of B&K Securities, we would like to thank Soumitra Bhattacharya, Mr. Jan-Oliver Röhrle and Mr. Karthik for taking time out to discuss the quarterly results. We also thank Bosch Limited management for providing us the opportunity to host the call. Thank you Sir. Thank you everyone for joining.

Soumitra Bhattacharya: Thank you very much from all of us.

Moderator: Thank you Sir. Ladies and gentlemen, on behalf of Bativala & Karani Securities that concludes today's conference. Thank you for joining us. You may now disconnect your lines.

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