



“Bosch Limited 3Q FY2018
Post Result Conference Call”

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Moderator: Ladies and gentlemen good day and welcome to the Bosch Limited Q3 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 press “*” 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. Thank you and over to you Sir!

Annamalai Jayaraj: Thank you Lizaan. Good afternoon everyone. On behalf of B&K Securities welcome to 3Q FY2018 post results conference call of Bosch Limited. I also take this opportunity to welcome the management team of Bosch Limited. We have with us today Mr. Soumitra Bhattacharya – Managing Director and CFO, Mr. Jan Oliver Röhr – Chief Technical Officer, and Mr. S. Karthik – Joint CFO. I would now invite Mr. Soumitra Bhattacharya for the opening remarks to be followed by question and answer session. Over to you Sir!

Soumitra Bhattacharya: Thank you very much Mr. Jayaraj. Before we look into the results of October-December 2017 quarter of the Company, I would like to brief you about the overall domestic automotive market development in the last quarter looking at production volumes except the two-wheelers.

During the quarter ended December 2017, the Indian automotive market grew by 14% against the quarter ended December 2016. The highlight of the quarter was the commercial vehicle segment, which grew by approximately 21%. Heavy commercial vehicles increased due to demand of high tonnage vehicles ramp up of new range of BS IV vehicles and infrastructure development led by government funding.

Light commercial vehicles grew due to the festive season and demand from e-commerce companies mainly for logistics. The tractor segment increased by 9.3% due to a healthy monsoon. Passenger car segment increased by 5.1% driven by festive season, recent new model launches and also by easy availability of finance. Three-wheeler segment grew by 57% backed by exports compared to the previous quarter.

We will now look at how the Company has performed from October to December quarter 2017. With the introduction of GST or Good and Service Tax, revenue from operations needs to be reported net of GST from July 2017. Accordingly all percentage of revenue has been adjusted for excise duty for the previous year quarter to make it comparable. On comparable year basis revenue from operations have increased by 14.1%. In absolute terms the revenue from operations for the period October to December 2017 stands at 3,072 crores as against 2,693 crores over the same period in 2016.

The Mobility Solutions segment grew by 17.8% whereas Business beyond Mobility Solutions witnessed a marginal decline of 3.1%. The domestic sales for this quarter grew by 13.1% thereof mobility solutions by 19.7%. Outperforming the domestic automotive market whereas the business beyond the mobility solutions declined by 15.9%. The export sales show a double-digit growth of 22% mainly for business beyond mobility solution segment.

In mobility segment diesel systems and gasoline had an impressive double-digit growth aided by volume ramp-up by customers and product mix change consequent to the introduction of BS-IV emission norms effective from April 1, 2017. Aftermarket witnessed the growth of 4% after recovering from GST transition issues and low availability of working capital with channel partners offset by reduction in the car multimedia business.

The business beyond mobility solutions declined compared to the previous quarter. Though security, packaging, power tools and thermo technology divisions grew at double-digit it was offset by a decline in this quarter in solar energy division. For nine-month period ending December 2017 revenue from operations increased by 8.4%. The mobility solutions grew by 11.8% with all divisions except aftermarket, which is having a positive growth whereas the business beyond mobility solutions decreased by 3.3%.

Material cost as a percentage of revenue from operations has reduced from 54.3% in October-December quarter of 2016 to 52.8% in current quarter of 2017. This is mainly due to continuing localization, favourable forex as well as lower provisioning and devaluation of aged inventory in the current quarter. For the nine-months period ended December 2017 it witnessed an increase from 51.9% to 54.1% mainly due to introduction of BS-IV with effect from 2017, resulting in change in product mix with higher traded goods content.

The employee cost has decreased to Rs.341.2 Crores in quarter ended December 2017 from 387.5 Crores in corresponding quarter of 2016. The decline is due to lower personal cost, resulting from productivity improvement and benefits from restructuring undertaken during the previous year. For the nine-months period ended December 2017 the employee cost stood at 1,026.8 crores as compared to 1,060.2 crores for the same period in 2016, showing a decline of 3.2% mainly due to reasons as already explained.

Depreciation has declined by 3.9% in quarter ended December 2017, as compared to the quarter ended December 2016 due to lower additions in R&D assets, which attracts higher depreciation rate; however, for nine-months period ended December 2017 there has been an increase of 12.2% in line with the investments in new generation products.

Other expenses for the quarter October to December 2017 is 660.3 crores as against 556.8 crores in the same quarter of 2016, an increase of 18.6% mainly driven by one time maintenance cost royalty charges due to product mix change and increase in provisional

charges for BS-VI products. For the nine months period ended December 2017 other expenses have increased by only 1.7%.

Operating profits stood at 323.3 Crores as compared to 158.1 Crores of October–December 2016, mainly contributed by high service income improvement in material and personal costs as I explained earlier. For nine-months period ending December 2017, operating profit has increased by 11.1% again driven by productivity and cost reduction measures.

The other income has decreased from 142.6 Crores in the quarter ended December 2016, to 102.3 Crores in the quarter of 2017, thus showing a decline of 28.3% on account of reduction in MTM gain on marketable securities. For the nine-months period ended December 2017, other income has decreased by 26.1% from Rs.488.3 Crores to 360.8 Crores for April–December 2017, again this reduction is mainly due to lower MTM gain on marketable securities.

PBT and PAT for the quarter ended December 2017, the Company posted a profit before tax of Rs.422.9 Crores as compared to 299 Crores in the same quarter of 2016, an increase of 41.4% as a percentage of revenue from operations PBT stood at 13.8% in the current quarter of 2017, as compared to 11.1% in the corresponding quarter of 2016, consequentially profit after tax or PAT increased by 30.9% for the quarter of 2017, as against the quarter ended December 2016. For the nine-months period ended December 2017, profit before tax has decreased by 1.5% and stood at 16.5% of the revenue from operations against 18.2% during previous year. Profit after tax has also reduced by 7.5%.

Picking up from the last press conference where we have set our commitment to the government on electrification vision, we are happy to announce that we have set up an agile project house within Bosch Limited on electrification. This project house will enable us to respond better to local requirements while making use of global solutions. The project house is working on prototype development and system integration to get electrified mobility solutions, which are both affordable as well as efficient. At the Bosch Technological Exposition or BTE 2018, Bosch will showcase its plan to increase extent of localization of its electrified portfolio in India.

And finally the outlook; growth of 2017-2018, was reinforced by interest rates drop, good monsoon, improving market sentiment after affects of the GST or good and services tax amongst the other macroeconomic factors. Our forecast for the year 2018-2019 is optimistic with an anticipation of further improvement on macroeconomic factors. We are hopeful about the growth prospects but we will have to do a very regular and clear health check from time-to-time in order to take the stock of the situation and of course we will implement all necessary course corrections while the year goes around.

Thank you for your attention and I look forward to your questions. I have with me as I already explained my two colleagues, Mr. Jan Oliver Roehrl – who is in the board of Bosch Limited and also the Chief Technical Officer and Mr. Karthik, who is the joint CFO of Bosch Limited.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: Good afternoon. Thank you so much for the opportunity. If you can just help us understand a bit more on what really happened on the raw material side even on the sequential basis the jump was quite impressive if you can give more colour there?

Soumitra Bhattacharya: Thank you Puneet for the question. As I explained to you that while raw material in the quarter has decreased and it has been quite a bit of a decrease as you rightly said that we have to look also at the nine-months so we have reduced from 54.3% to 52.8% but we also have to look that in the nine-months period it is increased from 51.9 to 54.1 so first point is that. Now having said that I would say we have had some impacts in relation to this on our continued localization in this quarter a little on favourable forex as well as on low provisioning but the most important part I would like to say is we are going into new generation products and Bosch has a way of doing localization so for the transition period when we go for new generation products, we will have a higher credit content and we expect the raw material content to be hovering not at 52% but around 54%-55%.

Puneet Gulati: Okay. So would it be fair to say that this was slight aberration because of currency and then normalized to 54% level?

Soumitra Bhattacharya: I would not say aberration. I will just say that this 54%-55% by and large will be there with some quarters little ups and down based on quarterly impact including looking at one-time or the base. So yes, it would be fair to say in that 54%-55% region it is likely to be there for the foreseeable future.

Puneet Gulati: That is helpful. Thank you so much. And on the electric vehicle side would all the technological developments take place within the listed entity or will it be outside the listed entity as well?

Soumitra Bhattacharya: We have given you this information through the press conference last year in September where Mr. Peter Tyroller, Board of Management, my colleague Jan Roehrl and me conducted. So I will repeat what I mentioned there. First is that Bosch Limited the only public listed company in the Bosch Group worldwide will have the responsibility for electrification as a front facing with the customer in terms of providing solutions; however, we will work with a parent including all our 13 legal entities and some more or less on

doing a backend very collaborative, very deep work and as I mentioned today for which we are going to announce through a press conference afterwards on the details already we have setup a agile product house on electrification within Bosch Limited. To summarize, yes, Bosch Limited will be the front face; however, we will work very collaborative both with our parents as well our various legal entities and divisions within India to give a seamless experience to the customers.

Puneet Gulati: Lastly on your business growth on the mobility side, you grew by 17% while your largest division the diesel business grew by 13% plus is there some colour what really happened on the rest of the businesses?

Soumitra Bhattacharya: I already mentioned to you that diesel and gasoline had an over-proportionate in aftermarket we did have a growth but it is relatively lower as a percentage I mentioned that it was 4%.

Puneet Gulati: So what is really happening there is Sir, why it slowing?

Soumitra Bhattacharya: I think it is not slowing. We have a growth. We are looking very carefully because we do not want to just dump goods. The GST had a major impact across the market and secondly there has been a squeeze on the working capital after the GST and third we do what we call a pull sales rather than a push sales so we are going to do the growth there and you will see numbers coming out in the future so as we speak improving overtime further but we have made the base and the ground rules very clear and how we want to work with our extended arm.

Puneet Gulati: Okay so it is largely GST related some issues, which could be temporary?

Soumitra Bhattacharya: Working capital, GST, various other issues in the market so we are making the base strong and healthy for everyone and that of course has implications especially when you have external interventions like GST.

Puneet Gulati: Great. That is very helpful. Thank you so much.

Moderator: Thank you. The next question is from the line of Pulkit Singhal from Motilal Oswal Asset Management. Please go ahead.

Pulkit Singhal: Thanks for taking my question. Firstly on the raw material side, what percentage of raw materials is imported currently?

Soumitra Bhattacharya: It is about 60:40 so 40% is imported.

Pulkit Singhal: 40% of raw material cost?

Soumitra Bhattacharya: Yes.

Pulkit Singhal: The other small question I mean we always see this high degree of other expense in the third quarter particularly, I have not really understood why that particularly happened in Q3 can you help us understand?

Soumitra Bhattacharya: Pulkit, first I have to just clarify we do not purposely put a Q3 higher figure or a lower figure. It just happens whatever the number come. First I have to say that we have a very robust budgetary control system and we put it in place across all our divisions and starting with the beginning of the year and we watch the year as it goes by and you all know that there is something called good spends and not a good spend so we allow the good spends to happen but we allow them at a later part and not front ended because then we have a better cost control as well as we can tie it with the volumes when there is a fluctuating market situation. So we have this plus we have a few one-time items also like we have had some increases on a higher royalty on a new generation products because those are timing faced and this is not to do with quarter. We had a this quarter little bit on higher professional charges for specific consultancy things that we did for various issues, so basically it is a combination of one-time cum budget control, which we also let, I would not say let go but give a little bit of relaxation for proper spends so it is nothing to do with defined quarter.

Pulkit Singhal: Sir last question on electric vehicle side. Two parts to it because if my understanding is correct the current product portfolio does not have much of dealing with the other legal entities in India. The businesses are very clearly demarcated so to that extent electric vehicle scenario seems to be the one area where you would be working on more collaboratively, so how is the pricing of the product be done in that era, and also if you could give us a sense of the products that could be introduced, I mean where could we see them?

Soumitra Bhattacharya: So, Pulkit I would like to have a light difference of viewpoint please and please allow me to do that. You mentioned that other than the proposed electrification way we do not have collaboration that is not the case. Bosch has many legal entities. The parent is the public listed company, Bosch Limited but all of us work for all projects in a very collaborative way for us to give a seamless experience to the customer. Any of our projects that we currently work be it brakes, be it electric drives, be it those, which are residing in the Bosch Limited premises or gasoline, diesel, we work in a collaborative way and across functional teams constantly working located at different locations for the purpose of giving the customer Bosch seamless experience so that is first point. Second point, the project house electrification, which later we will do a press conference and go to details is about collaboration and it is about looking at our portfolio of what our parent has, looking at the needs of the Indian market at the two-wheeler, three-wheeler and four-wheeler and we are doing tomorrow an announcement those of your are coming for this in Delhi you will get to

hear it and then of course the Bosch Techno Auto Expo we are showcasing this areas of two-wheeler, three-wheeler including a Bosch demo car. So we will show those and people will get a touch and feel of the portfolio so right now I cannot go into the details of the announcements but yes we will show in a granular way but also the red fit on the way we want to take this forward.

Pulkit Singhal: Got it. Thank you.

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

Sonal Gupta: Thanks for taking my question. Good afternoon Sir. Just to clarify, so the higher royalty on new generation product is the one off I mean?

Soumitra Bhattacharya: Yes, look we transition from BS-III to BS-IV and when you transition and when you go for specific new generation projects and products then you have to pay a royalty so this can be linked to projects and products, this can be linked to a timing and this can be linked to volumes. As all of you know we are very transparent on the royalty that we pay to our parent and Bosch Limited has an extremely competitive royalty payout and you can see that in the numbers because it is in the public domain and we believe in this transparency and we believe that it has to be a win for all the stakeholders.

Sonal Gupta: Right. So just wanted to clarify is there some lump sum amount of is it just a I mean I would imagine that the royalty is coming in numbers every quarter that should not will be one off it be in that sense?

Soumitra Bhattacharya: No you do have royalty payments, which are kicking in and things like that so while it need not be a one-off there is a certain percentage to be paid for different types of products including new generation products so when you have a launch it kicks in so this is mainly led with the transition from BS-III to BS-IV and over a period of time you would not see that. In summary, the most important thing is what is the royalty value we pay a year and what does it translate as a percentage and there I am telling Bosch is extremely transparent and also it is an optimal number and it is well the number, which is gives a very high level of comfort also to our minority shareholder.

Sonal Gupta: No, I just wanted to understand if there is a lump sum amount here or this is just a normal course of business?

Soumitra Bhattacharya: You will have these things once in a while in different quarters you cannot take this out.

Sonal Gupta: Okay and Sir just on the other point like you mentioned that we would in due course be would be doing localization so just I mean currently as the transition has happened just now BS-III to BS-IV, the import content is probably and the traded content is high so could you just talk about how do you see this moving and by when I mean given that the industry growth especially on the commercial vehicle side has been quite good, how do you see the localization program and by when do you think that you will be able to localize what you would be targeting?

Soumitra Bhattacharya: Yes, I have mentioned this before so I will just give a recap of what I have told before. Bosch has a well oiled localization program based on the customer demand and what a line can produce so you know these capex are pretty expensive and we want these lines to be utilized to a minimum of x percentage of the total capacity so we get in the lines and we order the lines we plan for the lines based on the customer demand. It does not make sense when the starting volumes for us to put in the entire capex so we have done this for our common rail projects earlier, I remember when the first Scorpio came in, in India at that time there was a very little localization in 1998-1999 and then things moved up so short point, this localization program will be followed in extreme cases where the volumes are low and where we have capacities and where it makes financial and otherwise sense, we will import it but generally we follow a robust clear localization plan based on customer demand and a clear planning including supply development.

Sonal Gupta: Right. And just in terms of the last question from my side in terms of the recent budget increases in import duty on certain components etc., so will that be pass through from your standpoint to the OEM or would you have to absorb some part of that?

Soumitra Bhattacharya: Not really when you get such things you look at the whole system that we sell so we are always with the customer relationship Bosch sells a holistic system and we take them from the conception right up to SOP example what we are doing for our acquisitions for BS-VI. So we do not go to the individual zones unless its major impact across or unless where there is a sort of a domino effect like the GST and things like that so it is looked at efficiencies are looked at and customer system prices are looked at including relationship and then we take a call so there is no individual call on such item wise situation.

Sonal Gupta: Thank you so much.

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

Vasudev Banerjee: Congrats Sir for a good set of number. One thing in your press release that you have mentioned that sales of new gen system division registered a growth of 34% much ahead of the automotive market growth with the aid of new gen product due to change in emission

norms so it will be very helpful if you can let us know out of the 34% how much will be because of new gen product and how much change in emission and how much volume?

Soumitra Bhattacharya: Vasudev you know very well we do not give the breakup of these but as you rightly said we have a combination and it is a product mix situation, it is a change to the BS-IV and it is the package of what we have sold and you know in diesel there is a wide variety right from Pascars to three-wheelers to LCV to HCV and tractors of course, so we do not give this breakup but overall I can also say there is been a very solid demand in this quarter.

Vasudev Banerjee: No, indicatively it will be helpful if you can, Sir basic thing, which I was trying to understand, is how much volume growth you did beyond industry basically gaining share?

Soumitra Bhattacharya: We have grown so I can only tell you that we have grown more than the market has grown number one, but the entire 34% has not come through growth that also you can understand that also due to product mix but we do not split up these numbers, Vasudev. I got your question.

Vasudev Banerjee: Second question Sir, like the aftermarket business last couple of quarters got impacted by GST but overall basis the size have been scaling up so what new products you are planning to add in that and any vision that in the next three to four years where do you see that the percentage of India's business?

Soumitra Bhattacharya: It is a good question Vasudev. Aftermarket which is still quite a major players in India and aftermarket has a very solid role in Bosch Limited so we see that two three things we are doing. First we are strengthening the base of the market by doing some fundamental issues with our customers and dealers, which ensure that the Bosch brand is protected and there is, not push sales but pull sales. We are focusing on various areas whether you say diesel whether it is filter whether you say the many Bosch branded graded products, whether you talk about our Bosch car service or Bosch diesel service areas so we are focusing systematically on improving the market, the market practices especially after the market went through a turmoil especially the trader community after the GST so we feel that over the quarters in 2018, you will see a positive story unfolding in aftermarket because of the work being done in that area.

Vasudev Banerjee: Even though the E-way bill is yet to get implemented fully still any signs of improvement in branded product demand like Bosch in aftermarket post GST?

Soumitra Bhattacharya: Vasudev, look if you take GST or if you take E-way bill and when you say E-way bill, let us be honest it is just few days old, so we cannot say it will get, it will take time for any new initiatives, we know in India it takes time so India has gone through two tough situations, which are one is very good for the long run and the other hopefully good. One is

demonetization and the second is GST. It has had implications on the industry and the demand. E-way bill is a subset and we have to see how the community takes it and actually lives it. It is too early days to comment on the E-way bill. It is just a few days old now.

Vasudev Banerjee: Thanks.

Moderator: Thank you. The next question is from the line of Ajith Motwani from Bharti Axa Life Insurance. Please go ahead.

Ajith Motwani: Good afternoon Sir. Sir your press release mentioned that the revenue growth is 14%, is it also adjusted for some car multimedia business that we have discontinued or this is the reported number on the revenue side?

Soumitra Bhattacharya: Car multimedia as you rightly said, had been taken out of Bosch Limited so this is without car multimedia. If you take car multimedia this percentage will be even more.

Ajith Motwani: Would you put a number to it? Would it be another 3% to 4%?

Soumitra Bhattacharya: I cannot put a number but you can add another 5% to it.

Ajith Motwani: Secondly when you say there are one-offs in this other expenditure, which is 21.5% for the quarter, but for the nine-month at about 1500-odd Crores 17.5% would you say there is no one-off there?

Soumitra Bhattacharya: Very good point again. If you take for the nine-month period ended December 2017, other expenses have increased by 1.7% so you should look at that instead of this quarter both, I call it do not be do not be euphoric, not be depressed so look at the trend so if you look at the trend this 1.7% has to be looked at in terms of our growth. So we are overall controlling our costs in relation to our growth and a better look is to look at the nine months rather than the quarter-on-quarter.

Ajith Motwani: Okay. So the royalty is just a timing issue in the sense that sales would have come earlier and that the amount is coming now but for the nine months it is normalized right?

Soumitra Bhattacharya: In the nine-month it gives you a better picture yes.

Ajith Motwani: And in this you also alluded for some onetime maintenance charges how much would that have contributed?

Soumitra Bhattacharya: We do not let the break up for such matters do not get me wrong. You will always have one time either plus or minus and this is where I request all financial analysts to please look at

trends in what we are doing and the route cause and enablers that we are tackling rather than the individual analysis of the quarter-to-quarter numbers where it is not giving us a right picture.

Ajith Motwani: Last question on the capex side, how much is the plan this year and how much already been spent in the next year plan?

Soumitra Bhattacharya: On capex if you look at what we are spending we are looking at 2017 we are looking at about 450 Crores and the previous four years, if I take the average it is anywhere between 425 Crores and 700 Crores. Now this is the type of spends that we will also spend for the next two years. That is what I mentioned right at the start anywhere between 500 and 700 Crores is what we will spend.

Ajith Motwani: Got it Sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Bhaskar Bukrediwala from ASK Investments. Please go ahead.

Bhaskar Bukrediwala: Thanks for taking my question. Sir question from my side is on in terms of the BS-VI that the industry is transition to so what I want to understand how well prepared we are and also a sense on how would the content per vehicle increase under BS-VI if you could give us a sense, not an exact number but the broad sense?

Soumitra Bhattacharya: BS-VI what I will do is now hand over to my colleague, Mr. Jan Oliver Roehrl who is also the CTO and the Board Member but we do not give the content but I think he will take us through a little bit on the question for BS-VI.

Jan Oliver Röhr: As you know BS-VI will become new reality for all diesel and gasoline engines with April 1, 2020, which means the industry has to be prepared with a line showed up by latest January 1, 2020. So for us it was perquisites to advise our customers in the course of this year and to start joint projects as early as possible as in this timeframe considering the complexity of this new technology, this is somewhat a challenge for the industry of course and the industry is now comprising starting with the oil industry to provide the right fuel, from our side, provide the right technology, for fuel engine equipment and after treatment system and of course the changes in the engines to be entailed by our customers. Here we had a very good start in 2017. So we are well lined up with our customers with the main projects been intelligently chosen jointly here to the readymade when January 1, 2020 is when happening. How did we do this? We had from our side a very intense exchange program with our technology colleagues all across the world because it is an international development network. That is exactly the collaboration that my colleague Soumitra Bhattacharya, mentioned which is going across all entities and is not making whole some

kind of a country frontier. So we are very well prepared and the teams on Bosch's side customers sides and our sides are looking forward to bring this projects into the target line, you know well that engineers they all like to work on new stuff and BS-VI is challenging new stuff for both diesel and a little less for gasoline engines.

Bhaskar Bukrediwala: Also just wanted to understand once this BS-VI thing takes off like you said on April 1, 2020 even the two-wheelers will have to transition to the injection technology and no longer they will operate at that under the carburetors that they used to is that my understanding correct?

Jan Oliver Röhr: That is fully correct understanding as you rightly mentioned BS-VI is also holding true for the two-wheelers and with that we see that the carburetor will come to an end also for the two-wheelers.

Bhaskar Bukrediwala: Just correct me if I am wrong in the developed markets there are already on a higher pollution norms, the two-wheeler that operates are already under the injection technology and no longer under carburetor that is correct, right?

Jan Oliver Röhr: Yes, that is correct but India having BS-VI April 1, 2020 also for the two-wheeler they will really be on high level here for example the European market as well.

Bhaskar Bukrediwala: Would you be able to give some sense in terms of while I understand that these are initial days that you getting prepared but if you could give some sense in terms of the content per vehicles that could increase for you under BS-VI? What range it could be as and when it gets implemented?

Jan Oliver Röhr: Well, as you imagine as an engineer, I am not so much interested in the content but far more on the technology and here on the technology line that is of course increasing.

Bhaskar Bukrediwala: Thanks a lot.

Moderator: Thank you. Ladies and gentlemen due to time constraints we will be taking the last question. That is from the line of Mahesh Bendre from Karvy Institutional Equities. Please go ahead.

Mahesh Bendre: Thank you for the opportunity. Sir what I heard correctly regarding the electric vehicle you explained that the listed entity actually will be at forefront addressing the opportunity and we will collaborate with our group companies and as well as the parent so is it that the final product will be delivered through listed entity irrespective of from where it comes from Bosch group is it a right understanding?

Soumitra Bhattacharya: The listed entity will take the risk and the reward, yes.

Maresh Bendre: So ultimately I mean whichever way it comes the final product will be delivered through Bosch Limited India?

Soumitra Bhattacharya: Your understanding is right that Bosch Limited amongst all the legal entities in India will be in the forefront as well as take the risk and the reward and deliver with a backend collaboration with all our sister units on electrification.

Maresh Bendre: Thank you Sir.

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

Annamalai Jayaraj: Thanks all participants. On behalf of B&K Securities, we thank participants who joined the call and thanks to Bosch Management for providing us opportunity to host the call. Have a good day.

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

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

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