



“Bosch Limited  
Q2 FY2022 Post Results Conference Call”

**November 10, 2021**



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**Moderator:** Ladies and gentlemen good day and welcome to the Q2 FY2022 earnings conference call of Bosch Limited hosted by Batlivala & 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 an operator by pressing “\*” then “0” on your touchstone 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:** Welcome to Bosch Limited 2Q FY2021-2022 post results conference call. From Bosch management we have with us today Mr. Soumitra Bhattacharya, Managing Director, Mr. S. C. Srinivasan, Chief Financial Officer and Joint Managing Director, Mr. Guruprasad Mudlapur, Chief Technical Officer. Mr. Soumitra Bhattacharya will be making the presentation to be followed by question and answer session. To view the presentation, please click the link provided in the concall invite. Over to you Sir!

**Soumitra Bhattacharya:** Thank you Mr. Annamalai Jayaraj and a very good morning from Germany and a good afternoon to all colleagues in India. I do hope that you and your family are all keeping safe and healthy.

On the request of many members of the investor community, I will be today sharing a few slides that will summarize the key highlights of the quarterly performance of Bosch Limited along with my speech. Like always I will start with a brief on the macroeconomic policy followed by automotive market update and will walk you through our financials. Finally, I would like to end with the highlights of the quarter affecting our business and update on environmental, social and governance which is ESG and that is for us sustainability at Bosch.

India’s mobility and other economic activity has picked up sharply primarily led by the government’s vaccination program. Most mobility indicators are back to pre-COVID levels. RBI in its recent October policy maintained status quo on policy rates clearly incentivizing growth and retained the growth broadcast for FY2021-2022 at 9.5% following the 7.60% degrowth in the fiscal 2021.

The inflation has come off its recent highs and will continue to remain given the elevated commodity and crude prices. The government finally seems to be on track to achieve the fiscal deficits forecast and India’s external account remains healthy with record forex reserves. With this background let us look at the automotive market development in the last quarter.

The results are compared with July-September in 2020. Overall, automotive production can be stated fully with the automotive market numbers. Overall, automotive market production in quarter declined by 3% including two-wheeler segment mainly due to the semiconductor crisis, which continues to



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hurt the overall automotive industry; however, a gradual improvement in the global supply chains is anticipated as the capacity show some signs of recovery after a prolonged COVID-19 pandemic impact. Going forward elevated fuel prices, higher commodity prices continue to be a major concern, not just for the automotive industry, but of course all across industry.

Tele-commercial segment increased by 91% on account of a low base in the previous year and largely due to a healthy pickup in overall construction and mining activities, fleet replacement, better capacity utilization for the current year. The recovery is expected to continue in the coming months. By the way we must remember heavy commercial segment is still at a very low base and it will take quite a few years for us to reach the 480000 which was the peak in 2018-2019.

Passenger car segment increased by 4% and the momentum remains intact on back of easing of the lockdown and preferences for personal mobility; however, semiconductor crisis is still hampering the production for major OEMs, while the demand is good. Tractor segment increased by 16% on account of healthy reserve level, sustained government support in times of procurement of food and grain expected pickup in commercial demand are likely to aid the tractor demand. You must remember tractor came to the peak of 18%-19% by 2021 already, the fastest to recover.

LCV segment also increased by 8% largely driven by the surge in e-commerce and transport of dairy and fresh produce; however, semiconductor issues remain the concern in the coming months for this segment while the demand is good. Two-wheeler segment decreased by 6%, the domestic demand was impacted by continued purchase, deferrals in anticipation of attractive festive schemes, price hikes owing to commodity cost inflation and all time high fuel prices while domestic demand recovery remains volatile, the steady two-wheeler exports from India continued to support industry volumes.

Amongst the other market segment, three wheeler segment increased by 30% plus but please remember on a very low base and as corporate offices and educational institutions are expected to continue to open in due course.

Let us look at how the company performed in July to September quarter compared to July to September 2020 amidst all these factors. Revenue from operations for July to September 2021 stood at 29180 million which is an increase of approximately 18% as compared to the corresponding period of the previous year due to gradual improvement in business improvements from the pandemic hit period of the previous quarter. Product sales of mobility business sector increased by 17% whereas the business beyond mobility which is consumer goods and building and energy technology increased by 36% mainly led by the power tools division. The domestic sales for this quarter witnessed an increase of 15%. Powertrain solutions grew better than the market growth this I am talking of Bosch



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business mobility without the two-wheeler primarily driven by the growth in tractors and heavy commercial vehicle.

Strong growth witnessed in the aftermarket business driven by higher exports as well as OE spare sales we had a slight degrowth in our two-wheeler business mainly driven by semiconductor prices and the impact on the premium two-wheeler segment.

The material cost as a percentage of total revenue from operations has increased from 59.4% in July-September 2020 to 62.8% in July-September 2021, approximately 50% of the total material cost consists of traded goods which is largely procured by way of imports from Bosch revenue and other group companies. The pricing of these products are determined at the beginning of every calendar year considering the planned volumes for the years used in using the forecasted exchange rate based on actual volumes, imported and considering the actual landed cost.

The prices of these products are adjusted always on an ongoing basis. In July-September 2021 quarter, the correction in pricing due to transfer price adjustment has resulted in an impact of material cost to the extent of 2.6%. This is one time impact. Employee cost has decreased to Rs.2528 million in July-September 2021 from Rs.3083 million in July-September 2020 due to transformation/restructuring projects and other related measures.

Depreciation has increased by 4.1% in July-September 2021 against the previous quarter of July-September 2020 due to more additions in July-September 2021 as compared to July-September 2020. In case of other expenses, which stood at 4756 million in July-September 2021 as compared to 4112 million in July-September 2020. Other expenses as a percentage of revenue for July-September 2021 was 16.3% as compared to 16.6% in July-September 2020, absolute increase is mainly because of volume growth of 18% and higher spending of new businesses and these new businesses are our project house mobility services and project house electric division.

With this our operating profits stood at Rs.2747 million in July-September 2021 as compared to Rs.2084 million in July-September 2020, an increase of 32%. The other income has also increased from 1015 million in July-September 2020 to 1243 million in July-September 2021 the major part of it is due to the increase in mark-to-market gain in marketable securities.

Coming to PBT and PAT for the quarter ended September 2021 the company posted a profit before tax of Rs.3975 million as compared to Rs.3086 million in July-September 2020. As a percentage of total revenue from operations profit before tax stood at 13.6% in the current quarter. Profit after tax for the quarter ended September 2021 stood at Rs.3719 million which is 12.7% of the total revenue from operations. Operating loss in July-September 2020 was 648 million. You will remember the last



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two years, both 2019-2020 and 2020-2021 your company had spent approximately 750 Crores each for the 3R program that I talked which is behind us. 3R means reskilling, redevelopment and restructuring.

Some other highlights I would like to share with you. We are very proud to be associated with Mahindra & Mahindra who is a strategic partner for Bosch for the supply of wide range of products and services from an array from Bosch India solution include diesel, gasoline, powertrain systems, active safety systems, thermal management systems, connected mobility solutions, what we call as AdrenoX, what Mahindra has indicated as the AdrenoX connect. The platform is equipped with a range of features jointly developed between Bosch and Mahindra and offers an innovative, immersive, and intuitive experience to the customers to enhance the user experience, convenience and safety in their recently launched flagship XUV program, XUV700 and you can see the photogram here.

The Government of India recently announced automotive PLI latest in a series of emerging industry focus PLI SKUs. Now of course all of you know that the government has taken the inputs from industry again and will release the finalized version. The PLI comes at the right time and is a much needed impetus for the automotive industry which faces several and severe challenges since 2019 including the pandemic of COVID-19 based on wave 2.0 and of course the worldwide ongoing semiconductor crisis. The focus on incentivizing advanced automotive technology in short AAT compliments will enable the industry to accelerate future technologies and mobility with an aim to bring India at par with global standards.

Bosch India and Bosch Limited is fully committed to invest in bringing these future technologies in the mobility domain especially in safety and electrification. Bosch will participate to maximize the PLI benefits which will help in overcoming some of the disabilities linked to industrializing such technology. Bosch Limited Board of management yesterday has accorded in principal approval for the invest in Autozilla Solutions Private Limited. This is a startup from Hyderabad that operates on a B2B, on e-commerce marketplace for buying and selling auto parts. This is a part of an initiative to establish an effective digital ecosystem around our vehicles workshops and neutral vehicle workshops. Bosch Limited is in discussion with Autozilla to invest around Rs.133.5 million for a minority stake of 26%. The investment shall be subject to statutory approvals.

The transaction will enable Bosch Limited Automotive aftermarket division to strengthen the market pull through its extra loyalty program called Independent Power workshops as also our numerous Bosch Power Services outlets.



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Coming to ESG I would like to talk about the sustainability aspect of Bosch India. In 2020 Bosch India achieved and by the way we are one of the few companies in India. Bosch India achieved carbon neutrality at its 37 locations across India. This was achieved via four point approach, namely energy efficiency, new clean power, green electricity as well as carbon offsetting. Bosch focused on energy efficiency and significantly reduced its energy consumption, a portfolio of measures such as use of LED lights, change to heat pumps, automation of building technology, came into the forefront. The installation of more than 27 megawatt in-house solar power plant has resulted in 35 gigawatt hour of renewable power which fulfilled 30 x 50% of our total energy requirements. Further increase in the overall energy green content by 25% through group captive business model, the model will enhance the ecosystem by building renewable energy resource and reducing further the carbon footprint.

The energy that Bosch generates and the purchase of the energy units for manufacturing and administrative, in this case, coke 1 and coke 2 of the greenhouse gas protocol or as it is known GHG. This has a big impact on the overall vision. Keeping zero emission as a part of the manufacturing strategy Bosch India has implemented a new group captive business model, the model allows Bosch India as a joint venture partner with renewable energy developers to build solar energy plants totaling to 50 megawatts in the states of Karnataka and Maharashtra. With this Bosch India will procure 50% of its energy requirements through renewable energy by 2021, the development will result in the reduction of 100000 metric tons of harmful Co2 or carbon dioxide emission year-on-year.

Since 2019 the purchase volume of green electricity has significantly increased from renewable sources. Bosch India intends to purchase electricity from existing plants in the coming years as well. Bosch has pledged to compensate for unavoidable carbon emission from combustion processes like heating, diesel generators through carbon credits, international renewable energy certificates. Offsetting projects are monitored and executed around the world such as afforestation, wind farm projects through gold standard certified carbon credits and Bosch India purchasing international renewable energy certificate from hydro power plant located at Himachal Pradesh.

Coming to outlook, as Bosch India is nearing its centenary celebrations in 2022 so colleagues you will be happy to know in the year 2022 Bosch India becomes 100 years young. We started our journey by the way in Kolkata in 1922. We are more than ready to transform into a futuristic enterprise in additional ecosystem while remaining true to our core of manufacturing and operational excellence and of course make in India. You will be happy to know next year w will be 69 years make in India. The global supply chain in Q2 will continue to disrupt the mobility recovery story. Bosch India will continue to absorb these developments while we maintain a cautiously optimistic business outlook with India surpassing the 1 billion inoculations of the public at large. We remain hopeful of the restoration of normalcy in the overall consumer demand which will help us to surpass the pre-



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COVID business targets and go towards the peak that India achieved in automotive areas for example in 2018/2019, fiscal year 2019.

During these times as well, Bosch India has remained committed to its investments to develop solutions, design in India, for India, by India, a long-term strategy to shape the market in technologies with innovative products and solutions in the area of PACE, PACE stands for Personalized, Automated, Connected, and Electrified. We are focused in bringing diverse powertrain solutions with biofuels as well as flex fuel to also our two-wheeler portfolio. Our project house mobility solutions has created a live curated market place allowing digital assets to be transacted in the portal within the Indian geography. This is a significant milestone enabling e-commerce for digital assets like API. You will hear more about this in our launch of our Bosch India Celebrations in February just before our Board Meeting in February 2022.

Beyond mobility business continues to focus on emerging e-commerce platform that has witnessed an exponential growth in the post pandemic world. We are hopeful that the trends will continue and our very strong business on power tools and also building solutions and our very strong growth in aftermarket will continue to outperform the markets riding on this new channel. I would like to thank you on behalf of Bosch India for your contribution and for patiently listening through our call and until we meet of course in the Bosch India Centenary Year 2022. For now I would like to along with our team address your queries and thank you for your questions please.

**Moderator:** Thank you very much. We will now begin the question and answer session. We will take the first question from the line of Jinesh Gandhi from Motilal Oswal. Please go ahead

**Jinesh Gandhi:** Thanks for taking my question. First is a clarification on this RM cost impact, which you have talked about, about correction in the contracted pricing. Can you give some more details about that this 2.6% is this primarily due to correction of pricing with the parent or what it is exactly?

**Soumitra Bhattacharya:** Thank you for asking the question Jinesh. I mentioned to you this was just a transfer pricing which we had correction done and this is a one time so, we will see ourselves back to the earlier projected material cost on which we want to over time further improve, but I already mentioned this was a onetime impact.

**Jinesh Gandhi:** Secondly with respect to our consumer good business and thanks for giving this more granularity of our businesses. We have seen a fairly strong growth in the consumer goods business after a long time so what all products are covered in this consumer goods business and what is driving such strong growth?

**Soumitra Bhattacharya:** Jinesh consumer goods we have segregated because they have crossed more than 10% of our turnover and this consumer goods business is the power tools business. and the power tools business Bosch India, Bosch Limited has seen a very good growth for multiple reasons. We have improved our dealer network. We have gone into significant foray into ecommerce. We are the market leaders in power tools and of course our Chennai factory has been rated for the last three out of the last four years the best plant in India. We are even planning to shift our power tools in Chennai into our Bosch facility, which will further help for us to grow and further localize and we are looking into the future with quite confidence on this business from multiple turns.

**Jinesh Gandhi:** Last question before I come back to queue is about the semiconductor bit, so many of your customers are indicating improved chip availability from lows of second quarter. Are you also expecting similar improvement where second half would be better than first half in FY2023 to be better than FY2022?

**Soumitra Bhattacharya:** Jinesh I would only say that the supply on chip for all of us and especially us we can give only a directional answer. First point is this is a global crisis. This is not an India crisis. Second the crisis impacts electronics and not just automotive. Third, I have already mentioned that it takes a long time for a Pas factory to be put up and for expansion of capacities it takes even nine months to a year. Now having said all this, and the semiconductor suppliers to the Tier I and we have the Tier I OEMs have these bottlenecks and with an increasing demand, I would say we will see overtime improvements but we will not see a normalcy in the fiscal and when I say normalcy is to meet the demands of the customer and it is not just Bosch anyone and everyone overall will not see this normalcy in FY2021/2022 and my guess would be where we do not have the data, and nobody has the data that even the first couple of quarters we may have challenges to get back to normalcy. So, this is not about Bosch. This is about a global crisis. This is not about India and this is not about automotive and the world will see improvements happening quarters but if you ask Jinesh, on what sort of improvement there are too many ifs and buts and I think any of us can only give a directional feedback.

**Jinesh Gandhi:** Thank you Sir. I will fall back in queue. Thank you.

**Moderator:** Thank you. The next question is from the line of Sonal Gupta from L&T Mutual Fund. Please go ahead.

**Sonal Gupta:** Good afternoon Sir. Thanks for taking my question. Sir, just going back to again like you explained one part is the traded goods there is a onetime impact, but if I look at your annual numbers, I see that almost 90% of the traded goods are from the Bosch parent or subsidiaries of Bosch. So, is it correct to assume because in some places, where I am coming from is we are acting as a system supplier like in exhaust gas treatment, etc., would it be correct to assume that that is not really a very large portion of



the business for us because otherwise I would have thought that the non-Bosch traded component should also be substantial?

**Soumitra Bhattacharya:** There are two parts to it because it is a very deep question. One part is the traded goods, which I have already mentioned that we take into trading and later we go in for localization and we also look into what is the optimal localization and within that we also look at what we can outsource and what we localize in-house. So, the traded I have already shared on that one point impact on transfer price. On the other part, we do have as you rightly said mainly Bosch traded goods coming from different parts of the world, all at arm's length protecting the public listed company in a very clear process oriented way and finally for non-Bosch part we have a very strong supplier development methodology where we look at strategic partners overtime and DeNOx is one such example.

**Sonal Gupta:** I guess DeNOx is like the urea pumps, etc., is done by Bosch itself so would that be a major portion in the EGT as part of value that you have?

**Soumitra Bhattacharya:** Sonal we cannot generalize these things. I said DeNOx is one such. There are other parts of course traded we also do. I have always been saying that for details we have had and we start with trading, we see what are the volumes, we look at the in-house manufacturing and capex. We look at our supplier development and then we take a call. So, it is a mixture of multiple products and you import keeping in mind both pricing, localization and very important quality also and it is not just DeNOx. DeNOx is one part of the traded bit.

**Sonal Gupta:** Got it. Just my second question on basically we have seen despite the sort of restructuring and reskilling and all that efforts that you have done as well as like the margins are clearly much lower than what we had in the past while you referred to the fact that there will be location and therefore we should see improvement but would it be sort of fair to assume that this sort of a margin is more reflective of now the current product mix and therefore, we will only see a gradual improvement from here?

**Soumitra Bhattacharya:** You have asked the question and given the answer. So, it is very difficult for me to comment because it is both the leaving question and a leaving anchor.

**Sonal Gupta:** Let me rephrase I mean, Sir, do we see a substantive scope for improvements with localization and also putting that in context of the PLI scheme itself would that accelerate your localization effort?

**Soumitra Bhattacharya:** Two, three things, Sonal I will keep it short and crisp. First is you have seen that we have tight control over our other expenses. We have seen that on our personal cost, earlier which was around 14%, 15% we want to bring it, we have brought it down substantially and retain our personal cost more

importantly productivity and more importantly ensuring talent retention. Then on the material cost, I have told you that when we are going to BSVI not just for us, everyone's material content goes up. Finally, of course our intention is to improve our EBIT but we do not give guidance. We do not give future, the management is here to optimise everything and we will do and we do not look at quarterly results. We will do it over quarters and over the years. So, in summary there is a very clear focused plan both for the core, the adjacencies and the new growth area and we will balance these and our focus is towards EBIT, but more importantly our focus is towards also customer acquisition for not only current business, but also future business.

**Sonal Gupta:** Thank you so much. I will join back the queue.

**Moderator:** Thank you. The next question is from the line of Priya Ranjan from HDFC Mutual Fund. Please go ahead.

**Priya Ranjan:** Thank you. Thanks for taking my question. First, I just have one clarification on say this 2.6% correction, wherein this correction in transfer pricing, is it just trying to understand is it linked to the volume offtake or is it linked to the commodity cost, how should we look at it?

**Soumitra Bhattacharya:** I have already given an answer, Priya Ranjan, but I will ask our CFO to answer this.

**S. C. Srinivasan:** Nothing more to add. I think if you look at it as we go forward towards the localization of course our priority is to localize products where the value addition in India will be quite high and that will improve our profitability and then in the next phase other products will also happen. So, yes, as we mentioned in the last call, the ratio of manufactured products in India and traded it is quite high, traded portion is quite high and that has an impact both on the material cost and the EBIT, but as the localization improves, there is a positive impact on the profitability as well.

**Priya Ranjan:** Just trying to understand because of the chip shortage, how much revenue you might have lost in first half or is there anything we can quantify, directionally or in numbers?

**Soumitra Bhattacharya:** Look, the chip shortage has impacted everyone, electronics, automotives everyone. So, it is a very relative question from what percentage do we look because it is a theoretical question. You cannot supply at 100%. So, I can do an arithmetic and tell you based on 100% what we supply for the turnover loss but it is very theoretical so in summary both on topline and bottomline the entire market has got effected. It is not just Bosch and the chip supply crisis has been affected and will continue. Nothing to do with Bosch in India or worldwide, but this is a worldwide crisis. So, sorry Priya Ranjan, but it is a little theoretical. Every company has got impacted.

**Priya Ranjan:** Understood, but just to understand is it substantial if this crisis would not have happened?

**Soumitra Bhattacharya:** Priya Ranjan of course it is substantial worldwide. It is like what is the impact if we did not have COVID wave 2.0. Of course India would have recovered faster. So, answer is very clearly yes, not for Bosch, not for automotive in India, for worldwide, it has had major impact in making demand where supply has ensured not being able to meet the pent up demand for various products and services, not just automotive.

**Priya Ranjan:** Just one more question on say PLI scheme, you have highlighted about the PLI opportunity and so are you looking at both in say traditional parts as well as I think the new electrical parts in the PLI scheme as an opportunity or you are more for conventional parts which has not been manufactured in India so far?

**Soumitra Bhattacharya:** I think all of us we have to wait for the finalized PLI scheme which contains the elements of the advanced automotive technology. I am sure you would agree with that. However, based on what the government has announced saying that they will be focusing on AAT, Advanced Automotive Technology, we at Bosch believe that this is a positive move in the right direction by the government to incentivize the advanced technologies and we at Bosch India as well as Bosch Limited would actively like to participate in.

**Priya Ranjan:** Just on the power tool business, I am sorry, if I have not understood, you said that you want to increase it to Bosch facility as well as in other parts of the plant. So, are we trying to bring more global capacity to India in terms of power tools? That is what you wanted to tell?

**Soumitra Bhattacharya:** No. I said three things, Priya Ranjan. I said, that the power tools division is doing very well both from the sales, marketing and at the product level, at the accessory level, and also the way we sell it including ecommerce platform and our reach with our dealers. I also said that our Bosch power tools plant has been an excellent plant. There are 18 power tools plant worldwide and this has been in the number one position for three years and the fourth year it will be number two by a narrow margin. So, I said it is an excellent and excellent at the world level. The third thing I said is we are going to move with the near future into the new power tools plant which is a Bosch location, so which gives us added scope and chance for further localization in the future and the last thing I mentioned was that the power tools business is developing very well and I have a very strong hopes on a sustainable and continued improvement on a business which is already doing pretty decently as well. That is what I said.

**Priya Ranjan:** Understood. Lastly on the Prime Minister's recent visit to the COP26 and their commitment of say billion tons lower emission in terms of the carbon, etc., so what is the regulatory roadmap you see for the CAFE and the other electrification, etc.?

**Soumitra Bhattacharya:** Priya Ranjan this is a very broad question. I can only tell you two, three points. Bosch is very committed worldwide but also for India in relation to COP26 ideology. We have shared with you today our ESG program where we were one of the few, I do not know, only or not, but companies in India which have proactively become carbon neutral and I explained it in detail and second that in India while electrification will come we will have to continue to look at the vision of his renewable energy increase, I think he is looking at 500 gigawatts in the future, up from 135 if I am not wrong and all these are very important questions, while he has given a commitment for 2070 if I not wrong, not 2050.

**Priya Ranjan:** He has also given a commitment of say 1 billion ton of reduction in carbon so my question was more from automotive industry point of view, because automotive is a significant part of this initiative of this carbon, so do you see the CAFE norm etc., to be more tightened going forward?

**Soumitra Bhattacharya:** I will just keep it simple. We have always said that the government the long-term reforms, we should announce and live. So whether the COP CAFE norms, whether it is BSIV to BSVI norms, we have always said, when we catch up with the rest of the world whatever long-term reforms, we announce, we should announce and we should live it then this brings high credibility to our country. Some good examples we have, some examples we can improve upon compared to credit. So I think we should give somebody else a chance and I would request Annamalai Jayaraj that we have the last question, because we have the last three minutes left.

**Priya Ranjan:** Thank you.

**Moderator:** Thank you. The next question is from the line of Ravi Purohit from Securities Investment Management. Please go ahead.

**Ravi Purohit:** Thanks for the opportunity. Sir could you kind of share bit on our export strategy. I think you have mentioned in our annual report this time and I think you had referred to it in a couple of concalls earlier as well. So, if you could kind of elaborate a little bit more on the export strategy and also in terms of we keep kind of reading about our parent's presence with QSL Technology, their tie ups with lot of commercial vehicle manufacturers in Europe who supply to QSL can Bosch India shareholders kind of look forward to some of those technologies being brought into India? Are they under PLI scheme or in some form or the other? So if you could just kind of share some sort of peak into your future of what a shareholder in India can look forward to from Bosch India over the

next two, three years, given the kind of opportunities that are through PLI scheme or through various other methods?

**Soumitra Bhattacharya:** Ravi on the export this quarter, we did well. I would say on a relatively lower basis, but we are about 350 Crores and this is an improvement by 66%, but I would not go into that. I would go into more saying we have two approaches worldwide in Bosch, which is called local for local and yet we work very closely with our sister plants, our sister companies, on wherever we need to chip in, either for our requirement or on a sustainable need. So, we have that policy too. In summary, I would say we are doing well in our regional companies, which is Sri Lanka, and Bangladesh which they service out of Bosch Limited by the way both for processes and aftermarket and we see that as a good chance and finally I would say along with that of course we spoke to different countries like Germany, Czech Republic, Brazil, even China vertical and South Korea. So in summary I would say while our highest exports are back to Germany, we will have a further focused approach from 2022 on exports.

**Ravi Purohit:** Okay and the other part as in terms of what we could look forward to in terms of newer technologies like Huawei, some of the other things that the parent has been there, but from an India shareholder point of view, something to look forward to?

**Soumitra Bhattacharya:** We do bring content with technology in India and I already mentioned that we have focused on reviving our core, focusing on adjacencies and investing in the new growth areas. So that we will continue to do from our cash flow and profits that we generate and of course we work very closely with our parent from all the divisions as well as the corporate with our parent, all at arm's length.

**Ravi Purohit:** Sir, one just one last very small question, on the order book, I think you have mentioned that 24000 Crores BSVI orders which had dropped like 18000 Crores any update what that number looks like as of now? Is it same or has it gone up or gone down? Last question. Thank you so much.

**Soumitra Bhattacharya:** On BSVI? Was your question Ravi on BSVI?

**Ravi Purohit:** Yes Sir.

**Soumitra Bhattacharya:** Ravi, you know that BSVI the first year after launch for various reasons including COVID that did not take off as much but now it is on track and taking off and we have a higher content on the BSVI and we are delivering and we see that this to continue. Ravi, we have to now finish, because we are out of time.

**Ravi Purohit:** Thank you, so much.



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**Soumitra Bhattacharya:** Over to Mr. Annamalai Jayaraj and thank all of you all. Best wishes from us.

**Annamalai Jayaraj:** We thank all the participants. We thank Bosch management. Thanks Sir.

**Moderator:** Thank you. Ladies and gentlemen on behalf of Batlivala & Karani Securities that concludes this conference. Thank you for joining. You may now disconnect your lines.

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