

## Bosch

### Performance Highlights

Y/E Dec (₹ cr)	3QCY12	3QCY11	% chg (yoy)	2QCY12	% chg (qoq)
<b>Net Sales</b>	<b>2,052</b>	<b>1,991</b>	<b>3.0</b>	<b>2,174</b>	<b>(5.6)</b>
EBITDA	273	385	(29.0)	329	(17.0)
EBITDA Margin (%)	13.3	19.3	(600)bp	15.1	(182)bp
<b>Adj. PAT</b>	<b>203</b>	<b>288</b>	<b>(29.6)</b>	<b>247</b>	<b>(18.0)</b>

Source: Company, Angel Research

Bosch (BOS) reported a poor performance for 3QCY2012 due to a sequential decline in the operating margin (down 182bp) led by a sequential decline in the top-line and lower operating leverage benefits. We revise our earnings estimates downwards (by 4.7%/4.2% in CY2012E/13E) to factor in the slowdown in the automotive sector and weak exports demand coupled with margin pressure due to unfavorable currency movement. **We maintain our Neutral rating on the stock.**

**Poor performance for 3QCY2012:** BOS posted a sluggish growth in net sales of 3% yoy (down 5.6% qoq) to ₹2,052cr, broadly in-line with estimates, on account of continued weakness in medium and heavy commercial vehicle (MHCV) and tractor sales. The automotive segment posted a subdued growth of 1.6% yoy (down 5.7% qoq) due to marginal decline in diesel system sales and 17.6% yoy decline in exports revenue. The non-auto segment too registered a moderate growth of 7.6% yoy (down 7.3% qoq) during the quarter. The EBITDA margin declined 182bp sequentially to 13.3% primarily due to decline in top-line and lower operating leverage benefits. As a result employee and other expenditure as a percentage of sales increased by 60bp and 90bp respectively (though constant in absolute terms). On a yoy basis, margins contracted steeply by 600bp due to INR depreciation which resulted in a 342bp increase in raw-material cost as a percentage of sales. Further, other expenditure too witnessed a 170bp yoy expansion during the quarter. As a result, the operating profit declined 29% yoy (17% qoq) to ₹273cr. The net profit too declined 29.6% yoy (18% qoq) to ₹203cr.

**Outlook and valuation:** While we are positive on the long term prospects of BOS due to its technological leadership and strong and diversified product portfolio; we expect the near-term environment to remain challenging for the company given the slowdown in the MHCV and tractor industry. At ₹8,859, BOS is fairly valued at 21.2x CY2013E earnings. We maintain our Neutral rating on the stock.

#### Key financials (Standalone)

Y/E Dec (₹ cr)	CY2010	CY2011	CY2012E	CY2013E
<b>Net Sales</b>	<b>6,882</b>	<b>8,141</b>	<b>8,776</b>	<b>10,276</b>
% chg	37.8	18.3	7.8	17.1
<b>Net Profit</b>	<b>858</b>	<b>1,066</b>	<b>1,042</b>	<b>1,312</b>
% chg	63.0	24.2	(2.3)	25.8
EBITDA (%)	18.2	18.3	16.6	18.0
<b>EPS (₹)</b>	<b>273.4</b>	<b>339.6</b>	<b>331.9</b>	<b>417.7</b>
P/E (x)	32.4	26.1	26.7	21.2
P/BV (x)	6.8	5.9	5.0	4.1
RoE (%)	20.9	22.6	18.7	19.5
RoCE (%)	26.2	27.6	21.3	23.7
EV/Sales (x)	3.5	3.0	2.7	2.2
EV/EBITDA (x)	23.9	17.1	17.0	13.0

Source: Company, Angel Research

## NEUTRAL

CMP	₹8,859
Target Price	-

Investment Period	-
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#### Stock Info

Sector	Auto Ancillary
Market Cap (₹ cr)	27,818
Net Debt (₹ cr)	(1,857)
Beta	0.4
52 Week High / Low	9,300/6,425
Avg. Daily Volume	1,420
Face Value (₹)	10
BSE Sensex	18,684
Nifty	5,686
Reuters Code	BOSH.BO
Bloomberg Code	BOS@IN

#### Shareholding Pattern (%)

Promoters	71.2
MF / Banks / Indian Fls	15.0
FII / NRIs / OCBs	6.4
Indian Public / Others	7.4

Abs. (%)	3m	1yr	3yr
Sensex	6.4	7.6	13.2
Bosch	(0.5)	26.0	104.1

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**Exhibit 1: Quarterly financial performance (Standalone)**

Y/E Dec (₹ cr)	3QCY12	3QCY11	% chg (yoy)	2QCY12	% chg (qoq)	9MCY12	9MCY11	% chg (yoy)
<b>Net Sales</b>	<b>2,052</b>	<b>1,991</b>	<b>3.0</b>	<b>2,174</b>	<b>(5.6)</b>	<b>6,521</b>	<b>6,137</b>	<b>6.3</b>
Consumption of RM	714	686	4.2	743	(3.8)	2,185	1,995	9.5
(% of sales)	34.8	34.4		34.2		33.5	32.5	
Staff costs	247	224	10.5	248	(0.1)	744	675	10.2
(% of sales)	12.0	11.2		11.4		11.4	11.0	
Purchases of TG	459	385	19.1	495	(7.3)	1,480	1,397	6.0
(% of sales)	22.4	19.4		22.8		22.7	22.8	
Other Expenses	358	312	14.6	359	(0.4)	1,032	912	13.1
(% of sales)	17.4	15.7		16.5		15.8	14.9	
<b>Total Expenditure</b>	<b>1,778</b>	<b>1,607</b>	<b>10.7</b>	<b>1,845</b>	<b>(3.6)</b>	<b>5,441</b>	<b>4,979</b>	<b>9.3</b>
<b>Operating Profit</b>	<b>273</b>	<b>385</b>	<b>(29.0)</b>	<b>329</b>	<b>(17.0)</b>	<b>1,080</b>	<b>1,158</b>	<b>(6.7)</b>
OPM (%)	13.3	19.3		15.1	(12.0)	16.6	18.9	
Interest	-	-	-	-	40.0	-	(46)	-
Depreciation	98	64	52.5	76	28.4	238	161	47.5
Other Income	104	85	21.6	89	16.4	259	169	53.7
<b>PBT (excl. Extr. Items)</b>	<b>279</b>	<b>406</b>	<b>(31.2)</b>	<b>342</b>	<b>(18.4)</b>	<b>1,101</b>	<b>1,211</b>	<b>(9.1)</b>
Extr. Income/(Expense)	-	-	-	-	-	-	-	-
<b>PBT (incl. Extr. Items)</b>	<b>279</b>	<b>406</b>	<b>(31.2)</b>	<b>342</b>	<b>(18.4)</b>	<b>1,101</b>	<b>1,211</b>	<b>(9.1)</b>
(% of Sales)	13.6	20.4		15.7		16.9	19.7	
Provision for Taxation	76	118	(35.2)	94	(19.3)	315	370	(14.8)
(% of PBT)	27.3	29.0		27.6		28.6	30.5	
<b>Reported PAT</b>	<b>203</b>	<b>288</b>	<b>(29.6)</b>	<b>247</b>	<b>(18.0)</b>	<b>786</b>	<b>841</b>	<b>(6.6)</b>
<b>Adj PAT</b>	<b>203</b>	<b>288</b>	<b>(29.6)</b>	<b>247</b>	<b>(18.0)</b>	<b>786</b>	<b>841</b>	<b>(6.6)</b>
Adj. PATM	9.9	14.5		11.4		12.1	13.7	
Equity capital (cr)	31.4	31.4		31.4		31.4	31.4	
<b>Reported EPS (₹)</b>	<b>64.6</b>	<b>91.8</b>	<b>(29.6)</b>	<b>78.8</b>	<b>(18.0)</b>	<b>250.4</b>	<b>268.0</b>	<b>(6.6)</b>
<b>Adjusted EPS (₹)</b>	<b>64.6</b>	<b>91.8</b>	<b>(29.6)</b>	<b>78.8</b>	<b>(18.0)</b>	<b>250.4</b>	<b>268.0</b>	<b>(6.6)</b>

Source: Company, Angel Research

**Exhibit 2: 3QCY2012 – Actual vs Angel estimates**

Y/E Dec (₹ cr)	Actual	Estimates	Variation (%)
<b>Net sales</b>	<b>2,052</b>	<b>2,097</b>	<b>(2.2)</b>
EBITDA	273	351	(22.1)
EBITDA margin (%)	13.3	16.7	(341)bp
<b>Adj. PAT</b>	<b>203</b>	<b>222</b>	<b>(8.8)</b>

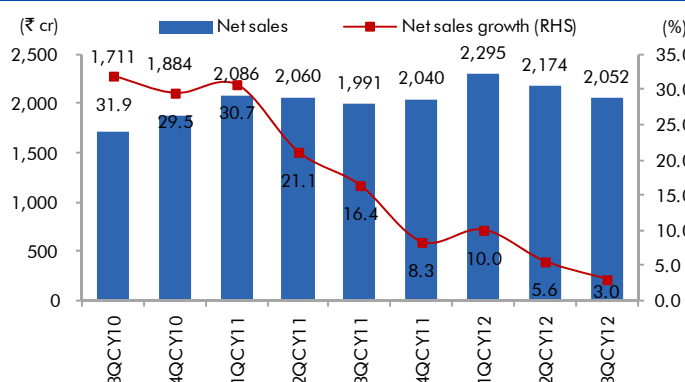
Source: Company, Angel Research

**Top-line up by a modest 3% yoy:** For 3QCY2012 BOS posted a sluggish growth of 3% yoy (down 5.6% qoq) in its top-line to ₹2,052cr, broadly in-line with estimates, on account of weakness in the MHCV and tractor sales. The automotive segment (~90% of top-line) posted a subdued growth of 1.6% yoy (down 5.7% qoq) due to marginal decline in diesel system sales and 17.6% yoy decline in exports revenue. The non-auto segment too registered a moderate growth of 7.6% yoy (down 7.3% qoq) during the quarter.

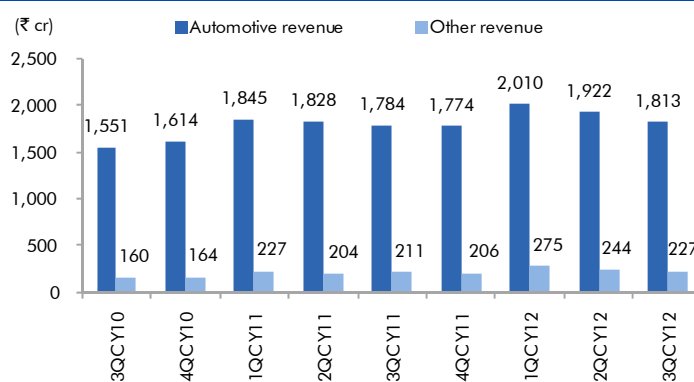
**Exhibit 3: Segmental performance**

Y/E Dec (₹ cr)	3QCY12	3QCY11	% chg (yoy)	2QCY12	% chg (qoq)	9MCY12	9MCY11	% chg (yoy)
<b>Revenue</b>								
Automotive	1,813	1,784	1.6	1,922	(5.7)	5,745	5,457	5.3
Others	227	211	7.6	244	(7.3)	746	641	16.4
<b>Total</b>	<b>2,039</b>	<b>1,995</b>	<b>2.2</b>	<b>2,166</b>	<b>(5.9)</b>	<b>6,491</b>	<b>6,098</b>	<b>6.4</b>
Less: Inter-segment revenue	9	25		9	(2.9)	36	43	
<b>Net sales</b>	<b>2,030</b>	<b>1,969</b>	<b>3.1</b>	<b>2,157</b>	<b>(5.9)</b>	<b>6,455</b>	<b>6,056</b>	<b>6.6</b>
<b>EBIT</b>								
Automotive	208	319	(34.8)	276	(24.5)	907	1,004	(9.6)
Others	15	25	(39.4)	8	92.4	50	67	(24.8)
<b>Total EBIT</b>	<b>224</b>	<b>344</b>	<b>(35.1)</b>	<b>284</b>	<b>(21.2)</b>	<b>957</b>	<b>1,070</b>	<b>(10.6)</b>
Add: Net interest income	0	45	(99.8)	0	40.0	0	92	(99.9)
Less: unallocable exp.	(56)	(16)	250.9	(58)	(4.7)	(144)	(49)	192.3
<b>Total PBT</b>	<b>279</b>	<b>406</b>	<b>(31.2)</b>	<b>342</b>	<b>(18.4)</b>	<b>1,101</b>	<b>1,211</b>	<b>(9.1)</b>
<b>EBIT Margin (%)</b>								
Automotive	11.5	17.9	(641)bp	14.3	(286)bp	15.8	18.4	(260)bp
Others	6.7	12.0	(522)bp	3.2	349bp	6.7	10.4	(369)bp
<b>Total</b>	<b>11.0</b>	<b>17.3</b>		<b>13.1</b>		<b>14.7</b>	<b>17.6</b>	

Source: Company, Angel Research

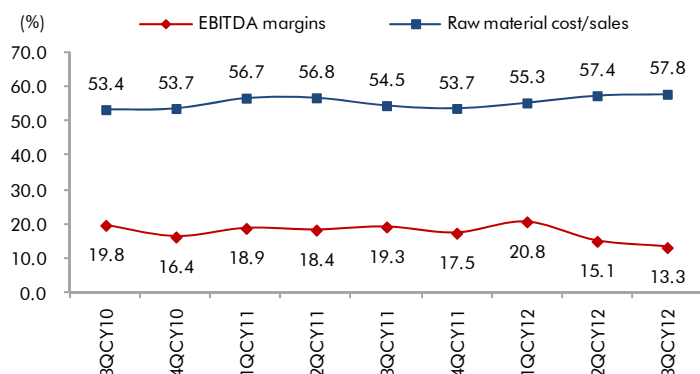
**Exhibit 4: Sluggish growth in top-line**


Source: Company, Angel Research

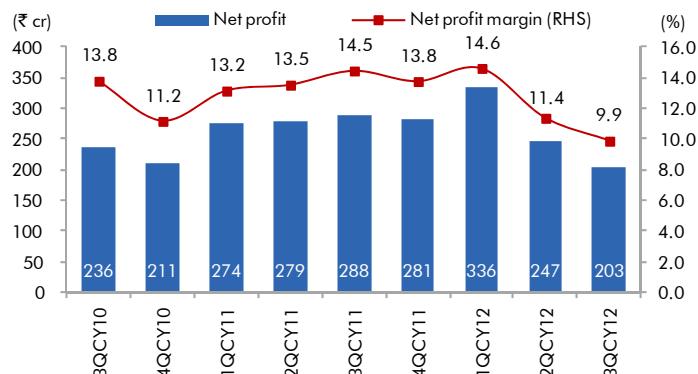
**Exhibit 5: Segment-wise revenue trend**


Source: Company, Angel Research

**EBITDA margin deteriorates further to 13.3%:** BOS's EBITDA margin declined 182bp sequentially to 13.3% primarily due to decline in the top-line and lower operating leverage benefits. As a result employee and other expenditure as a percentage of sales increased by 60bp and 90bp respectively (though constant in absolute terms). On a yoy basis, margins contracted steeply by 600bp due to INR depreciation which resulted in a 342bp increase in raw-material cost as a percentage of sales. Further, other expenditure too witnessed a 170bp yoy expansion during the quarter. Thus, the operating profit declined sharply by 29% yoy (17% qoq) to ₹273cr.

**Exhibit 6: EBITDA margin deteriorates further ...**


Source: Company, Angel Research

**Exhibit 7: ... leading to a 29.6% fall in net profit**


Source: Company, Angel Research

**Weak operating performance impacts bottom-line:** Led by weak operating performance, the net profit for the quarter stood at ₹203cr, down 29.6% yoy and 18% qoq. Further, the negative impact of higher depreciation expense (up 52.5% yoy) was mitigated by higher other income (21.6% yoy) and a lower tax rate.

### Conference call – Key highlights

- The management expects gradual recovery in MHCV sales from 4QFY2013 led by base effect. However, decline in interest rates and pick-up in economic activity may lead to a sharp revival in growth.
- According to the management, tractor sales are likely to decline by 6-7% in FY2013.
- Other operating income during the quarter was lower due to lower exports and lower export incentives.
- The management indicated that the current capacity utilization stands around 70-75% and has been affected by slowing demand and expanding capacity.
- The management mentioned that post the plant shutdowns in 3QCY2012, inventory levels are under control.
- The company intends to incur capital expenditure of ₹500cr in CY2012 unless slowdown in demand persists even on the low base going forward.
- The contribution of the diesel systems segment to sales is ~60%, automotive after-market contributes ~20%, automotive electrical constitutes ~10% and power tools/ starters and generators and gasoline contribute ~10%.

## Investment arguments

- Technology-intensive industry supplemented by high bargaining power:** We estimate BOS to post an 11-12% CAGR in its top-line and bottom-line over CY2011-13E. The company enjoys high margins in the auto component segment due to high entry barriers and its dominant position in the market. Nonetheless, due to a decline in utilization levels (~70-75% across plants) and INR depreciation, we expect margins to remain under pressure in 2HCY2012. However, localization initiatives will benefit margins in the long run.
- Dependent on favorable CV cycle for growth:** BOS' prospects are largely derived from demand arising in the CV and tractor segments, which are estimated to post a CAGR of 8-10% over the next couple of years. Further, greater visibility on newer growth opportunities is emerging for the company, following its investments in new and innovative technologies such as CRS and gasoline systems. We believe the company will continue to enjoy premium valuations, owing to strong parental focus and increasing long-term growth opportunities in the Indian market, facilitated by changes in emission norms. Moreover, BOS has been a consistent performer with strong cash flows in the Indian auto component industry.

## Outlook and valuation

We revise our earnings estimates downwards (by 4.7%/4.2% in CY2012E/13E) to factor in the slowdown in the automotive sector and weak exports demand coupled with margin pressure due to unfavorable currency movement.

### Exhibit 8: Change in estimates

Y/E December	Earlier Estimates		Revised Estimates		% chg	
	CY2012E	CY2013E	CY2012E	CY2013E	CY2012E	CY2013E
<b>Total income (₹ cr)</b>	<b>8,776</b>	<b>10,276</b>	<b>8,776</b>	<b>10,276</b>	<b>0.0</b>	<b>0.0</b>
OPM (%)	17.2	18.4	16.6	18.0	(60)bp	(35)bp
<b>EPS (₹)</b>	<b>1,094</b>	<b>1,368</b>	<b>1,042</b>	<b>1,312</b>	<b>(4.7)</b>	<b>(4.2)</b>

Source: Company, Angel Research

While we are positive on the long term prospects of BOS due to its technological leadership and strong and diversified product portfolio; we expect the near-term environment to remain challenging for the company given the slowdown in the CV and tractor industry. We expect BOS to register an 11-12% CAGR each in its net sales and net profit over CY2011-13E. As a result, we estimate BOS to post an EPS of ₹331.9 and ₹417.7 for CY2012E and CY2013E respectively. At ₹8,859, BOS is trading at fair valuations of 21.2x CY2013E earnings. **Thus, we maintain our Neutral rating on the stock.**

**Exhibit 9: Key assumptions**

Volumes (mn units)	CY08	CY09	CY10	CY11	CY12E	CY13E
Fuel injection pumps	2.9	2.7	3.7	4.4	4.3	4.9
Nozzles	16.2	16.3	21.5	23.0	23.3	27.0
Auto electrical	1.5	1.4	1.5	2.0	2.4	2.6

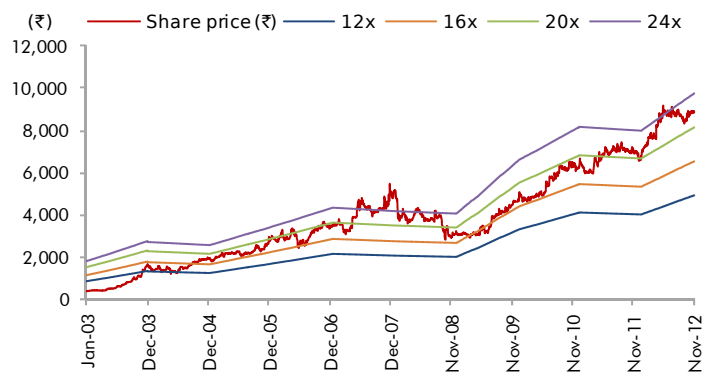
Source: Company, Angel Research

**Exhibit 10: Angel vs consensus forecast**

	Angel estimates		Consensus		Variation (%)	
	CY12E	CY13E	CY12E	CY13E	CY12E	CY13E
Total op. income (₹ cr)	8,776	10,276	8,699	10,132	0.9	1.4
EPS (₹)	331.9	417.7	338.0	418.7	(1.8)	(0.2)

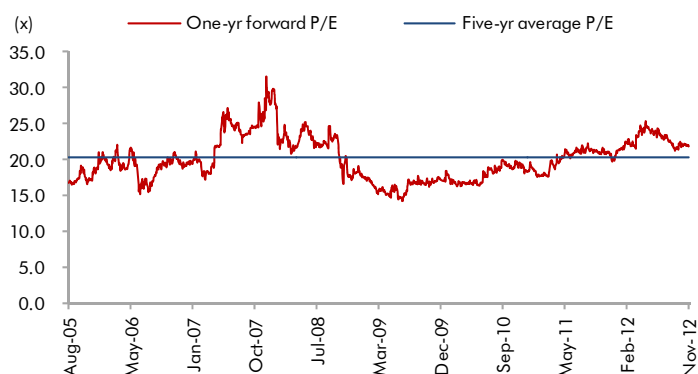
Source: Company, Angel Research

**Exhibit 11: One-year forward P/E band**



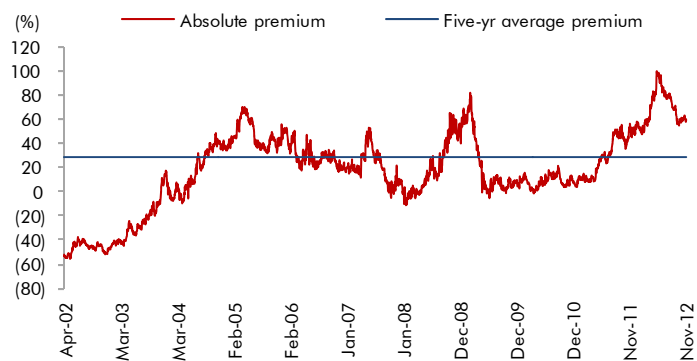
Source: Company, Angel Research

**Exhibit 12: One-year forward P/E chart**



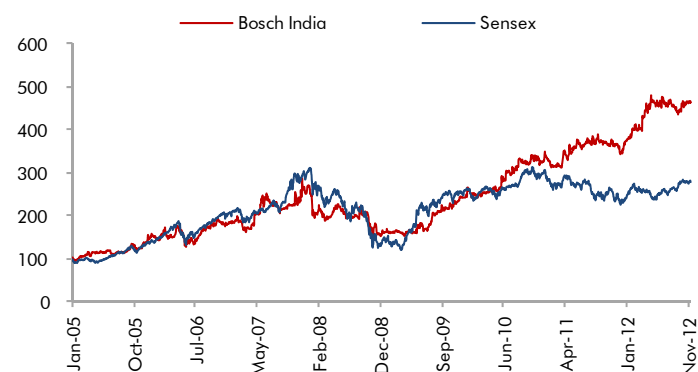
Source: Company, Angel Research

**Exhibit 13: Premium/Discount to Sensex**



Source: Company, Angel Research

**Exhibit 14: Bosch vs. Sensex**



Source: Company, Angel Research

**Exhibit 15: Auto Ancillary – Recommendation summary**

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	P/E (x)		EV/EBITDA (x)		RoE (%)		FY12-14E EPS CAGR (%)	
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
Amara Raja Batteries	Accumulate	258	270	5.0	14.9	13.0	8.9	7.6	31.1	27.6		25.5
Automotive Axle <sup>^</sup>	Accumulate	375	430	14.7	10.1	8.7	5.3	4.2	21.2	21.2		6.2
Bharat Forge*	Buy	262	324	23.8	14.0	11.3	6.8	5.7	18.5	19.7		14.6
<b>Bosch India*</b>	<b>Neutral</b>	<b>8,859</b>	<b>-</b>	<b>-</b>	<b>26.7</b>	<b>21.2</b>	<b>17.0</b>	<b>13.0</b>	<b>18.7</b>	<b>19.5</b>		<b>10.9</b>
Exide Industries	Accumulate	138	155	12.4	19.3	15.4	10.6	8.3	18.5	19.9		28.4
FAG Bearings <sup>#</sup>	Neutral	1,751	-	-	17.0	13.8	10.4	8.0	21.3	21.6		9.5
Motherson Sumi*	Neutral	162	-	-	20.1	15.3	8.1	6.6	22.9	24.7		56.2
Subros	Accumulate	31	35	12.9	8.3	5.3	4.8	4.3	8.2	12.2		7.7

Source: Company, Angel Research; Note: \* Consolidated results; # December year end; ^ September year end

### Company background

Bosch, promoted by Robert Bosch GmbH, is the largest auto ancillary company in India and a dominant player in the fuel injection segment with ~75% market share. The company has a diverse product portfolio of diesel and gasoline fuel injection systems, automotive aftermarket products, auto electricals, special purpose machines, packaging machines, electric power tools and security systems. The automotive segment contributes 90% to BOS' total revenue. The company also has one of the largest distribution networks of spare parts in the country, with after-market component sales accounting for ~20% of revenue. BOS has five manufacturing facilities located at Bangalore, Nasik, Naganathpura, Jaipur and Goa.

**Profit and loss statement (Standalone)**

Y/E Dec (₹ cr)	CY08	CY09	CY10	CY11	CY12E	CY13E
<b>Total operating income</b>	<b>4,745</b>	<b>4,996</b>	<b>6,882</b>	<b>8,141</b>	<b>8,776</b>	<b>10,276</b>
% chg	6.1	5.3	37.8	18.3	7.8	17.1
<b>Total expenditure</b>	<b>3,888</b>	<b>4,183</b>	<b>5,629</b>	<b>6,647</b>	<b>7,319</b>	<b>8,423</b>
Net raw material costs	2,416	2,551	3,598	4,444	4,871	5,608
Other mfg costs	377	360	432	467	526	606
Employee expenses	530	609	796	888	983	1,152
Other	566	663	803	848	940	1,056
<b>EBITDA</b>	<b>857</b>	<b>813</b>	<b>1,253</b>	<b>1,494</b>	<b>1,457</b>	<b>1,854</b>
% chg	(7.1)	(5.1)	54.1	19.2	(2.4)	27.2
(% of total op. income)	18.1	16.3	18.2	18.3	16.6	18.0
Depreciation & amortization	302	304	254	258	340	379
<b>EBIT</b>	<b>554</b>	<b>510</b>	<b>999</b>	<b>1,236</b>	<b>1,117</b>	<b>1,475</b>
% chg	(17.0)	(8.0)	96.0	23.7	(9.6)	32.0
(% of total op. income)	12.0	10.6	15.0	15.5	13.0	14.6
Interest and other charges	9	1	4	0	1	1
Other income	311	285	207	338	351	386
<b>PBT (recurring)</b>	<b>857</b>	<b>793</b>	<b>1,203</b>	<b>1,574</b>	<b>1,468</b>	<b>1,860</b>
% chg	0.1	(7.4)	51.6	30.9	(6.7)	26.7
Extraordinary expense/ (income)	81	64	-	56	-	-
<b>PBT (reported)</b>	<b>776</b>	<b>729</b>	<b>1,202</b>	<b>1,518</b>	<b>1,468</b>	<b>1,860</b>
Tax	223	203	344	451	426	549
(% of PBT)	28.7	27.8	28.6	29.7	29.0	29.5
<b>PAT (reported)</b>	<b>634</b>	<b>591</b>	<b>859</b>	<b>1,123</b>	<b>1,042</b>	<b>1,312</b>
<b>ADJ. PAT</b>	<b>553</b>	<b>527</b>	<b>858</b>	<b>1,066</b>	<b>1,042</b>	<b>1,312</b>
% chg	(1.9)	(4.7)	63.0	24.2	(2.3)	25.8
(% of total op. income)	12.0	11.0	12.8	13.3	12.1	13.0
<b>Basic EPS (₹)</b>	<b>198.0</b>	<b>188.1</b>	<b>273.5</b>	<b>357.5</b>	<b>331.9</b>	<b>417.7</b>
<b>Adj. EPS (₹)</b>	<b>172.7</b>	<b>167.7</b>	<b>273.4</b>	<b>339.6</b>	<b>331.9</b>	<b>417.7</b>
% chg	(1.8)	(2.9)	63.0	24.2	(2.3)	25.8



**Balance sheet statement (Standalone)**

Y/E Dec (₹ cr)	CY08	CY09	CY10	CY11	CY12E	CY13E
<b>SOURCES OF FUNDS</b>						
Equity share capital	32	31	31	31	31	31
Reserves & surplus	3,063	3,354	4,067	4,697	5,552	6,681
<b>Shareholders' Funds</b>	<b>3,095</b>	<b>3,385</b>	<b>4,098</b>	<b>4,728</b>	<b>5,583</b>	<b>6,712</b>
Total loans	264	284	276	307	307	307
Deferred tax liability	(170)	(201)	(218)	(228)	(228)	(228)
<b>Total Liabilities</b>	<b>3,190</b>	<b>3,468</b>	<b>4,156</b>	<b>4,808</b>	<b>5,663</b>	<b>6,792</b>
<b>APPLICATION OF FUNDS</b>						
Gross block	2,722	2,865	3,017	3,424	4,041	4,504
Less: Acc. depreciation	2,120	2,358	2,588	2,810	3,150	3,529
<b>Net Block</b>	<b>602</b>	<b>507</b>	<b>430</b>	<b>614</b>	<b>891</b>	<b>975</b>
Capital work-in-progress	167	100	224	441	324	361
Goodwill	6	6	6	6	6	6
<b>Investments</b>	<b>867</b>	<b>1,418</b>	<b>1,607</b>	<b>1,606</b>	<b>1,892</b>	<b>2,269</b>
<b>Current assets</b>	<b>2,741</b>	<b>2,758</b>	<b>3,752</b>	<b>4,236</b>	<b>4,728</b>	<b>5,602</b>
Cash	1,071	1,068	1,326	951	1,391	1,695
Loans & advances	422	556	896	1,153	1,293	1,516
Other	1,248	1,135	1,530	2,132	2,045	2,390
Current liabilities	1,193	1,320	1,863	2,095	2,178	2,421
<b>Net current assets</b>	<b>1,548</b>	<b>1,438</b>	<b>1,889</b>	<b>2,141</b>	<b>2,550</b>	<b>3,180</b>
<b>Total Assets</b>	<b>3,190</b>	<b>3,468</b>	<b>4,156</b>	<b>4,808</b>	<b>5,663</b>	<b>6,792</b>

**Cash flow statement (Standalone)**

Y/E Dec (₹ cr)	CY08	CY09	CY10	CY11	CY12E	CY13E
Profit before tax	776	729	1,202	1,518	1,468	1,860
Depreciation	302	304	254	258	340	379
Change in working capital	(247)	130	(178)	(627)	26	(326)
Others	186	209	159	241	-	-
Other income	(311)	(285)	(207)	(338)	(351)	(386)
Direct taxes paid	(223)	(203)	(344)	(451)	(426)	(549)
<b>Cash Flow from Operations</b>	<b>483</b>	<b>885</b>	<b>886</b>	<b>601</b>	<b>1,057</b>	<b>979</b>
(Inc./Dec. in fixed assets	(391)	(75)	(277)	(623)	(500)	(500)
(Inc./Dec. in investments	197	(551)	(190)	1	(286)	(377)
Other income	311	285	207	338	351	386
<b>Cash Flow from Investing</b>	<b>117</b>	<b>(341)</b>	<b>(260)</b>	<b>(284)</b>	<b>(435)</b>	<b>(491)</b>
Issue of equity	-	(1)	-	-	-	-
Inc./Dec. in loans	50	20	(8)	31	-	-
Dividend paid (Incl. Tax)	24	94	110	493	183	183
Others	(289)	(659)	(471)	(1,215)	-	-
<b>Cash Flow from Financing</b>	<b>(215)</b>	<b>(546)</b>	<b>(368)</b>	<b>(692)</b>	<b>(183)</b>	<b>(183)</b>
Inc./Dec. in cash	385	(3)	258	(374)	439	305
<b>Opening Cash balances</b>	<b>686</b>	<b>1,071</b>	<b>1,068</b>	<b>1,326</b>	<b>951</b>	<b>1,391</b>
<b>Closing Cash balances</b>	<b>1,071</b>	<b>1,068</b>	<b>1,326</b>	<b>951</b>	<b>1,391</b>	<b>1,695</b>

**Key ratios**

Y/E Dec	CY08	CY09	CY10	CY11	CY12E	CY13E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	51.3	52.8	32.4	26.1	26.7	21.2
P/CEPS	33.2	33.5	25.0	21.0	20.1	16.5
P/BV	9.2	8.2	6.8	5.9	5.0	4.1
Dividend yield (%)	0.3	0.3	0.5	1.5	0.6	0.6
EV/Sales	5.1	5.0	3.5	3.0	2.7	2.2
EV/EBITDA	36.7	40.9	23.9	17.1	17.0	13.0
EV / Total Assets	8.2	7.4	6.1	5.3	4.4	3.6
<b>Per Share Data (₹)</b>						
EPS (Basic)	172.7	167.7	273.4	339.6	331.9	417.7
EPS (fully diluted)	172.7	167.7	273.4	339.6	331.9	417.7
Cash EPS	267.1	264.4	354.3	421.7	440.2	538.3
DPS	25.0	30.0	40.0	135.0	50.0	50.0
Book Value	967	1,078	1,305	1,506	1,778	2,138
<b>Dupont Analysis</b>						
EBIT margin	12.0	10.6	15.0	15.5	13.0	14.6
Tax retention ratio	0.7	0.7	0.7	0.7	0.7	0.7
Asset turnover (x)	2.3	2.2	2.6	2.4	2.2	2.2
ROIC (Post-tax)	19.8	16.9	28.1	26.4	19.9	22.6
Cost of Debt (Post Tax)	2.4	0.3	1.0	0.1	0.1	0.1
Leverage (x)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)
Operating ROE	10.1	7.0	10.5	11.8	9.9	10.5
<b>Returns (%)</b>						
ROCE (Pre-tax)	18.9	15.3	26.2	27.6	21.3	23.7
Angel ROIC (Pre-tax)	19.4	13.5	28.2	28.3	22.5	25.6
ROE	17.9	15.6	20.9	22.6	18.7	19.5
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	1.9	1.8	2.3	2.5	2.4	2.4
Inventory / Sales (days)	41	42	37	45	48	48
Receivables (days)	51	49	36	38	38	38
Payables (days)	59	61	60	65	68	67
WC cycle (ex-cash) (days)	29	31	25	39	49	47
<b>Solvency ratios (x)</b>						
Net debt to equity	(0.5)	(0.7)	(0.6)	(0.5)	(0.5)	(0.5)
Net debt to EBITDA	(2.0)	(2.7)	(2.1)	(1.5)	(2.0)	(2.0)
Interest Coverage (EBIT / Int.)	63.5	428.4	254.3	2,874.6	2,234.7	2,919.0

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	Bosch
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

### Ratings (Returns):

Buy (&gt; 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (&lt; -15%)

Neutral (-5 to 5%)