
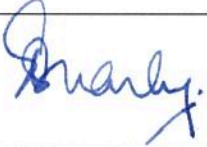




**FORM A**

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	BOSCH LIMITED
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
To be signed by		
5.	Dr. Steffen Berns (Managing Director/CEO)	
	Soumitra Bhattacharya (Joint Managing Director/ CFO)	
	Price Waterhouse & Co Bangalore LLP  (formerly Price Waterhouse & Co., Bangalore)  (Auditor of the Company)	Firm Registration Number: 007567S/S-200012 Chartered Accountants    Subramanian Vivek Partner Membership Number: 100332 Place: Bengaluru Date: 29.05.2015
	Renu S Karnad (Audit committee chairperson)	

Place : Bengaluru

Date : 29.05.2015

# Bosch Limited

Registered Office: Hosur Road, Adugodi, Bengaluru - 560 030  
Tel: +91 80 4176 8626; 2299 2315 Fax +91 80 2299 2181, website: www.boschindia.com;  
E-mail: investor@in.bosch.com; CIN: L85110KA1951PLC000761

NOTICE is hereby given that the SIXTY THIRD Annual General Meeting of Bosch Limited (the "Company") will be held at 10.30 a.m. on Friday, August 28, 2015 at Trinity Hall, 'Vivanta By Taj', 41/3, Mahatma Gandhi Road, Bengaluru - 560001, to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the fifteen months period from January 01, 2014 to March 31, 2015, namely, (i) the Balance Sheet as at March 31, 2015; (ii) the Statement of Profit & Loss for the fifteen months period from January 01, 2014 to March 31, 2015; (iii) the Cash Flow Statement for the fifteen months period from January 01, 2014 to March 31, 2015; (iv) Notes annexed to, and forming part of documents referred to in (i) to (iii) above and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the fifteen months period from January 01, 2014 to March 31, 2015.
3. To appoint a Director in place of Dr. Steffen Berns (DIN: 06449396), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), Price Waterhouse & Co Bangalore LLP, Chartered Accountants, (Registration No. 007567S/S-200012) be and are hereby appointed as Auditors of the Company for a period of two years from the conclusion of this Annual General Meeting till the conclusion of the 65<sup>th</sup> Annual General Meeting (subject to ratification of appointment by the shareholders at subsequent Annual General Meeting) on such remuneration as may be decided by the Board of Directors."

## SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT subject to the provisions of Sections 2(94), 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Schedule V to the Act and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for appointment of Dr. Andreas Wolf (DIN: 07088505) as a Whole-time Director of the Company (consequent to his appointment as an Alternate Director) for a period of four years commencing from March 01, 2015 to February 28, 2019 on the terms and conditions including remuneration set out in the Agreement dated March 04, 2015, entered into between the Company and Dr. Andreas Wolf with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Dr. Andreas Wolf provided that the remuneration payable to Dr. Andreas Wolf shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013.  
RESOLVED FURTHER THAT in the event of Dr. Andreas Wolf ceasing to be an Alternate Director at any time, during the aforesaid period of service and is appointed as a Director of the Company, whether as an Alternate or otherwise, Dr. Andreas Wolf shall continue as a Whole-time Director of the Company on aforesaid terms and conditions upon such re-appointment except that during the period that he ceases to be a Director of the Company, he shall continue as an employee of the Company on the same terms and conditions as aforesaid.  
RESOLVED FURTHER THAT the Board of Directors and Company Secretary, be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."
6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the Act (including any statutory modification or re-enactment thereof, for the time being in force) and in partial modification of the resolution passed at the Annual General Meeting held on June 05, 2013, approval of the Company be and is hereby accorded for the revision in remuneration and perquisites/benefits of Mr. Soumitra Bhattacharya, Joint Managing Director of the Company (DIN: 02783243) from November 01, 2014 for the unexpired period of his term as under:

Sl. No.	Particulars	
1.	Annual Base Salary:	₹9,454,500 p.a. (gross) with effect from November 01, 2014 and with effect from January 01, 2015; ₹11,042,400 p.a. (gross) in the range of ₹7,000,000 to ₹14,000,000 p.a. (gross) increments / revision being at the discretion of the Board.
2.	Cash Perk Basket:	₹3,364,000 p.a. (gross) in the range of ₹3,000,000 to ₹6,000,000 p.a. (gross) comprising of Medical Cost, Security, Housing, Leave Travel Allowance and Supplementary Allowance as per the Company's policies subject to the provisions of Income Tax Act/Rules; increments / revision being at the discretion of the Board.
3.	Benefits/Facilities	
(i)	Hospitalization	
a)	Hospitalization Insurance:	₹1,500,000 p.a. for Mr. Bhattacharya and family.
b)	Post retirement hospitalization:	₹1,000,000 p.a. for Mr. Bhattacharya and family. Family includes wife and children upto the age of 23 years.
(ii)	Life Insurance	
a)	Group Term Life Insurance:	Compensation for death due to natural causes under group term life insurance will be 60 months' base salary.
b)	Group Personal Accident Insurance:	Compensation for death/permanent total disablement under group personal accident insurance 100 months' base salary.
4.	Mr. Soumitra Bhattacharya shall also be entitled to any other benefits or privileges as may be available to other Senior Management/Executives of the Company from time to time.	

RESOLVED FURTHER THAT save as aforesaid, all other terms and conditions of appointment of Mr. Soumitra Bhattacharya, as approved by the shareholders at the Annual General Meeting held on June 05, 2013, shall remain unchanged."

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), remuneration of ₹500,000/- (exclusive of applicable taxes and reimbursement of out of pocket expenses) payable to Messrs Rao, Murthy & Associates, Cost Accountants (Regn. No.000065), for conducting audit of the Cost Records of the Company for the Financial Year 2015-16, as approved by the Board of Directors, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby authorized to do such acts, deeds, things and matters as may be required to give effect to this resolution."

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149(9), 197 and other applicable provisions, if any of the Companies Act, 2013 (the "Act") and the rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), a profit related commission of a sum not exceeding in aggregate one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be paid to and distributed amongst any or all of the directors of the Company, other than the Managing Director / Joint Managing Director / Whole-time Director(s) of the Company, but including the independent directors of the Company, in such amounts or proportions and in such manner and in all respects as may be decided and determined by the Board of Directors of the Company, and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from April 01, 2015, provided however that the aggregate commission paid to all Non-Executive Directors of the Company (including independent directors) shall not exceed ₹20,000,000/- (Rupees Two crore only) for or in respect of a financial year."

9. To consider and if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Clause 49 (VII) of the Listing Agreement (including any statutory modifications or re-enactments thereof, for the time being in force), consent of the Company be and is hereby accorded for entering into contracts, arrangements or transactions in the ordinary course of business with Robert Bosch GmbH, Germany ("RB GmbH"), holding company, a related party within the meaning of Clause 49 (VII) read with section 2(76) of Companies Act, 2013, which includes purchase, sale, transfer and receipt of goods, assets, materials, components, services, resources or obligations, on such terms and conditions as may be mutually agreed between the Company and RB GmbH for an aggregate amount not exceeding ₹50,000 million in respect of a Financial Year.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters, things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution.”

By Order of the Board

S. Karthik  
Company Secretary  
Membership No.: A6768

Bengaluru  
May 29, 2015

**Notes:**

- (a) Statement setting out material facts pursuant to the provisions of Section 102 of the Companies Act, 2013 (the “Act”) in respect of Item Nos. 5 to 9 of the Notice is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of paid up share capital of the Company.
- (c) If a Proxy is appointed for more than fifty Members, he shall choose any fifty Members and confirm the same to the Company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.
- (d) The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days’ written notice is given to the Company.
- (e) In terms of the provisions of Section 152 of the Companies Act, 2013, Dr. Steffen Berns (DIN : 06449396) retires by rotation at forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Details required under clause 49 of the listing agreement is enclosed as an Annexure to the Notice.
- (f) The relevant documents referred in the Notice will be open for inspection by the members at the Registered Office of the Company during working days (except Saturdays, Sundays & Public Holidays) between 09.30 a.m. to 5.00 p.m.
- (g) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 22, 2015 to Friday, August 28, 2015 (both days inclusive).
- (h) Subject to Section 126 of the Act, dividend, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on August 21, 2015 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on August 21, 2015. The dividend warrants will be posted on or about September 01, 2015.

*Notes: (i) In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*

*(ii) Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agents.*

*(iii) With a view to prevent fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to furnish particulars of their bank account together with their 9 digit MICR code number for recording the same.*

- (i) Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended December 31, 2007 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer will be remitted to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Act. Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. As per the prevailing statutory provisions, the unpaid dividend once transferred to the said Fund cannot be claimed.
- (j) Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14 with the Company’s Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed/changed with the respective Depository Participant.
- (k) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

- (l) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- (m) Members/Proxies/Representatives are requested to bring the attendance slip, enclosed with the annual report / notice for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
- (n) In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- (o) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar and Transfer Agents(RTA).
- (p) Members who have not registered their e-mail address so far are requested to register their e-mail address with Depository Participant/Registrar and Transfer Agents for receiving all the communications including Annual Reports, Notices, etc. in electronic mode.
- (q) Rule 3 of Companies (Management and Administration) Rules, 2014 prescribes that Register of Members should now have additional details pertaining to e-mail, PAN / CIN, UID, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.
- (r) None of the Directors are related to each other nor they hold any shares in the Company.
- (s) In this Notice and Annexure thereto the term "Shareholders" and "Members" are used interchangeably.
- (t) The instructions for shareholders voting electronically are as under:

I	In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).	
II	The remote e-voting period commences on Monday, August 24, 2015 at 9.00 a.m. and ends on Thursday, August 27, 2015 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, August 21, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the member, the member shall not be allowed to recast or change it subsequently.	
III	The process and manner for remote e-voting are as under:	
	A.	In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
	(i)	Open email and open PDF file viz.; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
	(ii)	Launch internet browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>
	(iii)	Click on Shareholder - Login
	(iv)	Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
	(v)	Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
	(vi)	Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
	(vii)	Select "EVEN" of Bosch Limited
	(viii)	Now you are ready for remote e-voting as Cast Vote page opens.
	(ix)	Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
	(x)	Upon confirmation, the message "Vote cast successfully" will be displayed

	(xi)	Once you have voted on the resolution, you will not be allowed to modify your vote.						
	(xii)	Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to <a href="mailto:sree@sreedharancs.com">sree@sreedharancs.com</a> with a copy marked to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> .						
B.		In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requested physical copy] :						
	(i)	Initial password is provided as below/at the bottom of the Attendance Slip for the AGM: <table border="1" data-bbox="523 501 1398 607"> <thead> <tr> <th><b><u>EVEN (Remote e-voting Event Number)</u></b></th> <th><b><u>USER ID</u></b></th> <th><b><u>PASSWORD/PIN</u></b></th> </tr> </thead> <tbody> <tr> <td>102297</td> <td>XXXXXXXX</td> <td>XXXXXXXX</td> </tr> </tbody> </table>	<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>	<b><u>PASSWORD/PIN</u></b>	102297	XXXXXXXX	XXXXXXXX
<b><u>EVEN (Remote e-voting Event Number)</u></b>	<b><u>USER ID</u></b>	<b><u>PASSWORD/PIN</u></b>						
102297	XXXXXXXX	XXXXXXXX						
	(ii)	Please follow all steps from Sl. No.(ii) to Sl. No.(xii) above, to cast vote.						
IV		In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the “Downloads” section of <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or call on toll free no.: 1800-222-990. Alternatively, members may also contact the below mentioned officer of the Company for any grievance related to remote e-voting:-						
		Mr. Prakash V Deputy Manager – Secretarial Department Ph : (080) 2299 2315/ 2299 9652/ 6752 2310; e-mail: <a href="mailto:investor@in.bosch.com">investor@in.bosch.com</a>						
V		If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.						
VI		You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).						
VII		The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 21, 2015 and person who is not a member as on cut-off date and receives this notice shall treat the same for information purposes only.						
VIII		Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 21, 2015, may obtain the login ID and password by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or Issuer/RTA.  However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or contact NSDL at the following toll free no.: 1800-222-990.						
		A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.						
IX		A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.						
X		Mr. V. Sreedharan, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.						
XI		The Company has opted to provide at the AGM “electronic voting system” for all those members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.						
XII		After the conclusion of voting at the AGM, the Scrutinizers will submit a report after taking into account votes cast at the AGM and through remote e-voting in accordance with provisions of Rule 20 of Companies (Management and Administration) Rules, 2014, as amended.						
		The consolidated results in respect of voting along with the Scrutinizer’s Report will be sent to the Stock Exchanges and will also be hosted on website of the Company and NSDL.						

By Order of the Board

S. Karthik  
Company Secretary  
Membership No.: A6768

Bengaluru  
May 29, 2015

## ANNEXURE TO THE NOTICE

### (A) Details of Director seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement):

Dr. Steffen Berns, aged 52 years, is a Mechanical Engineer from Darmstadt Technical University, Germany and a Doctorate in Engineering from Technical University of Aachen, Germany. He served the Company as General Manager - R&D and OE Sales during 1996-1998. From 1998 to 1999, he held the position of President of Robert Bosch India Limited (Presently Robert Bosch Engineering and Business Solutions Private Limited). He then returned to parent company-Robert Bosch GmbH as Senior Vice-President, Diesel Systems division and subsequently Executive Vice President, Gasoline Systems Division. He joined the Company from September 01, 2012 and became the Managing Director of the Company with effect from January 01, 2013. Dr. Steffen Berns holds directorship in the following companies other than Bosch Limited:- (i) Robert Bosch Engineering and Business Solutions Private Limited, (ii) MICO Trading Private Limited, (iii) Robert Bosch (Bangladesh) Limited and (iv) Robert Bosch Lanka (Private) Limited. He is a National Council Member of Confederation of Indian Industry and Committee Member of Indo German Chamber of Commerce. Dr. Berns is a member of "Stakeholders' Relationship Committee", "Share Transfer Committee", "Corporate Social Responsibility Committee" and "Risk Management Committee" of the Company. He is also a member of the "Corporate Social Responsibility Committee" of Robert Bosch Engineering and Business Solutions Private Limited. He does not hold any shares in the Company.

During the fifteen months period from January 01, 2014 to March 31, 2015, 7 Board Meetings were held which were attended by Dr. Steffen Berns.

### (B) Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5 to 9 of the Notice

#### Item No. 5

The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on February 13, 2015 appointed Dr. Andreas Wolf, Executive Vice President (Manufacturing & Quality) as an Alternate Director to Mr. Peter Tyroller (DIN:06600928) with effect from March 01, 2015. Consequent to his appointment as an Alternate Director, Dr. Wolf has been placed in position of a Whole-time Director as per the provisions of Companies Act, 2013. The Board of Directors, therefore, at the same meeting approved the appointment of Dr. Wolf as Whole-time Director for a period of four years from March 01, 2015 to February 28, 2019, subject to the approval of Central Government and shareholders on terms and conditions as under:

1. a) Annual Base Salary ₹17,891,050 gross (comprising of an Euro component of Euro 135,237 payable at the exchange rate on the salary day and a rupee component of ₹7,149,448) in the range of ₹10,000,000 to ₹30,000,000 gross; revisions / increments being at the discretion of the Board.  
Dr. Wolf is eligible for onetime payment towards joining allowance of ₹3,012,943 gross.
- b) Variable Annual Bonus Annual bonus is fixed annually by the Board of Directors, taking into account the economic results and also Dr. Wolf's personal performance and target achievement. It can amount up to 160% of the Base Salary.
2. Deduction of Tax at Source Remuneration shall be subject to deduction of tax at source and other statutory deductions as applicable.
3. Minimum Managerial Remuneration (in case of absence or inadequacy of profits) Wherein in any financial year during the currency of the tenure of Dr. Wolf, the Company has no profits or the profits are inadequate, the Company will pay remuneration by way of salary, benefits and amenities to him as specified in the agreement dated March 04, 2015 between the Company and Dr. Wolf subject to the approval of the Central Government, if and to the extent necessary or in the alternative, pay remuneration by way of salary, perquisites and any other allowances within the ceiling limits prescribed under para 1 of section II of part II of Schedule V to the Companies Act, 2013 (including any statutory amendment thereof).
4. Benefits/facilities:
  - i. Housing:  
The Company will provide and maintain a house for Dr. Wolf and his family.
  - ii. Car and Driver:  
Two cars maintained and fueled by the Company with 2 drivers for the use of Dr. Wolf and his family.
  - iii. Gas, Electricity & Water charges for the house:  
These services will be borne/paid by Dr. Wolf.

iv. Telephone:

One cell phone, broadband/Internet and fax. These services will be provided by Company. Private calls and additional connections are to be paid by Dr. Wolf.

v. Club Membership:

Fees of 2 clubs excluding admission and life membership fees.

vi. Security and Gardener Maintenance at the house:

These services will be provided by the Company.

vii. Satellite TV:

Annual subscription to be up to a maximum of ₹6,500/-, plus one German channel (optional). These services will be provided by Company.

viii. Expenses while on joining the Company, while on deputation and when returning to home country/state after completion of employment:

Actual expenses incurred on travel and on packing, forwarding, loading, unloading as well as freight, insurance, local transportation and installation expenses in connection with the moving of personal effects of Dr. Wolf and family for joining duty in Bangalore will be paid by the Company.

Relocation expenses referred to above, in case Dr. Wolf joins another company within Bosch group, that company will bear these expenses. However, if Dr. Wolf resigns and joins another company outside the Bosch group, then the Company will not reimburse such relocation expenses.

5. Other Benefits:

Dr. Wolf would be entitled to any other benefits or privileges as may be available to other Senior Management/ Executives of the Company.

6. End of Contract:

The contract of employment may be terminated by either party upon notice of 12 months, to expire at the end of a calendar quarter. The notice of termination must be given in writing. The contract of employment shall terminate without the need to give notice at the end of the calendar quarter in which the Director attains 60th birthday, unless a written agreement has been reached on its prolongation at least six months before that date.

Since Dr. Wolf is not deemed to be a resident of India within the meaning of Clause (e) of Part I of Schedule V, approval of the Central Government has been sought for his appointment as a Whole-time Director on terms and conditions hereinabove. The approval of Central Government is awaited.

A copy of the Agreement dated March 04, 2015 referred to in the resolution at Item No.5 will be available for inspection by the Members at the Registered Office of the Company between 9.30 a.m. and 5.00 p.m. on any working day except Saturdays, Sundays and public holidays.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 5 of the Notice, for approval of Members.

Except Dr. Andreas Wolf, none of the Directors or Key Managerial Personnel, or their respective relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 5 of the Notice.

A brief profile of Dr. Andreas Wolf pursuant to Clause 49 of the Listing Agreement is given below:

Dr. Andreas Wolf, aged about 53 years, is a Mechanical Engineer and PhD holder from Technical University Dresten.

He has been associated with the Bosch group for over 24 years. During these 24 years of association, he has worked in several management positions mainly in Manufacturing, Quality, Safety, Project Management and Corporate functions as well. He has varied experience in the divisions CR (Corporate Research and Development), DS (Diesel Systems), GS (Gasoline Systems), ATMo (Special machinery) and DC (Drive and Control systems). Few of the key positions held by him during his tenure are enumerated below:-

1. Section Manager, Technical Branch in Homburg Plant;
2. Director, Department Manager Manufacturing Common Rail Injections, Diesels Systems Homburg Plant, Germany.
3. Vice President and Area Manager, PCV Diesels systems, Jihlava Plant, Czech Republic;
4. Senior Vice President and Technical Plant Manager, Bosch Bursa Plant, Turkey;



5. Senior Vice President and Technical Plant Manager, Feuerbach Plant, Germany.

Dr. Andreas Wolf holds directorship in the following companies other than Bosch Limited:- (i) Bosch Automotive Electronics India Private Limited and (ii) Bosch Chassis Systems India Limited. Dr. Andreas Wolf is not member of any Committee of the Board of the Company. Dr. Wolf is a member of "Nomination and Remuneration Committee" and "Corporate Social Responsibility Committee" of Bosch Chassis Systems India Limited and Bosch Automotive Electronics India Private Limited, respectively.

**Item No. 6**

Mr. Soumitra Bhattacharya was appointed as Joint Managing Director of the Company for a period of 4 years commencing from January 01, 2013 (01.01.13 to 31.12.17). The Board of Directors at their meeting held on February 13, 2015, on recommendation of Nomination and Remuneration Committee, revised the compensation structure of Mr. Bhattacharya as mentioned in the resolution commensurate with his responsibilities in line with remuneration policy for the senior management of the Company. Except as stated in the resolution, the other terms and conditions of his appointment as approved by the shareholders at the AGM held on June 05, 2013 remain unchanged.

Mr. Soumitra Bhattacharya, aged 54 years, is a Chartered Accountant from The Institute of Chartered Accountants of India. During his tenure with the Bosch Group he has served as Commercial Director of Robert Bosch Turkey and General Manager at the Feuerbach Plant. Before his appointment to the Board, he served the Company as Vice President responsible for commercial functions at Company's Nashik and Jaipur Plants and in charge of Corporate Planning & Controlling for the Company. He is also the Chief Financial Officer of the Company.

Mr. Bhattacharya holds directorship in the following companies other than Bosch Limited:- (i) Bosch Electrical Drives India Private Limited, (ii) MICO Trading Private Limited and (iii) Bosch Rexroth (India) Limited. He is an Executive Committee member of Automotive Component Manufacturers Association of India and Southern Council member of Confederation of Indian Industries. Mr. Bhattacharya is a member of "Corporate Social Responsibility Committee" and Chairman of "Risk Management Committee" of the Company and Chairman of "Nomination and Remuneration Committee" and "Stakeholders' Relationship Committee" of Bosch Rexroth (India) Limited.

A copy of the Supplementary Agreement dated March 04, 2015 setting out the revised remuneration, perquisites, facilities and other benefits to Mr. Bhattacharya will be available for inspection by the Members at the Registered Office of the Company between 9.30 a.m. and 5.00 p.m. on any working day except Saturdays, Sundays and Public Holidays.

Mr. Soumitra Bhattacharya has attended all the Board Meetings held during the period from January 01, 2014 to March 31, 2015, except one.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 6 of the Notice, for approval of Members.

Except Mr. Soumitra Bhattacharya, none of the Directors or Key Managerial Personnel, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 6 of the Notice.

**Item No. 7**

The Board of Directors at their meeting held on May 29, 2015, on recommendation of the Audit Committee, appointed Messrs Rao, Murthy & Associates, Cost Accountants as Cost Auditors of the Company to audit the cost records of the Company for the Financial Year 2015-16 at a remuneration of ₹500,000/- (Rupees Five Lakhs only) excluding applicable taxes and reimbursement of out of pocket expenses incurred in connection with Cost Audit.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 7 of the Notice, for approval of Members.

None of the Directors or Key Managerial Personnel, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 7 of the Notice.

**Item No. 8**

The Members at the Annual General Meeting of the Company held on June 03, 2010 passed a Special Resolution under erstwhile Section 309(4) of the Companies Act, 1956, approving the payment of Commission to Non Whole-time Directors of the Company, for a sum not exceeding ₹6,000,000 per annum for a period of five financial years commencing from January 01, 2010.

The Companies Act, 2013, the amendments to listing agreement and dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (NED) particularly the Independent Directors. This requires the Directors to play a more pro-active role along with greater involvement in Board's decision making process. Considering the above and with a view to align the remuneration payable to non-executive directors / independent directors with the industry standards, it is proposed to revise the overall commission payable to all non-executive / independent directors from ₹6,000,000 to ₹20,000,000 for a period of five financial years commencing from April 01, 2015.

In line with the prevailing practice, the Board has adopted a compensation structure for non-executive directors/ independent directors that is linked to the attendance at Board meetings, Membership/Chairmanship of Committee/s of the Board, overall responsibilities as a director and other relevant factors. Within the overall limit, Commission will be distributed amongst the Directors in accordance with the recommendation of Nomination and Remuneration Committee and directions given by the Board of Directors in respect of each financial year. The Commission will be in addition to fees payable to the Directors for attending the meetings of the Board or Committee thereof and reimbursement of expenses for participation in the Board and other meetings. The overall limit of ₹2 crore specified in the resolution is enabling in nature to facilitate future revisions by the Board.

Accordingly, it is proposed to seek fresh approval of the shareholders by way of a special resolution for payment of commission to non-executive directors for an aggregate amount not exceeding ₹2 crore for any one financial year, during the five financial years commencing from April 01, 2015.

The Board of Directors recommend the Special Resolution set out at Item No. 8 of the Notice, for approval of Members.

The Non-Executive Directors and the Independent Directors may be deemed to be concerned or interested in passing of the resolution at Item No.8. No Key Managerial Personnel or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 8 of the Notice.

#### Item No. 9

Your Company is the subsidiary of Robert Bosch GmbH, Germany ("RB GmbH") which has its presence across the globe. Being a part of a global group, your Company collaborates closely with the holding company to meet its business objectives. The Company has wide range of transactions involving purchase of raw materials, components, trade goods, assets and services, sale of products and services, royalty payments, transfer of technology and know-how and other incidental transactions in the normal course of its business with the holding company. This helps the Company to leverage on the advanced technologies available with the holding company and provide relevant products & solutions to the Indian market. For more details on the business relationship of the Company with its holding company, RB GmbH, shareholders may refer the corporate presentation available at [http://www.boschindia.com/media/in/documents/our\\_company\\_1/shareholder\\_information\\_1/2015/Investors\\_Conference\\_2015.pdf](http://www.boschindia.com/media/in/documents/our_company_1/shareholder_information_1/2015/Investors_Conference_2015.pdf).

The broad nature of transactions / arrangements with RB GmbH envisaged in the ordinary course of business of the Company is as under:

Sl. No.	Nature of transaction
1.	Purchase of goods (raw materials, trade goods, components, tools, spares, etc.)
2.	Purchase of assets
3.	Sale of goods (products, components, etc.)
4.	Services received (royalty, development charges, IT charges, etc.)
5.	Sale of services (development income, etc.)
6.	Miscellaneous income

The other relevant particulars of contracts / arrangements / transactions are as under:

Sl. No.	Particulars	Remarks
1.	Name of the related party	Robert Bosch GmbH, Germany
2.	Nature of relationship	Holding company under Section 2(46) of the Companies Act, 2013
3.	Monetary Value	Not exceeding ₹50,000 million in any financial year. The estimated aggregate value of the transactions is arrived after considering the trend of transactions for previous years, current forecast, future business projections and business exigencies.
4.	Are the transactions in ordinary course	Yes

5.	Are the transactions on an arm's length basis	Yes. The transactions would be entered on an arm's length basis in line with the Related Party Transaction Policy of the Company, transfer pricing guidelines and regulatory requirements.
6.	Whether the transactions have been approved by Audit Committee	Prior approval of the Audit Committee is taken for all related party transactions on a periodic basis as per the provisions of Clause 49 (VII) of the listing agreement.
7.	Any other relevant information	The transactions are in ordinary course of business aligned to the business plans of the Company. The Audit Committee will review the aforesaid transactions on a periodic basis.

The said transactions including obligations, if any, with RB GmbH may exceed 10% of the consolidated annual turnover of the Company and become material in nature within the meaning of Clause 49 (VII) of the listing agreement. Thus, these transactions require approval of shareholders by way of a special resolution.

None of the Directors or Key Managerial Personnel, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 9 of the Notice.

RB GmbH, being the holding company and a related party within the meaning of section 2(76) and clause 49 of the listing agreement, will abstain from voting in the resolution.

The Board commends the Special Resolution set out at Item No. 9 of the Notice, for approval of Members.

By Order of the Board

S. Karthik  
Company Secretary  
Membership No.: A6768

Bengaluru  
May 29, 2015

# Bosch Limited

PROXY FORM

(CIN: L85110KA1951PLC000761)

Regd office: Hosur Road, Adugodi, Bengaluru -560030

Tel: +91 80 4176 8626, 2299 2315 Fax: +91 80 2299 2181

website: [www.boschindia.com](http://www.boschindia.com)

e-mail: [investor@in.bosch.com](mailto:investor@in.bosch.com)

Name of the member(s) :
Registered address :
E-mail ID :
Folio No. / DP ID-Client ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

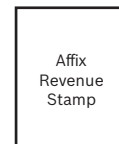
as my/our proxy to attend and vote (either on poll or through e-voting) for me/us and on my/our behalf at the 63<sup>rd</sup> Annual General Meeting of Company, to be held on the 28<sup>th</sup> day of August, 2015 At 10.30 a.m. at Trinity Hall, Vivanta By Taj, 41/3, Mahatma Gandhi Road, Bengaluru - 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	For	Against
<b>ORDINARY BUSINESS</b>			
1.	Adoption of Financial Statements for the fifteen months period from January 01, 2014 to March 31, 2015.		
2.	Declaration of a dividend for the fifteen months period from January 01, 2014 to March 31, 2015.		
3.	Re-appointment of Dr. Steffen Berns as a Director.		
4.	Appointment of Price Waterhouse & Co Bangalore LLP (Regn. No. 007567S/S-200012) Chartered Accountants, as Auditors and fix their remuneration.		
<b>SPECIAL BUSINESS</b>			
5.	Approve the appointment of Dr. Andreas Wolf as a Whole-time Director of the Company.		
6.	Revision in remuneration of Mr. Soumitra Bhattacharya, Joint Managing Director with effect from November 01, 2014.		
7.	Ratification of Remuneration payable to Cost Auditors.		
8.	Approval of payment of Commission to Non-Executive Directors/Independent Directors.		
9.	Approval of Related Party Transactions with Robert Bosch GmbH, Holding Company.		

Signed this ..... day of ..... 2015

Signature of shareholder

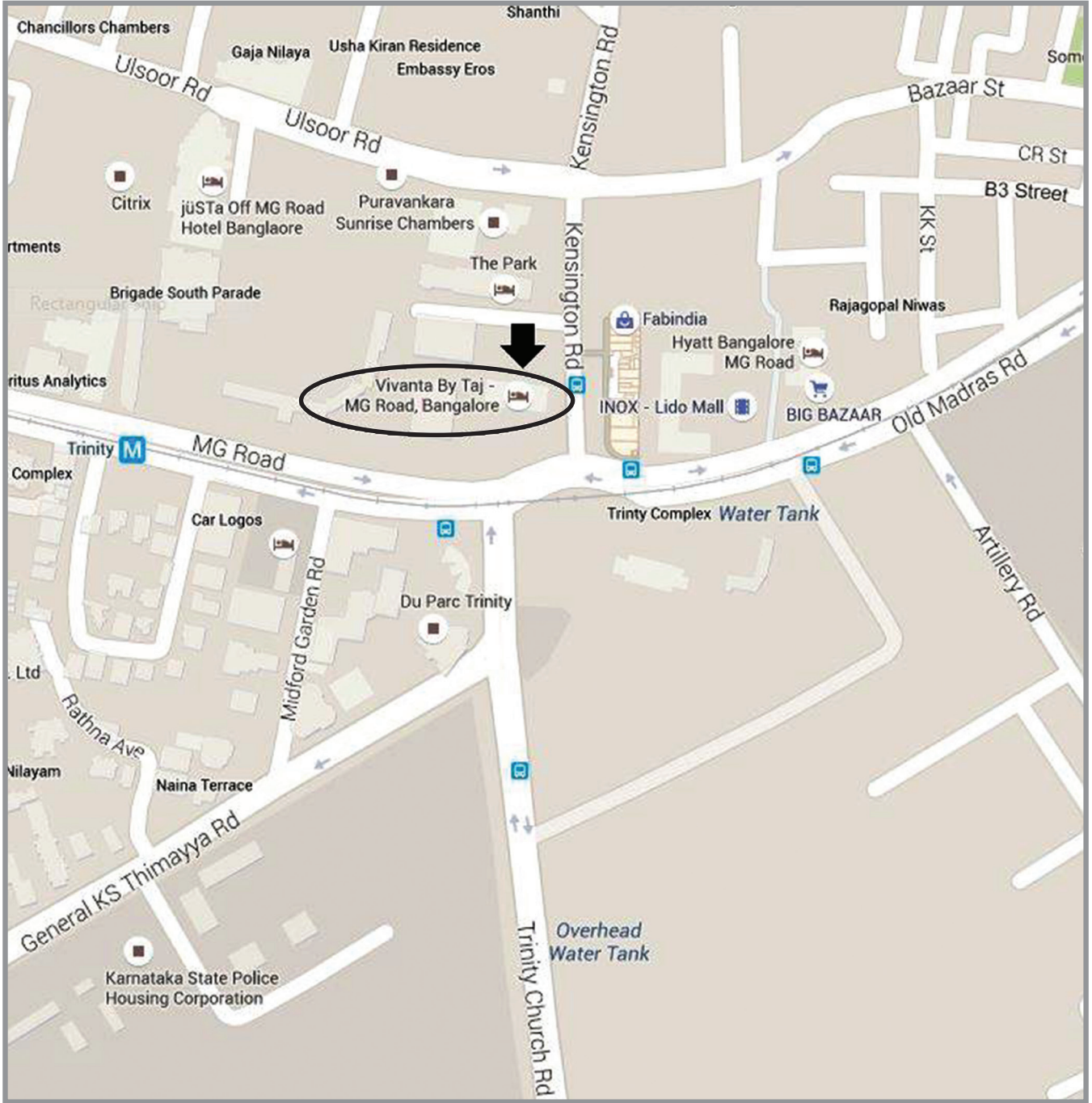
Signature of Proxy holder(s)



## Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 63<sup>rd</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including your membership details in above box before submission. Blank/Incomplete Proxies shall be considered invalid.

**Route Map for AGM Location**



# Ready for Tomorrow. Today.



**Bosch Limited**  
Annual Report 2014-15



**BOSCH**  
Invented for life

## **Cover Page**

At Bosch, we have always had a firm focus on the future – we strive to anticipate the challenges and opportunities the world of tomorrow brings.

“Ready for tomorrow. Today.” is the theme of this year’s Bosch Limited Annual Report. You will gain insight into how our unique organizational culture and agile systems and processes enable us to anticipate emerging market needs, enhance the skills and competencies of our employees, create groundbreaking technologies, build world-class facilities and secure our financial independence. These initiatives ensure that we are ready for the future and continue to deliver world-class technological products and solutions that will improve the quality of life for millions.

# We are Bosch

## Our **objective** – what we want to achieve

In the spirit of Robert Bosch, we aim to secure our company's future by ensuring its strong and meaningful development and preserving its financial independence.

## Our **motivation** – what drives us

Invented for life: we want our products to spark enthusiasm, improve quality of life, and help conserve natural resources.

## Our **strategic** focal points – what will help us succeed

### **Focusing on customers**

We understand our customers' requirements. We tailor our products to them, and we create innovative business models.

### **Shaping change**

We shape change and seize the opportunities it brings, especially in connectivity, electrification, energy efficiency, automation, and the emerging markets.

### **Striving for excellence**

We measure ourselves against the best. We are fast, agile, and accurate. We ensure high productivity, secure and

## Our **strengths** – what we do well

### **Bosch culture**

Worldwide, our distinctive corporate culture is a common bond. We live by our values and strive for continuous improvement. We are proud to work for Bosch.

### **Innovation**

Our creativity is the basis for new technological solutions that translate into best-selling products. We are innovation leaders.

### **Outstanding quality**

We deliver products that meet the highest standards of reliability. In this way, we exceed expectations.

## Our **values** – what we build on

### **Future and result focus**

Our actions are result-focused. This allows us to secure our future. It also creates a sound basis for the social initiatives of the company and the foundation.

### **Responsibility and sustainability**

We act responsibly in the interest of our company, also taking the social and ecological impact of our actions into consideration.

### **Initiative and determination**

We act on our own initiative, take entrepreneurial responsibility, and pursue our goals with determination.

### **Openness and respect**

We communicate openly. We value diversity. We communicate matters in a transparent way. This is the basis for a strong relationship with our customers.





our strongest competitors. Our work  
 ent processes, lean structures, and  
 rease the value of the company.

t offer the best quality and  
 e meet our customers' wishes

**Global presence**

We are an international company. While constantly  
 extending our global presence, we strengthen local  
 responsibility.

**Trust**  
 important company  
 y and open fashion.  
 oundation for a  
 on trust.

**Fairness**  
 We deal fairly with our colleagues  
 and business partners, and view  
 this fairness as a cornerstone of  
 our corporate success.

**Reliability, credibility, legality**  
 We promise only what we can deliver,  
 accept agreements as binding, and  
 respect and observe the law in all  
 our business transactions.

**Diversity**  
 We appreciate and encourage  
 diversity for the enrichment it  
 brings, and see it as essential  
 for our success.

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## About Bosch Group

Bosch Headquarters  
in Stuttgart, Germany.



The Bosch Group is a leading global supplier of technology and services. It employs roughly 360,000 associates worldwide (as per April 01, 2015). The company generated sales of 49 billion euros in 2014.\* Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in some 60 countries. Including its sales and service partners, Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. In 2014, Bosch applied for some 4,600 patents worldwide. The Bosch Group's strategic objective is to create solutions for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life."

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant up-front investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

\*The sales figure disclosed for 2014 does not include the former joint ventures BSH Bosch und Siemens Hausgeräte GmbH (now BSH Hausgeräte GmbH) and ZF Lenksysteme GmbH (now Robert Bosch Automotive Steering GmbH), which have since been taken over completely.

## About Bosch Limited



Bosch Limited  
Corporate Office in  
Bengaluru, India.

Bosch has been present in India for more than 90 years - first through a representative office in Calcutta since 1922, and from 1951 through its subsidiary Bosch Limited (then Motor Industries Company Limited).

Robert Bosch GmbH holds 71.18 percent stake in Bosch Limited. The Company is headquartered in Bengaluru. Its key manufacturing facilities are located at Bengaluru, Nashik, Naganathapura, Jaipur, Gangaikondan, Goa and Bidadi. With the exception of new plants at Gangaikondan and Bidadi (which are awaiting certification), these plants are TS 16949 and ISO 14004 certified. Bosch Limited has its presence across sectors such as mobility solutions, industrial technology, consumer goods, and building and energy technology. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, starter motors and generators, special purpose machines, packaging machines, electric power tools, security systems, and industrial and consumer energy products and solutions. It earned turnover of ₹11,741 crores for the fifteen months period ended March 31, 2015.

The company has developed excellent R&D and a strong customer base. Its market leadership is testimony to the high quality and technology of its products. It also has a strong presence in the Indian

automotive services sector. It also has a strong presence in the Indian automotive services sector, with networks spanning across 1,200 towns and cities with around 3,400 service outlets which ensures widespread availability of both products and services. Apart from this, we have a strong automotive training network that spans over 10 cities thereby covering Parts, Bytes, Services and training under one roof.

Bosch is also represented by five other group companies in India: Robert Bosch Engineering and Business Solutions Pvt. Ltd., a 100 percent subsidiary of Robert Bosch GmbH, Bosch Rexroth India Ltd. (by acquiring majority stake in Rexroth established in 1974), Bosch Chassis Systems India Ltd. (by acquiring majority stake in Kalyani Brakes Ltd. established in 1982), Bosch Automotive Electronics India Private Ltd., a 100 percent subsidiary of Bosch Group and Bosch Electrical Drives India Private Ltd., a subsidiary of Bosch group based at Oragadam, Chennai.

Over the years, Bosch in India has grown to include 11 manufacturing sites and seven development centers, employing over 28,500 associates. In India it generated consolidated turnover of nearly ₹19,511 crores for the fifteen months period ended March 31, 2015.

## Board of Directors



**V.K. Viswanathan**  
Chairman,  
Non-Executive  
Non Independent Director



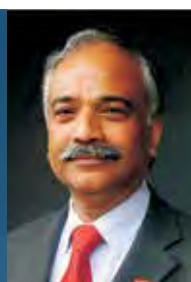
**Peter Tyroller**  
Non-Executive  
Non Independent Director



**Bernhard Steinruecke**  
Independent Director



**Renu S. Karnad**  
Independent Director



**Prasad Chandran**  
Independent Director



**Bhaskar Bhat**  
Independent Director



**Dr. Steffen Berns**  
Managing Director



**Soumitra Bhattacharya**  
Joint Managing Director



**Franz Hauber**  
Alternate Director to  
Mr. Peter Tyroller  
(upto February 28, 2015)



**Dr. Andreas Wolf**  
Alternate Director to  
Mr. Peter Tyroller  
(from March 01, 2015)

## Company Information

### Company Secretary

S. Karthik

### Auditors

Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S- 200012

### Bankers

State Bank of India  
Canara Bank  
Citibank, N.A.  
Deutsche Bank AG

### Registered Office

Hosur Road  
Adugodi  
Bengaluru - 560 030

### Stock Exchanges

(Where the shares of the Company are listed)

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

### Registrar & Transfer Agent

Integrated Enterprises (India) Limited  
No. 30, Ramana Residency  
4<sup>th</sup> Cross, Sampige Road  
Malleswaram  
Bengaluru - 560 003

### Audit Committee

Renu S. Karnad, Chairperson  
V. K. Viswanathan  
Bernhard Steinruecke  
Prasad Chandran  
Bhaskar Bhat

### Stakeholders' Relationship Committee

Bernhard Steinruecke, Chairman  
V. K. Viswanathan  
Renu S. Karnad  
Prasad Chandran  
Dr. Steffen Berns

### Nomination and Remuneration Committee

Bernhard Steinruecke, Chairman  
V. K. Viswanathan  
Prasad Chandran  
Bhaskar Bhat

### Share Transfer Committee

Bernhard Steinruecke  
Prasad Chandran  
Bhaskar Bhat  
Dr. Steffen Berns

### Corporate Social Responsibility Committee

Prasad Chandran, Chairman  
Bhaskar Bhat  
Dr. Steffen Berns  
Soumitra Bhattacharya



Bosch first established its presence in India in 1922 – and since then, the company has garnered a reputation for offering technology solutions and best-in-class services to meet the growing demands of this young and vibrant country.

However, in a world that is rapidly changing – and where the markets in which we operate have been going through radical transformations and tectonic shifts – it is necessary to have an outlook that anticipates the future. For an organization such as ours, in order to drive change, rather than be driven by it, multiple factors come into play: the formulation of a clear-sighted and comprehensive strategy, a strong and unifying culture, and exposure to global markets and the latest technological trends.



*“We should all strive to improve on the status quo: none of us should ever be satisfied with what they have achieved, but should always endeavour to get better.”*

## Bosch Limited: Future Ready

### “We are Bosch”

*Our new mission statement defines our objective, motivation, strengths, and values – all of which help us to anticipate and shape change and ensure we are ready for the future.*

To be ready to take on the challenges of the future, a shared common strategy is vital – one that is communicated to all internal stakeholders at all levels and hierarchies. It was with this aim that a new mission statement, “We are Bosch” came into effect globally on January 1, 2015. Straightforward and compact, the new mission statement clearly defines our objective, the motivation that drives us, our strategic focal points, our strengths, and lastly and most importantly, our values.

In this new mission statement, our objective, one that follows in the spirit of our founder Robert Bosch, is “...to secure our company’s future by ensuring its strong and meaningful development and preserving its financial independence.” The second tier of the statement comprises our motivation – derived from our slogan “Invented for life”. It clearly spells out that our main goal is to create products that our customers love and which will improve their lives and conserve natural resources. The strategic focal points, the third level, describe the overriding challenges that we face now and in the future and guide associates to focus on customers, shape change, and strive for excellence.

It is our strengths – emphasized in the fourth tier of “We are Bosch” – that ensure we don’t deviate from the strategic focal points. These strengths – a distinctive Bosch culture, innovation, outstanding quality, and a global presence – help us not just understand our customers’ requirements, but also seize the opportunities change brings, secure high productivity, and increase the value of the company.

Finally, our values – seven of them – are the bedrock, the foundation upon which we build to ensure we achieve our objective, drive us to realize our goal, help us succeed, and strengthen us further.





## The foundation of 'We are Bosch' and our corporate culture – the seven values

### **Future and result focus**

Our actions are result-focused. This allows us to secure our future. It also creates a sound basis for the social initiatives of the company and the foundation.

### **Responsibility and sustainability**

We act responsibly in the interest of our company, also taking the social and ecological impact of our actions into consideration.

### **Initiative and determination**

We act on our own initiative, take entrepreneurial responsibility, and pursue our goals with determination.

### **Openness and trust**

We communicate important company matters in a

timely and open fashion. This is the best foundation for a relationship built on trust.

### **Fairness**

We deal fairly with our colleagues and business partners, and view this fairness as a cornerstone of our corporate success.

### **Reliability, credibility, legality**

We promise only what we can deliver, accept agreements as binding, and respect and observe the law in all our business transactions.

### **Diversity**

We appreciate and encourage diversity for the enrichment it brings, and see it as essential for our success.

## Support from Robert Bosch GmbH

*The support we get from Robert Bosch GmbH, our parent company, and our place in the International Production Network has enabled us to invest in research and development of technologies specifically for the Indian market and its emission requirements.*

Since 1954, the first year of our partnership when we were provided with an initial capital of INR 57,600, we have received continuous and valuable support from Robert Bosch GmbH in terms of capital, sales and purchase, technology and R&D, and knowledge transfer. In 2008, this support was critical when the company's name was changed from Motor Industries Company Limited to Bosch Limited – a change that represented commitment and brought with it ready acceptability with all stakeholders.

Bosch Limited is part of the International Production Network – besides giving us a worldwide presence, we are able to offer products and components to Robert Bosch GmbH and receive technical knowledge for processes, quality, and competencies. This support from Robert Bosch GmbH enables bulk purchase and similar economies of scale that enhance cost-effectiveness. We have also been made a Center of Competence for selected conventional products.

Technology and R&D support from Robert Bosch GmbH has allowed us to build on Robert Bosch GmbH Euro VI expertise for Bharat Stage V and Bharat Stage VI requirements. We are part of the International Development and International Testing networks to ensure adherence to Bosch's global standards and the support received from the Corporate Research arm of Robert Bosch GmbH is used for new business development and innovative products.

Our close relationship with Robert Bosch GmbH fosters continuous and mutually beneficial knowledge transfers – an essential factor that enhances our future-ready capabilities. The global resource exchange program actively encourages global projects, competency development, and intercultural movements. Robert Bosch GmbH also provides global training opportunities, particularly for our specialists.



*The official unveiling of the new 'We are Bosch' mission statement at Bosch's Bengaluru Plant*

## Capital support from Robert Bosch GmbH:

- ▶ 1954 – 1 percent
- ▶ March 31, 2015 – 71.18 percent

## FII Participation

- ▶ 1993 – 0.07 percent
- ▶ March 31, 2015 – 9.2 percent

## Market Capitalization

- ▶ 1991 – INR 7,229 Mio
- ▶ March 31, 2015 – INR 798,191 Mio

## Ready for what the future holds

The future is full of challenges, yet each challenge represents an opportunity. This has been the driving force behind our fascination for the future and pursuit of innovation to build a better tomorrow. Over the years, we have developed technologies that transcend time and existing capabilities. We set benchmarks to follow and adapt, and value the fact that in a highly competitive environment, the only way to ensure long-term sustainability is by thinking ahead.

How have we been able to do this? By studying the market, analyzing its needs, identifying new opportunities, and providing solutions that fit our customers' requirements. We give our employees all possible avenues and forums to enhance their skill sets and capabilities, making them ready for the future and the challenges it holds. Our continued investment in facilities across the country not only enhances our market reach, it underscores our belief in the India growth story, thus making a significant, positive impact on millions. Being fiscally responsible has helped us secure our financial independence and allowed us to invest in a future-oriented outlook.

For us, the future is not a far-fetched dream, but an inevitable reality full of possibilities waiting to be explored. In our quest to deliver a prospective world of advanced technologies, we have set benchmarks not only in quality and standards, but also in finding new ways to protect and preserve the planet.

In the pages that follow, we showcase our approaches to addressing emerging market opportunities, tapping and developing the potential of our employees and business partners, offering technologies that enhance the quality of life, improving and growing our infrastructure, and securing our financial independence. These are the approaches that ensure we are ready for tomorrow, today.

*Bosch's Chassis Dynamometer testing facility at the Technical Center India, Bengaluru, used for emission testing*



## Market Ready

*We are ready to cater to the Indian and export market through a high-quality, comprehensive systems approach. Through investing in infrastructure and machinery that will help in developing and producing technologies of the future, we aim to meet regional needs of both innovation and affordability.*

### Ready for the Indian automotive market now and tomorrow

At the global level, Bosch's mobility solutions business combines the group's expertise in three mobility trends – automation, electrification, and connectivity – and enables it to offer its customers integrated mobility solutions. Its main areas of activity are injection technology and powertrain peripherals for internal-combustion engines, diverse solutions for powertrain electrification, safety and driver-assistance systems, technology for user-friendly infotainment as well as car-to-car and car-to-x communication, repair-shop concepts, and technology and services for the automotive aftermarket. Bosch has been responsible for important automotive innovations such as electronic engine management, common-rail diesel technology, and the ESP anti-skid system.

There are three key drivers especially important for the Indian automotive segment: upcoming emission legislation, fuel economy, and total cost of ownership. Lately, there has also been an increased focus on driving comfort. Our dedication to conserving natural resources and protecting and preserving the environment ensures we are aligned with upcoming emission legislation and

the vehicle owner's quest for better fuel economy. Bosch, as a worldwide market leader in powertrain solutions, offers a wide range of solutions for different requirements, market segments, and markets.

Environmental concerns have led to the introduction, definition or planning of a progressive series of emission legislation by the Indian government – Bharat Stages IV, V, and VI, as well as the "star rating" for fuel economy. Powertrains will have to emit less CO<sub>2</sub>, particulate matter, and NOx. We are prepared to support a diverse set of requirements and to adapt our technology locally, as far as required. Localization of technologies available at the global level also reduces total cost of ownership. Importing these technologies and offering them to the Indian market as they are would make them too expensive for customers. Besides, unique Indian traffic conditions demand specific local adaptation to make them effective – changes that our strong research and development team is uniquely positioned to deliver.

The cost-consciousness of the Indian consumer is also a strong driver – spurring us to develop low-cost solutions

that help improve fuel efficiency in not just the passenger car segment, but also in commercial vehicles, especially for low-price vehicles.

To enable our customers to provide vehicles that reduce emissions and improve efficiency, we have developed several products that address both these concerns in diesel- and gasoline-fuelled vehicles. Our Diesel Systems business has a wide variety of solutions for applications in the Indian market that are still being developed and refined to suit the local requirements. These include improved fuel injection systems that integrate the inlet fuel metering concept for improved fuel efficiency for passenger cars. To meet emission norms, we have developed Diesel Particulate Filter systems for the passenger car segment, Selective Catalytic Reduction

solutions for the heavy commercial vehicles segment and lean Exhaust Gas Treatment systems for the light commercial vehicle segment.

Our Gasoline Systems business is ready to meet future market requirements with Port Fuel Injection (PFI) systems to meet most stringent emission levels as well as Gasoline Direct Injection (GDI) for further improved fuel economy. We also have a Compressed Natural Gas (CNG) system that is ready for customers as a single Engine Control Unit (ECU) or add-on ECU offering. As India is one of the biggest two-wheeler markets in the world and is further expected to grow steadily in the long term, we have Electronic Fuel Injection (EFI) systems designed especially for two-wheelers to perform in Indian conditions now and in the future too.

**Bosch has been the leading provider of groundbreaking automotive technologies and services for over nine decades in India. The changing demographics of the country, the growing economy, and legislative changes require agility and adaptability in our responses to market demands.**

## “Parts, Bytes, and Services”

*Our Automotive Aftermarket division is the largest aftermarket network in the country, with a reach that is only increasing through an expanding sales network and growing number of distributors and workshops.*

Our Automotive Aftermarket division’s Parts, Bytes, and Services concept has enabled us to adapt to the fast-changing landscape of the Indian automotive market. In the OE business, we are growing fast in market share, especially with respect to our three product groups: spark plugs, filtration, and automotive service solutions. The rise in the number of new products, sophisticated services, and the increasing influx of electronics have become the key market drivers for our automotive service solutions.

We have also introduced new market schemes for tractors, gensets and diesel customers. For the independent automotive aftermarket, we increased our product portfolio in filtration, lighting, braking, auto electrical, diagnostic equipment, and test benches, and will further expand our range across business units to widen our local-for-local array of products.

Our sales network is expanding at a steady pace and

the establishment of Bosch authorized service solution distributors has helped strengthen our presence in the diagnostic solutions market. With 300 newly appointed distributors, we have been able to substantially increase our market presence and market share for Bosch parts within the country.

Newer and improved workshop concepts similar to two-wheeler service, Tractor Point and Bosch Diesel Service (components) have also been undertaken to penetrate new markets and attract more customers. We plan to extend the Bosch workshop concept to the truck segment with an Express Truck Service in the wake of increasing electronic control unit (ECU) based commercial vehicles.

Through the introduction of innovative market schemes and integrating a dedicated channel approach, we seek to serve a wider customer base and simplify the existing purchase process, so as to increase market share and broaden our brand reach.



*An authorized distributor of Bosch’s Automotive Aftermarket products*

## Ready for India's future

*From reaching out to new customers through online channels and brand stores to localizing products that don't compromise on quality, our non-automotive businesses are geared up to meet the demands of a vibrant, growing nation.*

In the non-automotive segment, our Power Tools, Energy, and Security Systems businesses have come up with several innovative products and technologies to serve the present and future needs. By venturing into new portfolios, we seek to provide products and technologies that make a tangible improvement in the quality of life of millions of Indians.



*Bosch's power tools on display at the Brand store on Sarjapur Road, Bengaluru*

### Power Tools

With a view to reach the new and upcoming user base and fulfill various consumer needs, Bosch Power Tools has enhanced its presence across traditional hardware dealers, retailers, modern trade, segment specialists, and the new addition of E-retailers. To further improve market coverage and brand reach, the division has opened 60 new dealerships and nine new Brand stores across various cities within a year. Besides offering a wide range of home, hobby, and garden products, these state-of-the-art stores also sell an array of utilities ranging from solar products to BSH home appliances and security systems.

With India's demographic skewing, with younger and more of the population online, the e-commerce sector in the country continues to witness tremendous growth. Our Power Tools division started using this channel to reach new customers two years ago and by the year 2020, we aim to increase our market share considerably. To achieve this, we have ramped up production and will be shifting the production plant from Bengaluru to Chennai for a more cost-effective and enhanced capacity to deal with the rising demand expected in the near future.

### Security Systems

Bosch Security Systems offers state-of-the-art safety, surveillance, and communication solutions across major metros, refineries, industrial complexes, residential apartments, stadia, sensitive high-profile buildings, hotels, and top corporate houses. Our service excellence and quality have enabled us to serve a number of prominent ventures including metro rail projects, airport security, city and market surveillance, and traffic management solutions across cities. As the country's infrastructure

development gathers pace, we expect growing demand for high-end security and communication solutions as well as affordable, local-for-local products targeting the price-conscious market.

### Energy

With several notable project successes, our Thermotechnology business is ready to acquire major projects in the country in the commercial and industrial boilers and solar thermal systems segments. We aim to continuously introduce new products in the country that are first-in-market offerings, adapting international technologies for local needs.

After empanelment as a channel partner with the Government of India, a number of new and diverse market opportunities have opened up for us within the energy sector. Our expertise in the energy efficiency domain has been honed through the implementation of in-house projects such as the photovoltaic system implemented at our Nashik Plant. Our ability to handle large-capacity and high-volume operations have won us prestigious projects such as the 12 megawatt (MW) Cochin International Airport Limited solar power installation, positioning us as a strong and quality player in the engineering, procurement, and construction (EPC) segment.

*We have a number of programs in place to develop the skills and competencies of the next generation of leaders at Bosch.*



## Ready with People

*Through integrated talent management, programs to identify and nurture the next generation of leaders, strengthening associate competencies and skills, and dedicated supplier development initiatives, we ensure our most important resources are ready for the future.*

Meeting current market requirements, predicting future needs, and conceptualizing appropriate solutions would not be possible without the right people.

Our founder, Robert Bosch, stressed the importance of employing the right people with the required skill sets for any role within the company. For us at Bosch Limited, being ready for the world of tomorrow and the challenges it holds means that we have to continue to focus on recruiting, retaining, and developing the best talent. We have put in place a number of programs that enable not just our employees, but also our suppliers and dealers, to align themselves with the Bosch way and achieve their full potential.

## Integrated talent management

Talent management is one of the key areas of focus for us. In 2014, we kicked off the global automation of the talent management process with the launch of tools under the “HR Global” program. Correspondingly, an organization-wide initiative on “Integrated Talent Management” was launched last year, aimed at identifying, developing, and adequately remunerating those employees who are key to business success.

## Cultivating the next generation of leaders

No matter how talented an employee is, she or he needs clear direction for proper career development. Inspiring leadership and mentorship plays an important role here. Bosch Limited has always encouraged and supported the development of those employees who show leadership skills and potential. Our leadership development process has multiple facets and numerous steps that help in evaluation of potential, incorporating management development programs that foster the required skills.

Identifying the next generation of leaders is done through a “Talent and Associate Review” mechanism that initially includes a potential-oriented interview with employees, and thereafter, a cross-validation of identified potential through the “potential validation” meeting. The employee then has to undergo an evaluation at the assessment screening center and has to attend various leadership development programs organized and coordinated by the Bosch Training Center in India.

With a view to ensure a steady supply of right talent to the leadership pipeline, we carry out “Succession Planning” for all the key positions in the organization. The objective is to ensure that at all points in time, key positions are not only occupied, but that a successor is also identified to enable business continuity. Succession planning reviews are normally done on a half yearly basis to ensure review and development of identified successors.

In order to attract those young talents who can be groomed to become the leaders of tomorrow, Bosch Limited has implemented initiatives like the Junior Management Program (JMP), Technical Management Trainee (TMT), and Commercial Management Trainee (CMT). The JMP, a fast-track leadership program, ensures that a young employee with leadership potential is given the cross-functional, cross-divisional, cross-location, and international exposure over a period of eight to ten years to become a department head. Through the TMT program, Bosch Limited hires talented engineers from the top 10 engineering colleges of India and through the CMT, the company partners with institutes such as the Indo-German Training Center (IGTC) to provide internships and training to promising students.

## A performance-oriented organization

Besides talent management, it is necessary for an organization that looks to be ready for the future to make itself performance oriented. At Bosch Limited, we have a stable and mature performance management system, designed to build a performance culture in the organization. This system comprises many elements, including goal setting policy deployment workshops, provision for mid-year performance appraisals and annual appraisals at the end of the year.

Low-performing employees identified through this process have to undergo a “Performance Improvement Plan” that guides them in improving their workplace productivity and performance.

## Strengthening competencies and skills

Continuous training and development programs that improve our employees’ job-specific skill sets are vital for making them future-ready. With the roll-out of the HR Global tool, TrainM, employees can themselves decide on the training they want to attend and also get the benefit of bundled training programs that are recognized across all of Bosch’s international locations.

In order to empower our employees further, we develop in-house trainers and give them a global platform. Besides standard training programs, employees can also focus on development of strategic competencies such as “Leadership for change” and “Out-of-the-box-thinking”, among others. Training is also provided for social competencies.

Our workmen – who receive one of the best salaries and welfare benefits in the industry – are key to our long-term business success. They are highly skilled graduates of the Industrial Training Institutes (ITIs), certified by the National Council for Vocational Training (NCVT). They are provided need-based hard skills training with the support of the Technical Commercial Training (TCT) center to keep them up-to-date on the latest technologies and developments. Training in the soft skills is not ignored – workmen can benefit from programs designed to change mindsets, team development activities, change management, and customer orientation.

Employee engagement activities such as “Suggestion Scheme”, “Point CIP”, “Samakshama” and others have been created especially for our workmen, motivating them to be part of our endeavour to be fit for the future.

At Bosch, we truly believe that diversity is our advantage and focus on four aspects of diversity: gender, generation, internationality, and culture.



## “Diversity is our advantage”

The ability to embrace different ways of thinking, experience, leadership styles, and work approaches has become part of the Bosch tradition and the way we see ourselves. This diversity is also playing an ever larger part in our daily work environment. Diversity is one of the seven Bosch values and the “Diversity Initiative” was launched to promote greater diversity across the organization in the future. Since becoming a signatory on the “Charter of Diversity” in December 2007, Bosch committed itself to diversity – this means that the business officially accepts the obligation to appreciate and treasure diversity. We focus on four aspects of diversity: gender, generation, internationality, and culture.

Studies from across the world have shown that the most successful form of cooperation is in a mixed team. For a company like ours, focused as we are on being ready for the future, it is essential to have such teams. These are the teams that generate a greater number of innovations and better solutions, and display greater creativity. As a result, they help deliver increased company profits – thus diversity is an important asset that is vital for our business success.

At Bosch Limited, in order to encourage gender diversity – one of the four defined dimensions of diversity in the global initiative – we are consciously focusing on attracting and retaining qualified women professionals and systematically promoting women associates.

## Supplier and dealer development

*Our supplier development program ranges from a comprehensive selection process to improving competencies and maturity and finally, qualification to deliver to the entire Bosch network as an “essential supplier”.*

To be future-ready, we need to consider all aspects of human resources in our business ecosystem. Employees are one critical part of this, but suppliers and dealers also play an important role for us to be assured of business success in the India of tomorrow.

Our supplier development program comprises two levels. In the first level, we provide classroom training for our suppliers, which focusses on basic competency development. This basic training includes five modules that train them on our quality tools and systems, special processes, Lean tools, business management, and technical modules.

The second level of the program includes deployment of Lean tools and systems. We identify and eliminate waste across the supplier’s value streams using project-specific tools. The deployment of these tools is based on clear assessment of the present level of competency in terms of people, systems, and processes. After identifying gaps, suitable remedial modules are implemented.

Our suppliers are given a time frame within which to deliver clear results and system improvements.

Our Automotive Aftermarket division has dealer development programs in place that help improve the competence of workshop networks from individual products to vehicle systems. We also help them upgrade different software and hardware tools to offer the right solutions for the various vehicle brands in the Indian market.

It has always been the aim at Bosch Limited to deliver the latest in technology and best-in-class products, and we know that it takes the most brilliant of minds and razor-sharp skills to be at the forefront of innovation. All our efforts directed towards providing experiential learning and cultivating responsible individuals help us in achieving ever higher benchmarks of operational excellence – today, tomorrow, and beyond.





## Ready with Technology

*Powertrain technologies that meet emerging market needs and leaner, more agile processes ensure we are ready with technology solutions for the India of tomorrow.*

Bosch Limited has always strived to stay ahead of the curve to pre-empt changes in technology and government regulations, in order to be prepared for future challenges. To meet the demands of the Indian market now and in the years ahead, we are ready with affordable, innovative products and systems that meet the highest quality standards and address the key drivers in the Indian automotive market: emission norms, fuel economy, and total cost of ownership.

### Powertrain technologies of the future

Right now, vehicles in Indian metro cities have to comply with Bharat Stage IV while the rest of the country has to comply with Bharat Stage III. The emission legislation roadmap shows that by 2017 the whole country will have to comply with stage IV norms and two years later, India as a whole will have to meet Bharat Stage V requirements. To move towards stage V, diesel vehicles need the latest fuel injection technology of 1600 bar/1800 bar along with exhaust gas treatments. This makes it imperative for companies like Bosch Limited to be ready with the technology that meets these future emission requirements, today. Our almost 400-strong R&D workforce have a state-of-the-art facility to work on developing Bharat Stage V technologies.

For the Indian market, we have a wide variety of diesel system solutions for different applications that we are in the process of developing further. For low-price vehicles (LPV), we have Common Rail System (CRS) innovations that will result in improved fuel efficiency of up to eight percent. The third generation LPV CRS includes Inlet Fuel Metering and a modular concept from one to four cylinders. The system is designed in such a way that it can be applied as an easy upgrade to the existing engine to meet future emission norms – a low-cost solution for this price-conscious market.

In the commercial vehicle segment, our DeNOx system (Denox6.5) will support these vehicles to gain high NOx conversion rates of up to 95 percent, thus complying with future emission norms. This system solution will also help commercial vehicles reduce their fuel consumption by

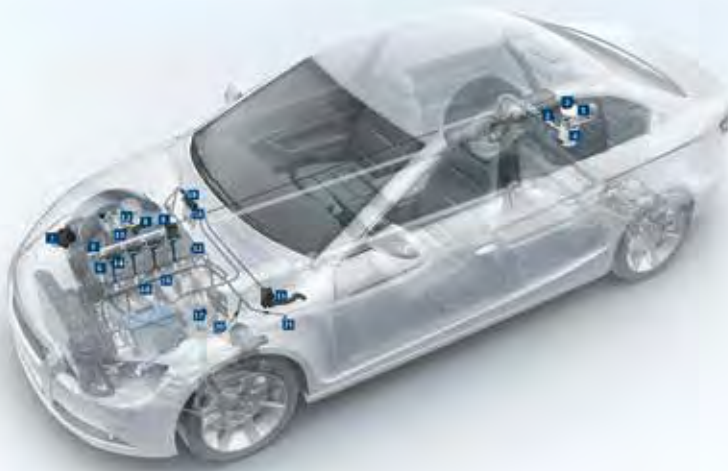
up to five percent. For the off-highway segment, we have low-cost Inline Pumps with extended pressure capability for up to 200kW. For the Genset market we have products that offer robust and extendable solutions.

Our Gasoline Systems business has developed an extensive portfolio of attractive solutions geared towards developed as well as emerging markets. The Advanced Port Fuel Injection system (A-PFI) helps in reducing CO<sub>2</sub> emissions by up to 12 percent and increase low-end torque by up to 40 percent. The A-PFI also enlarges performance range and reduces hydrocarbon emissions by 20 percent. This is a cost-effective upgrade to existing PFI technology, thus meeting the cost-conscious requirements of the Indian market.

Global OEMs already use Gasoline Direct Injection (GDI) technology on Indian roads. GDI is expected to increase its penetration in the Indian market in the near future – and it has higher benefits than A-PFI with around 15 percent increase in fuel efficiency and almost 50 percent low-end torque.

To increase fuel efficiency and reduce emissions, another technology solution we have on offer is a low-cost transmission concept, the two-pedal e-Clutch. The system add-on cost of this solution is less than an Automated Manual Transmission (AMT). This concept can be applied on all passenger cars and utility vehicles in both gasoline and diesel version. There is also potential for extending it to light commercial vehicles and retrofit.

## Gasoline Port Fuel Injection



### Fuel Supply

1. Fuel Supply Module
2. Medium-Pressure Sensor
3. Low Pressure Sensor for Tank Pressure
4. Electric Fuel Pump

### Fuel Injection

5. Fuel Rail
6. Fuel Injector

### Air Management

7. Hot Film Mass Air Sensor
8. Low Pressure Sensor Intake Manifold
9. General Purpose Actuator
10. Canister Purge Valve
11. Accelerator Pedal Module
12. Camshaft Sensor
13. Throttle Device

### Ignition

14. Ignition Coil

### Engine Management

15. Electronic Control Unit
16. Temperature Sensor
17. Crankshaft Speed Sensor
18. Knock Sensor
19. Connector

### Exhaust-Gas Treatment

20. Planar Wide-Band Lambda Sensor
21. Planar Switching-Type Lambda Sensor

## Leveraging IT for leaner processes

Bosch Limited is leveraging the benefits of IT to make internal processes leaner and more agile. Whether it's to improve the human resources processes and systems or automate certain aspects of the manufacturing process or a toolkit for Automotive Aftermarket customers, we are driving technology adoption that will make us future-ready as an organization.

We have recently rolled out the Bosch Human Resources Systems (BHS 3.0) at all legal entities of Bosch in India. The project was conceived with an aim to change the structure and processes in order to improve the quality, cost, and speed of human resource service. It will establish an efficient human resource management system in support of the long-term Bosch corporate strategy – delivering both strategic and operational excellence.

In the Manufacturing 2.0 space, our Bengaluru Plant – along with Bosch software engineering – is making process improvements using data mining. With the

data we generate across the process chain, we are able to predict pump behaviour in advance. This has helped us reduce cycle time without compromising on quality or the robustness of our product. Also in the pipeline are projects to improve First Pass Yield (FPY) in selective assembly areas through data connectivity, float monitoring of pumps in assembly and the testing area, and monitoring of key characteristics in the assembly line to improve FPY as well as tool management.

In our aim to provide Automotive Aftermarket customers and internal users a one-stop solution toolkit that includes product price, product catalog, obsolete parts, and technical and service information, we have deployed BeAT, a web-based platform. Applications like these provide ease of booking for dealers. Online portals and customer relationship management (CRM) tools have been made available to field representatives of respective Bosch dealers, empowering them to place online orders, track these, and make payments.

## Exhaust Gas Treatment (EGT) for Commercial Vehicles



1. Supply Module
2. Dosing Module

*The new Bosch plant at Bidadi*



## Infrastructure Ready

*Our new and upcoming facilities will help us further boost our localization strategy, improve operational efficiency, and strengthen research and development.*

With the changing trends in the manufacturing industry and state-of-the-art technology and quality features of our future-ready products to meet increasing market demand, there has been a spur to improve and further develop our infrastructure. Our upcoming infrastructure projects in India are designed to be world-class manufacturing sites and research and development hubs that will make these among the best of the Bosch Group's facilities at the global level. This is in line with the overall mindset in Bosch of always being "Fit for future". Apart from the manufacturing facilities, with the anticipated implementation of the Goods and Services Tax (GST) in India, Bosch is also looking at consolidating its warehouses to bring in better operational efficiency and improve cost effectiveness.

### **Bidadi, Karnataka – a world-class facility for our Diesel Systems business**

To decongest the heart of Bengaluru city, we have acquired 400,000 square meters of land at the Bidadi Industrial Estate from the Government of Karnataka. The availability of 220KV power from the national grid, river water, better road connectivity, and wireless network are some of the factors that made us choose the Bidadi site. The relocation to Bidadi from the current Adugodi facility will be done in two phases over a span of four years. The production hangar in Bidadi has a three-stage evaporative cooling system with dust- and temperature-controlled environment, daylight harvesting through natural lighting, a process-flow-oriented layout, sufficient space, and better planned utilities to cater to all expansion plans on the site. We plan to install a 3.2 MW solar power plant that would meet 40 percent of the plant's energy requirements. The Bidadi facility has a modern, open office system that is in concordance with the perspective of the growing GenY demographics of the company.

As with all our infrastructure projects, we have ensured that the safety of all personnel who work on the construction is assured. Among the measures we carry out are pre-employment health checks, a proper induction on safety rules for all workmen who work for our contractors, mandatory personal protection equipment for all, daily safety toolbox talks for the workmen, and job-specific safety training. A notable point, during the construction of this hangar, was the record number of safe working hours (7.2 million hours of accident-free working at the construction site).

Artist's rendering of the new Adugodi facility



## Adugodi, Karnataka – a manufacturing-free zone

With the huge growth in the IT sector, we plan to transform the Adugodi facility into a manufacturing-free zone by 2020. Presently, the facility at Adugodi houses four huge manufacturing hangars, spread over a total area of 30,000 square meters. The infrastructure and space will be converted into an IT Park, an R&D hub, and will remain the corporate office.

## Advanced Power Tools facility at Chennai

This is a leased-out new facility with an annual production capacity of 700,000 units. It is set to begin operations in the third quarter of 2015 with the launch of medium-priced products such as grinders, drills, marble cutters, blowers, and hammers for the domestic market. The 8,300-square meter facility will expand by another 1,700 square meters in 2018 to accommodate for the expected growth by 2020.

## Gangaikondan Plant, Tamil Nadu – Local for local strategy



In January this year, Bosch set up its latest manufacturing plant at Gangaikondan with an investment of around INR 500 million to facilitate the “local-for-local” strategy for the manufacturing processes of our Gasoline Systems business. Gangaikondan is a part of the SIPCOT area of the Tirunelveli district in Tamil Nadu and this plant best exemplifies the Bosch culture of diversity with an optimum mix of gender and skill sets. The plant is spread over 38 acres and has a state-of-the-art manufacturing hangar. The hangar has a dust- and dirt-free environment to maintain the quality standards of Bosch and a high degree of sophistication. The entire construction of the hangar at Gangaikondan was completed in less than 12 months. The low cost of land in Gangaikondan and the incentives from the Government of Tamil Nadu will definitely help the company meet its future expansion area requirements.



## Financially Ready

*Our holistic focus on remaining financially independent is based on the fundamental belief of our founder, Robert Bosch, and generating free cash flow.*

The Bosch Group has always strived for sustained economic success and a leading market position in all that we do. The same principle guides our actions at Bosch Limited, because both – creating and securing value – are essential for the company to be able to continue achieving its core economic targets of profitable growth and financial independence. This allows us to be guided by a long-term perspective, to invest in the future, ensure our competitiveness, and achieve our goals in a dynamic, complex, and ever-changing environment.

We maintain our competitiveness by providing products tailored for the local market and aim to attain ideal market positions while ensuring profitability. Improved labor and machine productivity, reducing material costs, and prudent budget spends – done in an ethical manner whilst caring for the environment – have also helped us stay competitive.

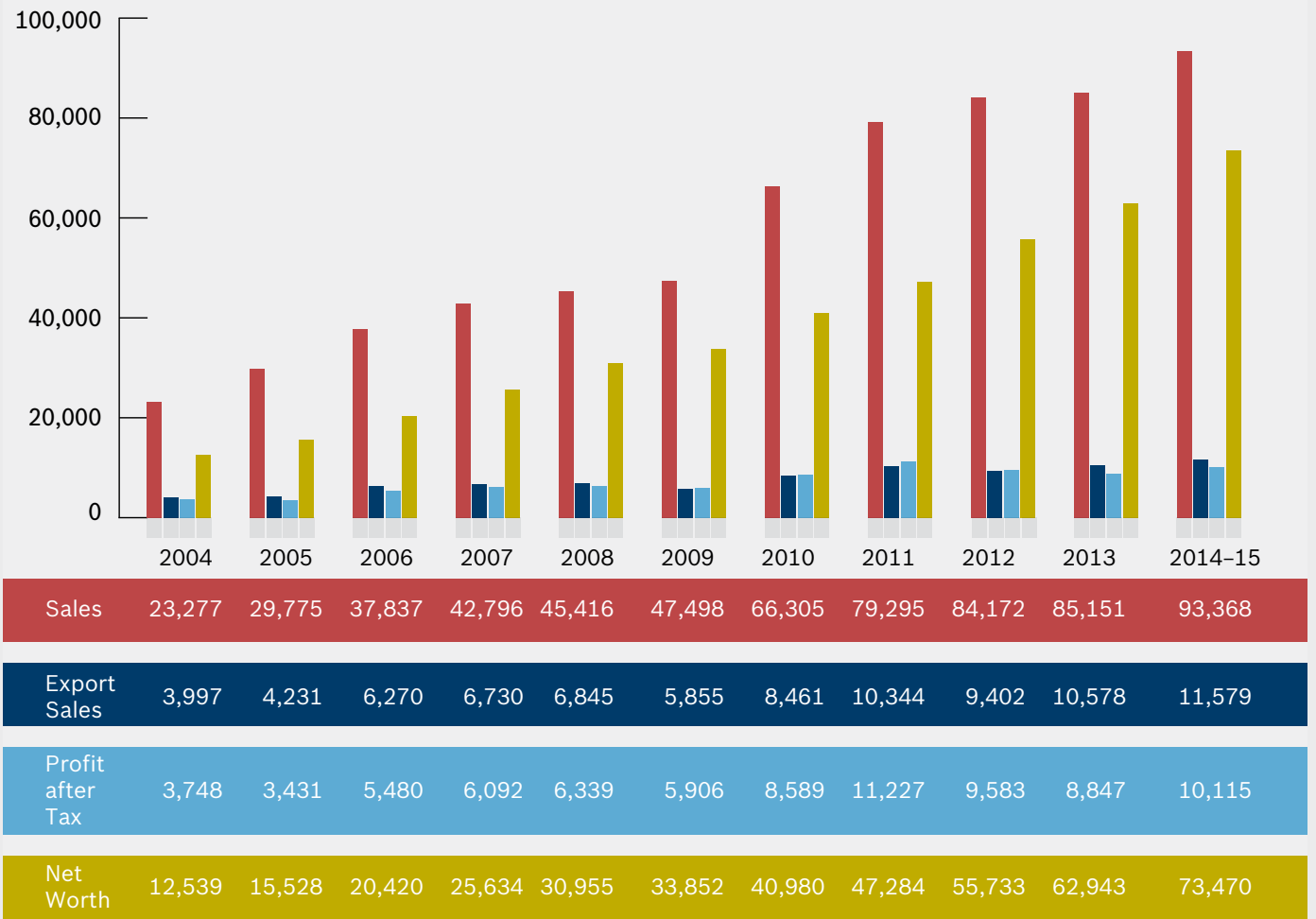
Other measures that have contributed to our strong financial position today include a consistent focus on receivables, achieved by having a system-based approach to receivables management combined with well-defined processes that are monitored frequently. This ensures that receivables management at Bosch Limited forms a key component of free cash flow. Another key focus area in which Bosch Limited is ensuring and contributing to its financial soundness is Inventory Management, which is benchmarked with best practices from across the Bosch Group to achieve optimum inventory levels.

Bosch Limited has – over the course of time – built up strategic cash reserves to fund capital expenditure across business cycles and to grow its business organically as well as inorganically. This financial surplus is being managed in a prudent manner, with a clear focus on achieving an optimum return, pending deployment in business.

Bosch Limited has also taken concrete steps to insulate our financials from the risks that arise out of increased volatility in the foreign exchange markets. This includes a continuous focus on reducing net forex exposure through various measures such as increased localization and building competence within India.

All these initiatives and measures have today ensured that Bosch Limited is in a good position financially with no reliance on borrowed funding, making us ready to take on the challenges of the future, build capacity for new business opportunities, and to invest in the India growth story.

*“It is a matter dear to my heart that Robert Bosch GmbH should be safeguarded in its substance [...] for as many future generations as possible, and that it should remain at all times financially independent, autonomous [i.e., self-governing], and able to take appropriate action.”  
(from: the will of Robert Bosch dated May 31, 1938)*



\*2014-15 numbers are for the period April 2014-March 2015 for like-to-like basis comparison

All figures in million INR



# Directors' Report including Management Discussion and Analysis

The Directors have pleasure in presenting their SIXTY THIRD Annual Report together with the Audited Financial Statements for the fifteen months period from January 01, 2014 to March 31, 2015.

The Board of Directors of the Company at their meeting held on June 05, 2014, *inter-alia*, approved the change in the financial year of the Company to commence from April 01 of every year and to end on March 31 of the following year to comply with Section 2(41) of the Companies Act, 2013 ('Act'). Consequently, as a transitional arrangement, the current annual accounts and Directors' Report of the Company are for a period of fifteen months from January 01, 2014 to March 31, 2015. Therefore, figures for the period under review are not comparable with the last financial year.

## 1. Financial Results

The following are the financial results:

(₹ Million)

	January 01, 2014 to March 31, 2015	January 01, 2013 to December 31, 2013
Net Sales (excluding recovery of duties and taxes)	117,414	85,151
Of which Export Sales	14,625	10,578
Profit Before Tax	19,559	12,566
Less: Provision for tax	7,463	4,070
Add: Deferred tax and tax adjustments relating to earlier years	1,281	351
Profit After Tax	13,377	8,847
Appropriations: Dividend: - Dividend recommended at ₹85 per share (previous year: ₹55 per share)	2,669	1,727
Tax on Dividend	543	308
General Reserve	1,337	885
Balance carried forward	8,828	5,927
<b>Total</b>	<b>13,377</b>	<b>8,847</b>

Net sales for the fifteen months period ended March 31, 2015 grew by 37.9 percent over the previous twelve months period ended December 31, 2013. The Profit Before Tax (PBT) for the period ended March 31, 2015 as a percentage of net sales was at 16.7 percent as compared to 14.8 percent for the previous year. The improved performance of the Company is mainly due to increased operational efficiencies and favourable product mix.

The Profit After Tax (PAT) as a percentage of net sales was 11.4 percent for the fifteen months period ended March 31, 2015 as against 10.4 percent for the twelve months period ended December 31, 2013.

## 2. Dividend

The Board of Directors recommend a dividend of ₹85 per equity share for the fifteen months period ended March 31, 2015 as against a dividend of ₹55 per equity share for the twelve months period ended December 31, 2013. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

## 3. Management Discussion and Analysis

In order to avoid duplication between the Directors' Report and Management Discussion and Analysis, a composite summary of the performance of the Company and its various business segments is given below.

### 3.1 Economic Scenario

#### 3.1.1 Global Economy

The world economy did not gain the expected momentum towards global recovery. The global Gross Domestic Product (GDP) growth for 2014 was 3.3 percent, which was on similar lines to the growth in 2013. The Emerging Market economies had a moderate growth of 4.3 percent in 2014 as against 4.7 percent in 2013. (Source: IMF).

Two key developments were seen during the period. The appreciation of the US Dollar against other currencies (like the Euro and the Japanese Yen) and the decline in crude oil prices by 55 percent in US Dollar value. Though global growth remained around the same levels, there was increasing divergence between economies. While the activity in the United States gained momentum, the recovery was slow in the Euro zone and Japan. China's growth was also below expectations due to falling property prices and overcapacity in many industries. Growth in other developing countries reflected not only weak external demand but also tightening of domestic policy, political uncertainties and supply-side constraints.

#### 3.1.2 Indian Economy

The Indian economy was on its way back to recovery with most of the key indicators like inflation, trade deficit and GDP showing an improvement over the corresponding figures in the previous year. Indian GDP growth for 2014 was around 5 percent under the old method which was a moderate improvement to the 4.7 percent growth witnessed in 2013.

With a new Government in place, there is an increased expectation of growth revival. The sharp fall in crude oil prices has helped the Indian economy in reducing the import bill significantly. It has also given space to the Reserve Bank of India to shift its focus from containing inflation to reviving growth. However, the impact of the economic reforms is yet to be seen on the ground.

Government initiatives like "Make in India" have started off well but is still to gather momentum. Passage of key reform bills will further improve the overall business prospects.

Though the Reserve Bank of India cut the repo rate from 8.0 percent to 7.5 percent in the first quarter of 2015, the resultant impact on economy is yet to be realized.

### 3.2 Industry Structure and Development

#### Automotive:

The auto industry saw signs of revival in 2014 after a decline in 2013. Post the general elections, there has been a gradual improvement in consumer sentiments with hope of revival in the economy. The combination of factors like recuperating macros, reduced fuel prices, low inflation levels and anticipation of reduction in interest rates saw a marginal growth of 1 percent in automotive production during 2014 compared to 2013, after witnessing a de-growth of 3 percent in the first half of 2014. Indian domestic volumes reduced marginally by 1 percent in 2014 mainly due to reduction in production of Light Commercial Vehicles (LCV) and tractors. The export market grew by 11 percent due to good volume growth in three wheelers and passenger cars.

Passenger car (PC) production volume grew by 1 percent in 2014. A series of new vehicles were launched by Original Equipment Manufacturers (OEM) in the passenger car market. Domestic sales of passenger cars witnessed a growth of 1 percent in 2014 and the export market grew by 5 percent. Utility vehicle production volumes grew by 2 percent mainly on account of demand from the export market.

Heavy Commercial Vehicle (HCV) production volumes had a double digit increase of 12 percent in 2014 on a low base as compared to a decline of 29 percent in 2013. Some of the factors which led to the growth were weaker Indian rupees, increase in freight rates, positive business sentiments, fleet replacement demand and pick-up in infrastructure projects and mining.

The production of LCVs declined by 16 percent in

2014 due to a constrained financing environment and higher inventories at financiers consequent to payment defaults, especially in sub-2 ton LCVs. The tractor industry witnessed a drop of 2 percent in 2014 because of delayed and deficient monsoons that disturbed the timely sowing of crops. The low hikes in Minimum Support Prices (MSP), decline in crop output and weakening crop prices negatively impacted farm sentiments.

Three wheeler production volumes increased by 11 percent in 2014 as compared to 2013, mainly on account of growth resulting from opening of fresh permits in Maharashtra and an uptrend in export markets.

The first quarter of 2015 saw a slight recovery in automobile industry due to improved market sentiments, political stability and improving macro economic environment. The PC market showed a positive growth of 8 percent on account of new model launches and good retail deals offered by OEMs. HCV market showed a positive growth of 38 percent driven by expectations of economic revival. LCV market declined by 4 percent since there was a slow down in financing small fleet operators and first time operators. But the rate of decline has reduced compared to 2014. Tractor market showed a decline of 32 percent caused by factors such as reduced Kharif crop production and lower MSP for crops reducing the disposable income of farmers.

#### Vehicle Production Growth rates:

Production Segment	+ / (-) PY					
	2010	2011	2012	2013	2014	2015*
HCV	70%	30%	-12%	-29%	12%	38%
LCV	44%	30%	5%	-4%	-16%	-4%
Cars	29%	8%	2%	-7%	1%	8%
UV's	35%	13%	32%	1%	2%	7%
Tractors	31%	24%	-7%	15%	-2%	-32%
3 Wheeler	37%	15%	-5%	2%	11%	5%
<b>Total</b>	<b>34%</b>	<b>14%</b>	<b>2%</b>	<b>-3%</b>	<b>1%</b>	<b>3%</b>

\*Quarter 1, 2015 v. Quarter 1, 2014

#### Non-Automotive:

The Power Tools industry is largely dependent on the prospects of the construction and infrastructure sectors, which witnessed a muted growth of 4 percent.

The Security Technology industry grew marginally by about 2.5 percent in 2014 over the previous year. This was mainly due to tough market conditions, delay in



The **Common Rail System for passenger cars with solenoid injectors**: its features include pressure range from 1600 to 2000 bar, performance-optimized CRS with improved multiple injection functionality and closed-loop control for small quality tolerances.



execution in large scale projects in the public sector domain and tight credit situation.

Packaging industry grew by around 8 percent in 2014. The growth was facilitated due to labour availability constraints and increased secondary packaging requirements. The trend towards premium bag styles and aseptic packaging was on a rise. Biscuits and snack foods were the biggest market segments for packaging industry.

Renewable Energy sector and Solar PV industry in specific gained impetus with the revised target of the National Solar Mission to 100,000 MW by 2022. The Government also supported faster execution of projects through the verdict on the non-applicability of anti-dumping duties for imports from some countries which include USA and China. The installations in India grew by nearly 850 MW in 2014 crossing the installed base to over 3000 MW.

**3.3 Business and segment wise performance**

The overall performance of the Company was satisfactory with a growth of 10.3 percent on an annualized basis. The growth driver was the automotive segment which posted an annualized growth of 11.1 percent. The non-automotive business grew by 4.8 percent on an annualized basis. Both domestic and export sales witnessed an annualized

increase of over 10 percent largely on account of rise in sales of diesel products.

The Company predominantly operates in manufacturing and trading of automotive products which constitutes 88 percent of total sales. The Company also has its presence in non-automotive areas (comprising of Industrial Technology, Consumer Goods and Energy and Building Technology) having a share of 12 percent. Hence, the primary segment of the Company is classified as 'Automotive and Non-automotive' while the Revenue from various geographical location of customers (domestic and export) is classified as the secondary segment.

**3.3.1 Primary Segment**

The share of automotive products increased from 87 percent in the previous year to 88 percent for the fifteen months period ended March 31, 2015.

**Automotive**

The automotive segment registered an annualized growth in sales by 11.1 percent and stood at Mio INR 102,979.

The Diesel Systems business increased by 13.8 percent on an annualized basis. The increase was led by higher sales volume of new generation Common



The **Bosch K4000 Rally** being flagged off at Kanyakumari, Tamil Nadu (left). The initiative, which took place over three weeks in February 2015 reached 58,600 Automotive Aftermarket customers across 680 locations in India. At **ACMA Automechanika New Delhi** (right), the Company showcased the best of its mobility solutions.



**Bosch System Specialist (BSS)**

is a premium retail concept that enables an existing authorized Bosch Power Tool dealer to set up an attractive, best-in-class display of the latest and most innovative Bosch Power Tools. The first BSS store focusing exclusively on the construction industry opened in 2014 in Chennai, Tamil Nadu.



Rail Systems (CRS) and distributor pumps. The Diesel Systems business will continue to ride heavily on new generation CRS for future growth in majority of vehicle segments. The conventional products like in-line pumps & nozzles continued with steady demand.

The Company pursued segment specific “local for local” approach with strong focus on total cost of ownership, resulting in competitive advantage to improve market share. It also engaged in CO<sub>2</sub> reduction measures with efficiency improvement packages on products in line with the expected BS IV emission norms in the near future and eventually BS V and BS VI.

The Automotive Aftermarket division fared moderately in a sluggish business environment during the period under review. The division registered an annualized growth of 3.0 percent. The muted growth is due to competitive pricing in some of the product classes and the tight money market.

The year also saw an increase in product portfolio in filtration, lighting, braking, auto electrical, diagnostic scanners and test benches. The Company has increased its market presence by adding 300 new distributors. The Bosch service network continues to be the largest independent service network in India.

The Starter Motors and Generators business witnessed annualized growth of 5.5 percent. Growth was driven by the increased volumes of New Baseline starter motors and generators.

The Gasoline business grew annualized by 52.2 percent, mainly on account of increased market share in the domestic passenger car market.

Share of domestic and export sales in total sale of automotive segment remained constant as in previous year. In the automotive segment, 87 percent of the sales were derived from domestic market. The share of export sales to the total sales of the segment was 13 percent during the period under review.

**Non-Automotive****Industrial Technology (Packaging Technology and Industrial Equipment):**

The Industrial Technology segment declined by 6.4 percent on an annualized basis. The decline was mainly due to lower order intakes and one time orders in 2013.

**Packaging Technology**

The Packaging Technology division annualized growth remained constant. Newly developed products have been well received in the market and encourage future development activities.

**Industrial Equipment**

The Industrial Equipment division reported an annualized decline of 12.2 percent due to onetime orders in 2013 (which would not be repeated) and decline in domestic sales.

**Consumer Goods (Power Tools):**

The Power Tools business increased at an annualized growth of 9.0 percent despite tight market sentiments. This growth was supported by e-commerce and modern retail channels, focusing on the urban and home user segments. It also gained momentum through the industrial and institutional segment as well as from emerging product lines of lawn and garden, measuring tools and the Dremel multi-tool systems. The period under review witnessed new campaigns, product launches and brand stores. The premium retail store concept – Bosch System Specialist (BSS) – has created a niche in the market with its positioning as a total solutions provider for Power Tools while giving customers a delightful shopping experience.

**Energy and Building Technology (Security Technology, Bosch Energy & Building Solutions and Thermotechnology):**

The Energy and Building Technology segment witnessed a marginal decline of 0.2 percent on an annualized basis.

**Security Technology**

The Security Technology business declined by 1.2 percent due to general slowdown in the market and delays in implementation of infrastructure projects. Projects successfully executed in 2014 included conference systems for two state assemblies, video systems for a huge steel plant and fire detection systems for a leading residential apartment project. Trend-setting products in various verticals were introduced in the market and were well received.

**Bosch Energy & Building Solutions**

Though the division had a good initial breakthrough with scalable solutions into the energy efficiency



The **Bosch DCN-NG conference system** (left) and **FPA 5000 fire alarm panel and dual ray smoke detector** (right) are two of the latest product offerings from our Security Systems business.



sector having acquired new customers, the overall performance witnessed a decline of 4.6 percent on an annualized basis. The Energy business developed an extensive network of channel partners for future growth and worked to consolidate its position as a major Engineering, Procurement and Construction (EPC) player in India.

#### *Thermotechnology*

Thermotechnology continued its impressive growth albeit low base of 2013 and grew by 27 percent on an annualized basis. The overall market share for Solar Thermal Systems (STS) in 2014 increased by 2 percent in terms of revenue. The division focused on customization of products for domestic market and developing an extensive network of channel partners and dealers.

The Non-Automotive segment was predominantly driven by domestic sales with a share of 93 percent while exports contributed 7 percent.

#### **3.3.2 Secondary Segment**

Domestic sales of the Company registered annualized growth of 10.3 percent. However, the share of domestic sales of total sales remained the same at 88 percent.

The annualized export sales of the Company increased by 10.6 percent and the bulk of exports was to Germany, China and Brazil.

### **3.4 Financial Performance and Condition**

#### **Sale of Products**

The annualized sale of products grew by 10.3 percent over the previous year and stood at Mio INR 117,414 as against sales of Mio INR 85,151 in 2013.

#### **Sale of services**

Sale of services registered an annualized growth of 18.9 percent with a total of Mio INR 2,000.

#### **Other operating revenue**

Other operating revenue registered an annualized growth of 7.7 percent and stood at Mio INR 1,441.

#### **Other income**

Other income increased by an annualized growth of

28.3 percent over the previous year.

The annualized income from interest, including non-trade investments and deposits in banks, increased by 17.2 percent and stood at Mio INR 3,474. This constituted 61.5 percent of other income.

Income from profit on sale of investments registered an annualized increase of 80.2 percent and stood at Mio INR 1,545. Dividend from long-term investments increased to Mio INR 66 from Mio INR 57 in 2013.

#### **Cost of materials consumed**

The cost of materials consumed as a percentage of sales for the fifteen months period ended March 31, 2015 reduced to 55.0 percent as against 56.0 percent for the year ended December 31, 2013. There is a decrease in cost because of localization projects implemented during the year.

#### **Personnel cost**

Personnel cost as a percentage of sales was 14.2 as against 13.8 percent in 2013. The marginal increase was mainly on account of increase in employee retiral cost owing to decline in discounting rates. The wage settlement concluded in various plants and other employee welfare expenditures also contributed to the increase. The Company continues to focus on rationalizing its work force while sustaining productivity and competence.

#### **Depreciation and amortization**

The depreciation charge for the period under review is Mio INR 5,484 as against a charge of Mio INR 3,842 in 2013 mainly due to higher asset base.

#### **Profit**

The PAT for the fifteen months period ended March 31, 2015 is Mio INR 13,377 as compared to PAT of Mio INR 8,847 in 2013. This has registered a growth of 21.0 percent on an annualized basis.

#### **Earnings per Share (EPS)**

The EPS (Basic and Diluted) of the Company for the fifteen months period ended March 31, 2015 increased by 21 percent on an annualized basis to INR 426 per share as against INR 282 per share for the previous year.

**Share capital**

At present the Company has only one class of shares: Equity Shares with a face value of INR 10 each. Authorized share capital is Mio INR 381 divided into 38,051,460 shares of INR 10 each. Issued, subscribed and fully paid-up capital as on March 31, 2015 was 31,398,900 shares of INR 10 each.

**Reserves and Surplus - Profit and Loss account**

The balance retained in general reserves and profit & loss account as on March 31, 2015 is Mio INR 71,222 which includes retained profit for the fifteen months period of Mio INR 10,165 after considering a proposed dividend of INR 85 per share.

**Shareholders' fund**

The total shareholders fund increased to Mio INR 73,470 as on March 31, 2015 from Mio INR 62,943 as compared to the previous year.

**Fixed assets – capital expenditure**

The gross fixed asset value as on March 31, 2015 was Mio INR 47,908 (tangible: Mio INR 47,841 and intangible Mio INR 67) as compared to Mio INR 43,086 (tangible: Mio INR 43,019 and intangible Mio INR 67) as on December 31, 2013.

The Company incurred a capital expenditure of Mio INR 5,030 during the period under review in addition to Mio INR 5,113 spent in 2013.

Major investments were made towards development of manufacturing facility in Bidadi and Gangaikondan and for capacity increase of existing products at other locations.

**Investments**

The surplus funds of the Company that are not required for immediate use are invested mainly in tax effective and low risk bearing instruments. The total investment (excluding investment property) as on March 31, 2015 amounted to Mio INR 27,498 as against Mio INR 21,489 for the previous year.

**Working capital****Inventories**

Inventory as on March 31, 2015 increased by 6.5 percent to Mio INR 12,762 from Mio INR 11,978 as on December 31, 2013 reflecting higher volumes.

**Trade receivables**

Trade receivables as on March 31, 2015 amounted to Mio INR 11,877 as against Mio INR 10,561 on December 31, 2013. There was a considerable improvement in credit management processes with

primary focus on tighter monitoring mechanisms and improved evaluation of credit worthiness of customer.

**Cash and Bank balances**

The total cash and bank balances as on March 31, 2015 were Mio INR 18,960 (including Cash and Cash Equivalent of Mio INR 1,304) as compared to Mio INR 14,415 (including Cash and Cash Equivalent of Mio INR 1,539) as at the end of the previous year.

Ratio	2015*	2013
Return On Capital Employed (percent)	23.3%	16.6%
Inventory Turnover ratio (In Days)	38	49
Trade Receivable Turnover ratio (In Days)	33	41
Current Ratio	2.32	2.73
Number of Days In Working Capital	69	91
No. of Employee (Average)	11,146	11,617

**Notes**

- 1) Average is the simple average of opening and closing balance.
- 2) \*For fifteen months period from January 01, 2014 to March 31, 2015

**3.5 Human Resource Development and Industrial Relations****3.5.1 Human Resource Development**

It has been a year of transformation and continuous employee engagement for the Company.

Under a global project titled Bosch Human Resources System (BHS 3.0), the Company along with other Bosch legal entities is now operating the HR service function under one common roof from Bengaluru. In the long run, this will help the Company to standardize its processes while bringing in efficiencies. Employer branding efforts continued with target universities through events like INSCRIBE 2014 and internships that attract Gen-Y, who form almost 45 percent of the Managerial & Superintending Staff of the Company.

The Company's continued efforts to foster and drive the younger generation towards future leadership was yet again recognised at the National Competition for Young Managers 2014 conducted by the All India Management Association (AIMA). The teams from the Company bagged the National Level Winners, 2<sup>nd</sup> runner-up and Best Young Manager trophies for the year 2014.

The Company continued to develop high potential managers through Management Development Programs (MDP) and international assignments, etc. As on March 31, 2015, around 100 employees were deputed on international assignments. The Bosch

The Company continued its successful run at the **AIMA National Competition for Young Managers (NCYM)**, with a team comprising Vijay Jangid, Sylvi Nazareth and Charul Jain being adjudged the winners. Since it began in 1974, the NCYM has come to be regarded as the premier platform for young managers from both public and private sector companies across the country to enhance their knowledge and skills.



Diversity initiative under the HR umbrella organized events such as Diversity Day, Women's Day and Social Engagement Day that were focused towards communicating the core message that "Diversity is our Advantage".

### 3.5.2 Industrial Relations

The Industrial Relations at all Plants and establishments remained generally cordial. However, there were two occasions which led to disruption in production. First, the prolonged strike at the Bengaluru Plant by the workmen in mid September which continued till early December. The strike was mainly on introduction of International Industrial Engineering (IE) standards for improving productivity. This was resolved by the Management with a fair and firm approach. The IE and other settlement objectives have been fully achieved. Secondly, a lock-out was declared against the Labour Union and Workmen of the Jaipur Plant in the first week of April 2015 who had been indulging in an illegal "go-slow" action. The decision to declare lock-out by the Company was taken in the interests of its customers and considering overall adverse impact of "go-slow" action on the industry. The lock-out was subsequently lifted in cooperation with the government authorities. Adequate steps were taken to fulfill customer requirements during the strike period.

The long term wage settlement was concluded successfully in Nashik, Bengaluru & Naganathapura plants. Negotiations continue with the Union at the Jaipur Plant for an amicable settlement.

### 3.6 Internal Audit and Internal Control System

The Company has an effective and reliable internal control system commensurate with the size of its operations. The internal controls are aligned with Bosch Global standards and processes while also

adhering to local statutory requirements. The efficacy of the internal checks and control systems are validated by self-audits and verified by Internal as well as Statutory Auditors.

The Audit Committee of the Board reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

### 3.7 Opportunities and Threats

The future transition to newer emission norms (BSIV / BSV / BSVI) in line with global standards will drive the need for cleaner engines and sustainable technologies. The Company with its strong technological base is well positioned to meet this demand. There is a growing expectation for an end-to-end solution as opposed to individual components by the auto sector. The Company being a global auto player is in a position to leverage its technologies to transform itself from a parts supplier to complete solution provider.

As regards the non-automotive segment, the Company's presence across multiple businesses (industrial technology, consumer goods and energy and building technology) enables synergies for tapping the existing and prospective customer base with integrated solutions.

The demand in the automotive sector may slowdown in case of slackness in the implementation of infrastructure projects. Apart from the intensified competition which puts pressure on sales prices, increasing input costs may affect the profitability of the Company.

The market linked external factors (macro economic) are the biggest threat to the business in general, apart from the key risks that are identified below.

### 3.8 Risks and Concerns

The Company follows a specific, defined Risk Management process that is integrated with operations for identification, categorization and prioritization of various risks such as operational, financial and strategic business risks. Across the organization, there are teams responsible for the aforesaid process and reporting risks to senior management.

The Risk Management Committee, headed by Mr. Soumitra Bhattacharya, Joint Managing Director & CFO, reviews the effectiveness of the process at regular intervals.

#### Major risks foreseen:

##### 1. Competition:

The Company operates in a highly competitive environment and some customers have started adopting de-risking strategies to maintain more than one source for a product. Further, more competitors have entered the market with new or similar products.

Spurious parts and cheap imitations continue to put pressure on existing market shares, primarily for Automotive Aftermarket and Power Tools. The new core team, along with respective business unit teams, does competitor analysis to discuss competitors' strategies and related insights.

##### 2. Industrial Relations (IR):

IR related risks continue at a high level. Risk continues till wage settlement is completed at the remaining locations. This includes possible risks arising from stoppage of production and the uncertain result of settlement negotiations leading to unpredictable cost structure. IR related issues continue to be dealt in a fair and firm manner and are monitored closely.

##### 3. Indian Monsoon:

The unseasonal or inadequate monsoon can result in negative impact on market sentiments, vehicle sales and usage, especially the tractor segment. The Company is regularly scanning market reports and taking appropriate action to combat lower demand.

##### 4. Economic conditions:

The economy continues to be affected by the delay in policy reforms and decision making as well as high interest rates and moderate GDP growth that affect the growth and profitability of the Company.

##### 5. Credit and default:

Prevailing liquidity tightness and subdued end customer demand could lead to rise in receivables. However, the Company is closely monitoring these risks and is continuously taking suitable steps.

#### Risk mitigation measures:

Following are some of the measures or initiatives taken up by the Management to mitigate risks other than those mentioned above:

- a) Enhance local engineering, development and testing capabilities to further drive the "develop locally for the local market" concept.
- b) Implement cost reduction through budgetary control of operating expenses.
- c) Focus on high growth segments so as to reduce over dependency on conventional segments.
- d) Retain and motivate talent by focused employee development programs.
- e) Process improvement projects in both manufacturing and administration areas to sustain growth for the future so as to increase business competence.

### 3.9 Outlook

Global growth is forecasted to be around 3.5 percent in 2015. Growth prospects are uneven across major economies. In advanced economies, growth is projected to strengthen in 2015, but in emerging market and developing economies it is expected to be weaker.

Key leading indicators like IIP (Index of Industrial Production) and the HSBC Purchasing Managers Index have shown an uptrend but are moderating recently for India.

The unseasonal rains in the country may have adverse impact on the agricultural sector and this could revive inflationary pressures. Though the fall in oil prices may benefit India, the increasing currency volatility is a matter of concern.

The recent Union Budget has prioritized economic growth over fiscal consolidation. The outcome is dependent on the Indian Government being able to implement its key reform initiatives and succeed in clearing the bottlenecks in infrastructure and energy-intensive projects.

The Company expects a moderate growth in the automotive industry in 2015 with positive growth in commercial vehicles and passenger cars supported by improved market sentiments, pickup in economic indicators, low base and pent-up demand, new model launches, relatively low fuel prices and political stability. A reduction is likely to be seen in tractors.

The weak consumer demand and suppressed liquidity in the market also placed additional pressure on the Company's non-automotive businesses. The Company has plans to expand market share, revamp the distribution strategy and develop the retail channel in the Power Tools segment.

The Company remains optimistic about the future growth prospects of the country and will continue to invest to meet the demands of the market.

#### **4. Key Manufacturing Facilities**

##### **4.1 Bengaluru (Karnataka)**

The Bengaluru Plant, established in 1953, is a pioneer in diesel system products catering to both domestic and export customers.

The Plant achieved a milestone of 1 millionth Common Rail production in March 2014. In line with the strategic focus to be fit for the future, various initiatives such as manpower restructuring, cost reduction and productivity improvement, etc. were undertaken during the year.

##### **4.2 Nashik (Maharashtra)**

The main products manufactured at Nashik Plant are Nozzles, Nozzle Holder Assemblies and the Common Rail Diesel Injection system.

The Plant faced a huge challenge mainly on account of steep drop in customer demand. This led to pressure on cost competitiveness and profitability. This was countered by various measures such as closures, break to temporary workmen, inventory reduction, focus on localization, etc.

As an eco-friendly measure, a 68 kWp solar powered generator for generating electricity in the administrative block of the Plant was installed. This is expected to bring down the carbon footprint by approximately 94 tons of CO<sub>2</sub> per year.

##### **4.3 Jaipur (Rajasthan)**

The Jaipur Plant mainly produces Distributor (VE) Mechanical and Electronic Diesel Control Pumps which are used in light and heavy commercial vehicles, sports and multi-utility vehicles and tractors.

The Plant witnessed 7 percent increase in the volumes as compared to 2013 owing to good export orders and local demand. The year also witnessed a significant reduction in the field complaints, resulting in enhanced customer confidence.

##### **4.4 Naganathapura (Karnataka)**

The Naganathapura Plant completed 25 years of operations in 2014. The Plant was able to sustain its growth despite a weak domestic market and uncertain export markets. Improvement in plant productivity and lean concepts enabled both Starter Motors and Generators and the Spark Plug businesses to remain competitive.

##### **4.5 Verna (Goa)**

During the period under review, the Verna Plant completed two years in its new state-of-the-art manufacturing facility. In line with the business strategy the plant transformed from being a single equipment seller to complete line solution seller. The plant is gearing up to cater to markets beyond geographical boundaries.

##### **4.6 Kumbalgodu (Karnataka)**

The Solar Thermal Collector production facility made a steady progress in 2014, almost doubling production compared to the previous year in a very competitive market. New product variants such as the Evacuated Tube Collector were successfully introduced.

##### **4.7 New Facilities**

The year 2014 saw the setting up of three new facilities at Bidadi (for Diesel Systems), Gangaikondan (for Gasoline Systems) and Chennai (for Power Tools).

A brief overview of these facilities is given below:

###### **4.7.1 Bidadi (Karnataka)**

With the addition of new products in the upcoming years and restriction on expanding the existing facility at the Bengaluru Plant, identifying a new location to supplement the existing facility was the need of the hour.

The Bidadi Plant is located in the Bidadi Industrial area at a distance of 35 kms from Bengaluru and has a super builtup area of approximately 38,000 sq. meters.

While one assembly line for Common Rail has been commissioned, full-fledged operation is expected by 2017-18.

The new **Gasoline Systems Plant** at Gangaikondan, Tamil Nadu, is the Company's latest manufacturing unit in India and will facilitate the division's long-term localization and growth targets.



#### 4.7.2 Gangaikondan (Tamil Nadu)

This manufacturing unit is set up at State Industries Promotion Corporation of Tamil Nadu (SIPCOT) Gangaikondan, Tamil Nadu. It will facilitate the Company's Gasoline Systems business to further localize manufacturing and increase cost-competitiveness. Prior to the setting up of this new manufacturing facility, the Gasoline Systems division shared the Company's Naganathapura manufacturing facility for its local production.

This facility will produce powertrain sensors, fuel delivery modules and air management components for automotive and two-wheeler systems.

#### 4.7.3 Chennai (Tamil Nadu)

The Company has set up a new Power Tools manufacturing plant approximately 37 km from Chennai at Oragadam, Tamil Nadu.

The Plant will cater to the requirements of new products for the Indian market and aims to be a low cost location in Asia Pacific region.

Commercial production at the Chennai Plant is expected to commence in later half of 2015.

### 5. Information Technology (IT)

As part of customer focused initiatives, System to System communication has been enabled for select global OEMs from specific supplying locations. For Indian OEMs, SIAM-ACMA initiatives are being pursued. In an effort to empower the field representatives in Automotive Aftermarket, a new CRM software has been implemented in October 2014 to reap the benefits of advancement in IT and communication fields.

Bosch ERP systems have been enabled for the new manufacturing locations at Bidadi and Gangaikondan, providing end to end business operations.

### 6. Change Initiatives

#### 6.1 Continuous Improvement Process (CIP)

The "System CIP" concept is being widely used in the direct areas. The maturity level of "System CIP" in the direct areas has been on the rise. Extending of "System CIP" concept to indirect areas has been started. The existing Self Assessment Methodology of CIP activities have been modified to incorporate "System CIP" and other simplifications and the new assessment methodology is planned across all units by the end of 2015. CIP in indirect areas is gaining momentum with increasing focus on savings through CIP activities in indirect functions.

#### 6.2 Bosch Production System (BPS)

The BPS Maturity Assessment methodology is being used for improving the maturity level of BPS implementation in the plants. "System CIP" is playing an important role for strengthening BPS implementation. Manufacturing lines are further improved using BPS tools before moving these lines to new manufacturing locations.

Bosch Connect is being used for quick and easy interaction amongst plants. This platform is aimed at worldwide communication of best practices of BPS and also for finding solutions to existing issues through knowledge sharing and experience from like cases.

### 7. Business Excellence

The Diesel Systems business division has adopted the European Foundation for Quality Management (EFQM) model for Business Excellence at its manufacturing locations in Bengaluru, Nashik and Jaipur from 2004. 'Living Business Excellence' is one of the key strategic themes and is included in the Vision and Mission statements of this division as 'Business Excellence at work'. Strategic measures/targets are developed, deployed and reviewed across





The **Shop Floor CIP (SFC)** activities boost internal competitiveness among various CIP implementation teams and strengthen associate involvement on the shop floor.

plants and connected corporate functions through a structured strategy management process. Key performance indicators are measured to enable the achievement of required business results.

**8. Awards and Recognition**

During the period under review, the Company won several awards as recognition for its commitment to excellence. Few such awards are:

- Fortune India's third annual survey of the country's most admired companies ranked the Company number one in the Auto Components sector.
- The Company received the Export Excellence Award 2014 for "Best Manufacturer Exporter" from the Federation of Karnataka Chambers of Commerce & Industry (FKCCI)
- The Innovation award from Mahindra & Mahindra – Auto and Farm sector for its "Innovation Driven Approach" by introducing 'Innovative, Overall

Cost Effective & Field Fuel Efficient A-Pump System for Arjun 605 DI BSIII Tractors >50HP category'.

- The Intersolar Award 2014 for the Best Solar Project in the Industrial and Commercial category for the 1 MW first-of-its-kind solar project on a water lagoon for the Maruti Suzuki Manesar plant.

**9. Corporate Social Responsibility (CSR) Policy and Initiatives**

The Board of Directors have constituted a CSR Committee comprising of Mr. Prasad Chandran, Independent Director, Mr. Bhaskar Bhat, Independent Director, Dr. Steffen Berns, Managing Director and Mr. Soumitra Bhattacharya, Joint Managing Director as its members. Mr. Prasad Chandran, is the Chairman of the Committee. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors.



The Company has received a number of notable awards in 2014 for its commitment to excellence in manufacturing and innovative products and solutions.

For details of the CSR initiatives and activities of the Company please refer Principle 8 of the Business Responsibility Report and Annual Report on CSR Activities enclosed as Annexure 'B' to the Directors' Report.

### 10. Subsidiary Companies

As the aggregate assets and income of MICO Trading Pvt. Ltd., as on March 31, 2015 are not material, no consolidated financial statements under Accounting Standard 21 "Consolidated Financial Statements" as notified under Section 211(3C) of the Companies Act, 1956, has been prepared.

As required under Section 212 of the Companies Act, 1956, annexed hereto are the Audited Statement of Accounts, the Report of the Board of Directors and Auditors' Report for the fifteen months period ended March 31, 2015 of MICO Trading Pvt. Ltd. A separate statement containing the salient features of the financial statement of subsidiary, associates and joint ventures under the prescribed format has also been enclosed with the Directors' Report of the Company as per the requirements of Section 129 of Companies Act, 2013 as Annexure 'E'.

### 11. Directors

Mr. Franz Hauber (DIN : 06485529) was appointed as an Alternate Director to Mr. Peter Tyroller with effect from January 01, 2014.

Mr. Hauber ceased to be a Director of the Company with effect from the close of business hours on February 28, 2015. The Board of Directors places on record their deep appreciation for the contribution and services rendered by Mr. Franz Hauber during his tenure as Director of the Company.

Dr. Andreas Wolf, Executive Vice President was appointed as an Alternate Director to Mr. Peter Tyroller with effect from March 01, 2015. Consequent to his appointment as an Alternate Director, Board appointed him as Whole-time Director for a period of four years with effect from March 01, 2015.

Brief profile of Dr. Andreas Wolf forms part of the Explanatory Statement of the Notice dated May 29, 2015, convening the 63<sup>rd</sup> Annual General Meeting of the Company.

Names of companies/firms in which Directors of the Company hold office as Director, etc. as on the date of this report are given below:

#### Mr. V. K. Viswanathan (DIN : 01782934)

- Magma HDI General Insurance Company Limited

- Bharti Airtel Limited
- HDFC Standard Life Insurance Company Limited
- Century Metal Recycling Private Limited
- Indo-German Chamber of Commerce (Committee Member)
- K S B Pumps Limited
- Credit Information Bureau (India) Limited

#### Mr. Peter Tyroller (DIN : 06600928)

- Robert Bosch Korea Limited
- Robert Bosch (South East Asia) Pte. Limited
- United Automotive Electronic System Co. Ltd.
- DEKRA SE (Member of the Supervisory Board)

#### Mr. Bernhard Steinruecke (DIN : 01122939)

- Zodiac Clothing Company Limited
- Nuremberg Messe India Private Limited
- HDFC ERGO General Insurance Company Limited
- Apollo Munich Health Insurance Company Limited

#### Mrs. Renu S Karnad (DIN : 00008064)

- GRUH Finance Limited
- Housing Development Finance Corporation Limited
- HDFC Bank Limited
- HDFC Asset Management Company Limited
- HDFC ERGO General Insurance Company Limited
- HDFC Standard Life Insurance Company Limited
- Indraprastha Medical Corporation Limited
- EIH Limited
- ABB Limited
- Feedback Infrastructure Services Private Limited
- Lafarge India Private Limited
- HT Parekh Foundation
- HDFC PLC Maldives
- WNS (Holding) Limited
- HIREF International LLC
- HIREF International Fund II PTE. Ltd.
- HIREF International Fund PTE Ltd.

#### Mr. Prasad Chandran (DIN : 00200379)

- Indo German Chamber of Commerce (Committee Member)
- Coromandal International Limited
- HDFC Standard Life Insurance Company Limited
- Public Concern for Governance Trust (Trustee)
- SEEGOS (Proprietorship Firm)

**Mr. Bhaskar Bhat (DIN : 00148778)**

- Titan Company Limited
- Titan International Middle East FZE
- Trent Limited
- Titan Time Products Limited
- Favre Leuba AG, Switzerland
- Tata Ceramics Limited
- Titan Engineering & Automation Limited

**Dr. Steffen Berns (DIN : 06449396)**

- Robert Bosch Engineering and Business Solutions Private Limited
- MICO Trading Private Limited (Director & Member)
- Robert Bosch (Bangladesh) Limited
- Confederation of Indian Industry (National Council Member)
- Robert Bosch Lanka (Private) Limited
- Indo German Chamber of Commerce (Committee Member)

**Mr. Soumitra Bhattacharya (DIN : 02783243)**

- Bosch Electrical Drives India Private Limited
- MICO Trading Private Limited (Director & Member)
- Automotive Component Manufacturers Association of India (Executive Committee Member)
- Bosch Rexroth (India) Limited
- Confederation of Indian Industries (Southern Council Member)

**Dr. Andreas Wolf (DIN : 07088505)**  
*(Alternate Director to Mr. Peter Tyroller w.e.f. 01.03.15)*

- Bosch Automotive Electronics India Pvt. Ltd.
- Bosch Chassis Systems India Ltd.

Dr. Steffen Berns is liable to retire by rotation and being eligible, offers himself for re-election. Brief profile of Dr. Berns is given in the Notice convening the forthcoming Annual General Meeting.

**12. Board Meetings**

During the period, January 01, 2014 to March 31, 2015, seven meetings of the Board of Directors were held.

The particulars of the meetings and attendance thereat are mentioned in the Corporate Governance Report.

**13. Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company as on the date of this Report:

Dr. Steffen Berns (*Managing Director*)  
Mr. Soumitra Bhattacharya  
(*Joint Managing Director & Chief Financial Officer*)  
Dr. Andreas Wolf (*Whole-time Director*)  
Mr. S. Karthik (*Company Secretary*)

**14. Remuneration Policy**

During the period under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee approved "Nomination and Remuneration Policy for Directors and Senior Management."

The Policy, *inter-alia*, provides for criteria and qualifications for appointment of Director, Key Managerial Personnel and Senior Management, Board diversity, remuneration to directors, key managerial personnel, etc. The policy is enclosed as Annexure 'F' to this Report. The policy can also be accessed at [www.boschindia.com](http://www.boschindia.com) under the "Shareholder Information" section.

**15. Independent Directors**

The Board has an optimum combination of Independent and Non-Independent Directors. In line with the requirements of the Listing Agreement and Companies Act, 2013, half of the Board comprises of Independent Directors.

The following are the Independent Directors of the Company as on the date of this Report:

1. Mr. Bernhard Steinruecke
2. Mrs. Renu S Karnad
3. Mr. Prasad Chandran
4. Mr. Bhaskar Bhat

**16. Declaration as to Independence**

The Independent Directors have given a declaration to the Company that they meet the criteria of independence as per section 149(6) of the Act.

**17. Familiarization programme for Independent Directors**

During the year under review, a separate training session for independent directors was organized by the Company. The session covered roles, responsibilities, rights, liabilities and other duties imposed on the independent directors under the new Companies Act, 2013 and the Listing Agreement. It also involved a brief overview on the vital provisions of the relevant latest statutory regulations.

The independent directors are apprised at Board meetings on important developments in various business divisions of the Company. They are also updated on important changes in the regulatory framework and business environment having an impact on the Company.

The aforementioned details have also been uploaded on the website of the Company at [www.boschindia.com](http://www.boschindia.com) under the "Shareholder Information" section.

### 18. Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of the Board as a whole, the Directors individually as well as the working of the Board and its Committees.

A structured questionnaire was circulated to the Board members in this connection. The feedback from the Directors was summarized and ideas for further improving effectiveness of the Board processes, etc. were discussed.

### 19. Particulars of Employees

The information required pursuant to section 217 (2A) of the Companies Act, 1956 in respect of employees of the Company will be provided upon request. In terms of section 136 of the Act / 219(1) (b) (iv) of Companies Act, 1956, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the members at the registered office of the Company during business hours on any working day. Any Member, if interested in obtaining a copy thereof, may write to the secretarial department in this regard.

### 20. Corporate Governance

A report on Corporate Governance approved by the Board of Directors of the Company and a certificate from the Practicing Company Secretary forms part of this Annual Report. The Company has fully complied with the Corporate Governance practices specified under the Listing Agreement.

A Code of Conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Rules and Regulations of Service Conduct for Managerial and Superintending Staff and Code of Business Conduct effectively support the Corporate Governance processes.

### 21. Risk Management

The Company has a well defined Risk Management Policy. The policy has been developed after taking cognizance of the relevant statutory guidelines, Bosch Guidelines on risk management, empirical evidences, stakeholder feedback, forecast and expert judgment.

The policy, *inter-alia*, provides for the following:

1. Risk Management framework;
2. In-built pro-active processes within the Risk Management Manual for reporting, evaluating and resolving risks;
3. Identifying and assessing risks associated with various business decisions before the materialization of the risks and making informed decisions at all levels of the organization in relation to the Company's capacity to accept certain risks in business ventures;
4. Ensuring protection of shareholder's value through the establishment of integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting all risks;
5. Strengthening Risk Management through constant learning and improvement;
6. Adoption and implementation of risk mitigation measures such that they are effective in achieving long-term goals of sustainability by becoming embedded in the business processes and culture of the Company;
7. Regularly review Risk Tolerance levels of the Company as they may vary with change in Company's strategy; and
8. Ensuring sustainable business growth with stability.

In the opinion of the Board, there are no elements of risks that may threaten the existence of the Company.

### 22. Whistle Blower Policy

The Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement.

Details of the Whistle Blower Policy have been mentioned in the Corporate Governance Report. The Whistle Blower Policy has also been uploaded on the website of the Company at [www.boschindia.com](http://www.boschindia.com) under the "Shareholder Information" section.

### 23. Business Responsibility

Pursuant to Clause 55 of the Listing Agreement, listed companies are required to submit Business Responsibility Report as part of their annual report, covering the principles enunciated in the said clause. Accordingly, a report on Business Responsibility forms part of this Annual Report.

### 24. Related Party Transactions

All Related Party Transactions entered during the period January 01, 2014 to March 31, 2015 were in ordinary course of business and on an arm's length basis. No materially significant transactions were entered between the Company and its Promoters, Directors, Key Managerial Personnel etc. which may have a potential conflict with the interest of the Company at large. There were no material related party transactions pursuant to the provisions of section 188 of the Act.

Prior approval of the Audit Committee is obtained for all foreseeable related party transactions on a quarterly basis. Details of all related party transaction entered on the basis of the aforementioned approval are placed before the Audit Committee on quarterly basis for their review.

The Company has also formulated a "Related Party Transaction Policy" specifying the manner for dealing with transactions with related parties. The same has also been uploaded on the website of the Company [www.boschindia.com](http://www.boschindia.com) under the "Shareholder Information" section.

### 25. Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo

The report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217 (1)(e) of the Companies Act, 1956 is enclosed as Annexure 'A' to this Report.

### 26. Auditors

Company's Auditors M/s. Price Waterhouse & Co. Bangalore LLP (Membership No. 007567S/S-200012) retire at the forthcoming Annual General Meeting and are eligible for appointment. They have confirmed to the Company that they are eligible to be appointed as Auditors in terms of Sections 139 & 141 of the Companies Act, 2013 and Rules framed thereunder.

### 27. Cost Audit & Cost Auditors

Pursuant to General Circular no. 15/2011 dated 11.04.2011 and order dated 06.11.2012 issued by Ministry of Corporate Affairs (MCA) under section 233B(1) of the Companies Act, 1956, M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru (Regn. No.000065, PAN: AAAFR8892D) were appointed as Cost Auditors for the period January 01, 2014 to March 31, 2015. The due date of filing of the cost audit report is September 28, 2015 in terms of erstwhile Companies (Cost Audit) Report Rules, 2011. Cost Audit report for the year 2013 was filed on June 27, 2014.

Pursuant to section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board of Directors on recommendation of the Audit Committee appointed M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru as Cost Auditors to audit the cost accounts of the Company for the financial year 2015-16. As per the requirements of the Companies Act, 2013, remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the General Meeting. Accordingly, resolution ratifying the remuneration payable to M/s. Rao, Murthy & Associates is included in the Notice dated May 29, 2015, convening the Annual General Meeting of the Company.

### 28. Secretarial Audit

The Company appointed Mr. Sachin Bhagwat, Practicing Company Secretary, to conduct Secretarial Audit particularly with reference to compliance with Companies Act, 1956/2013, Listing Agreement and relevant SEBI Regulations for the financial year 2014-15. The report of the Secretarial Audit is enclosed as Annexure 'C' to this report.

### 29. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors report that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent

so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. proper internal financial controls are in place and that such internal financial controls are adequate and are operating effectively; and
- f. systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **30. Details of Loans, Guarantee and Investments**

Details of Loans made during the period under review pursuant to section 186 (4) are enclosed as Annexure 'D' to this report.

### **31. Deposits**

During the period January 01, 2014 to March 31, 2015, there were no deposits as per the provisions of Companies Act, 2013.

### **32. Material Changes and Commitments**

There were no material changes and commitments between the end of the period under review and the date of this report which could have an impact on the Company's operation in the future or its status as a "going concern".

### **33. Significant and Material Orders passed by the Regulators or Courts**

There are no significant or material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

### **34. Acknowledgements**

The Directors express their gratitude to the various Central and State Government Departments for their continued cooperation extended to the Company. The Directors also thank all customers, dealers, suppliers, banks, members and business partners for the excellent support received from them. The Directors would also like to acknowledge the exceptional contribution and commitment from the employees of the Company during the period under review.

### **35. Disclaimer**

The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated April 04, 2014 clarified that the financial statements and documents required to be attached thereto, in respect of financial year commencing prior to April 01, 2014 shall continue to be governed by the provisions of Companies Act, 1956, schedules and rules made thereunder. Though the financial statements and the Auditors' Report have been prepared as per the provisions of Companies Act, 1956, the Company has to the extent possible provided the information in the Board's Report as per the provisions of Companies Act, 2013.

### **36. Cautionary Statement**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objective, expectations or forecasts may be forward – looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement.

For and on behalf of the Board of Directors

V. K. Viswanathan  
Chairman

Date: May 29, 2015

# Financials at a glance

## 10 YEARS' PERFORMANCE

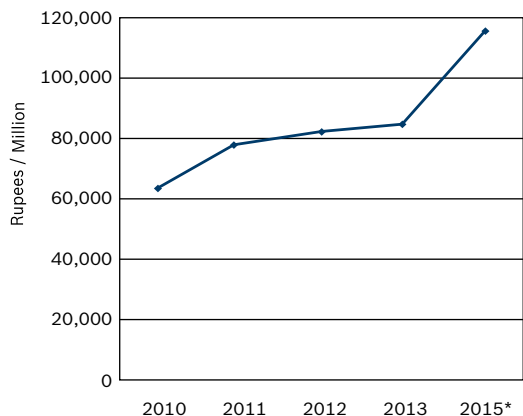
[₹ in Million]

	2014-15*	2013	2012	2011	2010	2009	2008	2007	2006	2005
Sales	117,414	85,151	84,172	79,295	66,305	47,498	45,416	42,796	37,837	29,775
Of Which Exports Sales	14,625	10,578	9,402	10,344	8,461	5,855	6,845	6,730	6,270	4,231
Profit before tax	19,559	12,566	13,462	15,740	12,028	7,934	8,566	8,560	7,983	5,290
Less:Provision for tax on Income	6,182	3,719	3,879	4,513	3,439	2,028	2,227	2,468	2,503	1,859
Profit After Tax	13,377	8,847	9,583	11,227	8,589	5,906	6,339	6,092	5,480	3,431
<b>Profit before appropriation</b>	<b>13,377</b>	<b>8,847</b>	<b>9,583</b>	<b>11,227</b>	<b>8,589</b>	<b>5,906</b>	<b>6,339</b>	<b>6,092</b>	<b>5,480</b>	<b>3,431</b>
Appropriations										
Capital redemption reserve	-	-	-	-	-	6	-	-	-	-
Capital reserve	-	-	-	1	35	-	-	-	-	-
Interim Dividend (%)	-	-	-	2,669 (850)	-	-	-	-	385 (120)	-
Dividend (%)	2,669 (850)	1,727 (550)	1,884 (600)	1,570 (500)	1,256 (400)	942 (300)	801 (250)	801 (250)	128 (40)	385 (120)
Tax on dividend	543	308	306	255	209	160	136	136	76	57
Tax on interim (Special Dividend)	-	-	-	434	-	-	-	-	-	-
Tax on dividend written back	-	-	-	(4)	(4)	-	-	-	-	-
Dividend & Tax on dividend written back relating to 2008	-	-	-	-	(15)	-	-	-	-	-
General Reserve	1,337	885	958	5,000	3,750	4,500	5,000	4,800	4,500	2,500
Balance Carried Forward	8,828	5,927	6,435	1,303	3,377	278	402	355	391	489
<b>Total</b>	<b>13,377</b>	<b>8,847</b>	<b>9,583</b>	<b>11,227</b>	<b>8,589</b>	<b>5,906</b>	<b>6,339</b>	<b>6,092</b>	<b>5,480</b>	<b>3,431</b>
Paid-up Capital	314	314	314	314	314	314	320	321	321	321
Reserves	73,156	62,629	55,419	46,970	40,666	33,538	30,634	25,313	20,099	15,208
Net Worth	73,470	62,943	55,733	47,284	40,980	33,852	30,955	25,634	20,420	15,528
Gross Block of fixed Assets	47,908	43,086	39,414	33,584	30,238	28,712	27,286	23,459	21,027	18,290
Net block of Fixed Assets	9,676	9,381	8,633	5,917	4,360	5,133	6,086	4,871	4,488	3,838
Additions to Gross Block	5,757	4,581	6,375	4,423	1,776	2,121	4,248	2,943	3,177	3,881
<b>Earning per share (EPS) (₹)</b>	<b>426</b>	<b>282</b>	<b>305</b>	<b>358</b>	<b>274</b>	<b>187*</b>	<b>198*</b>	<b>190</b>	<b>171</b>	<b>107</b>

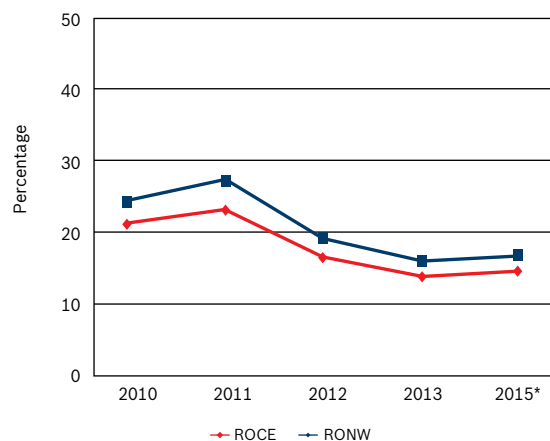
\*Based on weighted average of the number of shares.  
2014-15\* represents fifteen months period starting from January 2014 to March 2015  
Previous years' figures have been recast/regrouped wherever necessary.

## KEY GRAPHS

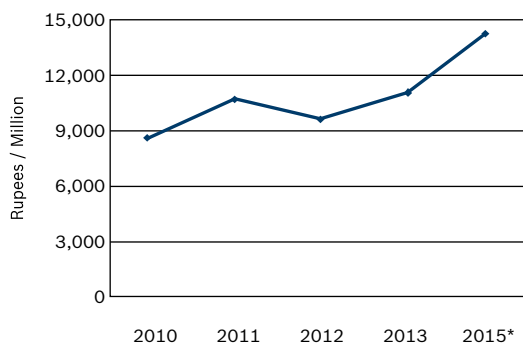
**Net sales**



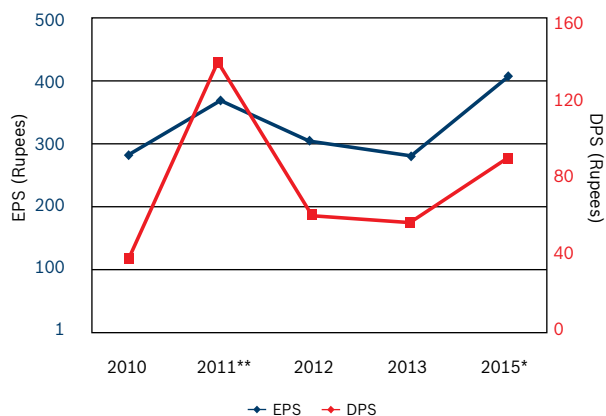
**Return on capital employed (ROCE)  
Return on networth (RONW)**



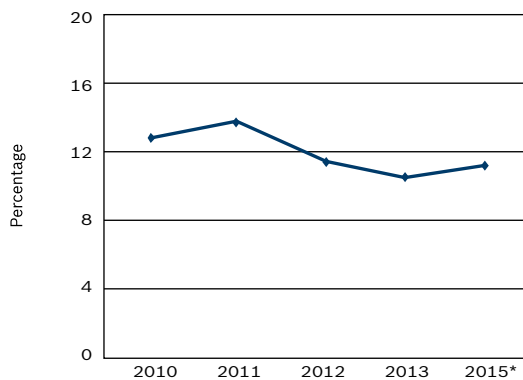
**Exports**



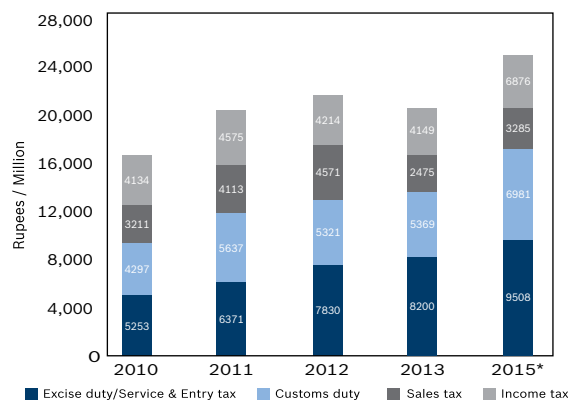
**Earnings per share (EPS)  
Dividend per share (DPS)**



**Profit after tax (PAT) as a percentage of sales**



**Contribution to exchequer**



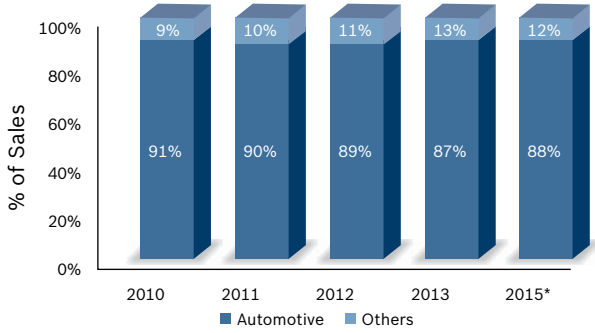
2015\* represents fifteen months period starting from January 2014 to March 2015

\*\* includes interim dividend

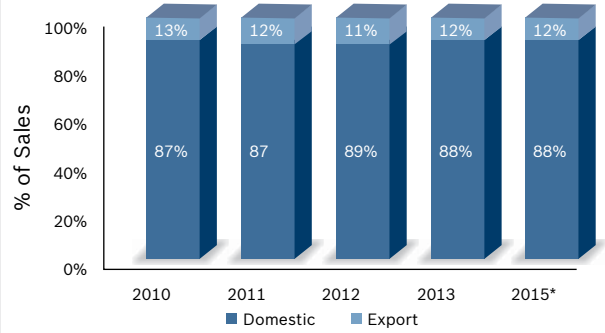


## SALES PERFORMANCE

### Primary segment

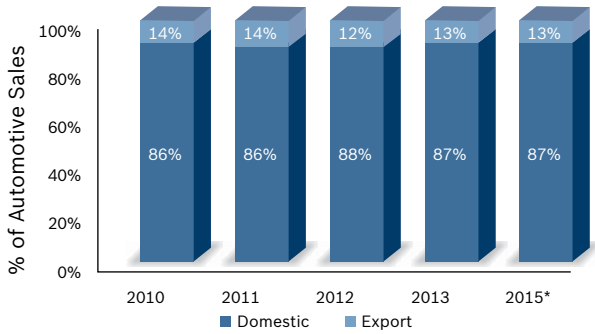


### Secondary segment

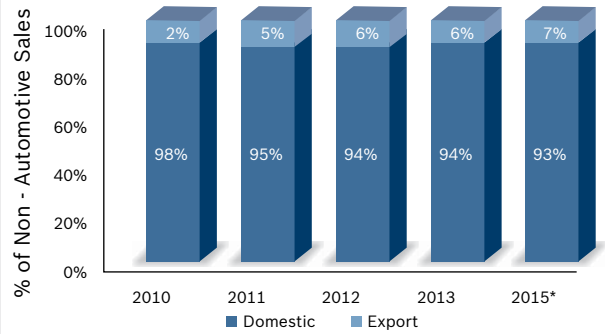


## SEGMENT-WISE SALES

### Automotive sales

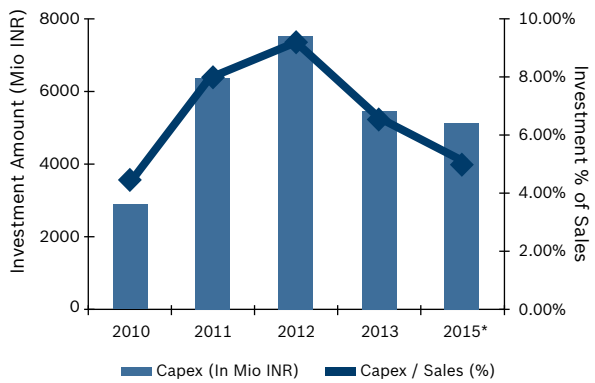


### Non-automotive sales

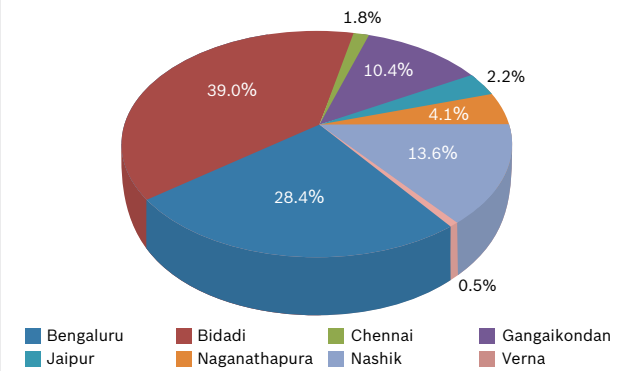


## CAPITAL EXPENDITURE

### Capital expenditure percentage to sales



### Location-wise capital expenditure



2015\* represents fifteen months period starting from January 2014 to March 2015

# Annexure 'A' to the Report of the Directors

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 217(1)(e) of The Companies Act, 1956]

### A. Conservation of energy

Energy conservation initiatives receive highest priority across all locations. They are not only driven by cost factors but also because of our strong commitment towards reducing carbon dioxide (CO<sub>2</sub>) emissions. The Company has set specific CO<sub>2</sub> reduction targets for 2020. Some of the measures have yielded very good results during January 2014 – March 2015

#### (a) Measures taken during the year

- Utilization improvement of low energy furnaces and batch quantity optimization
- Annual DG energy reduction from 1.5 percent to 1 percent
- Elimination of Piscal cleaning for salt quenched components
- Ventilation system for parameter optimization
- ECO mode operation on MAE by optimizing working of auxiliary equipments
- Optimization of speed for ventilation system through speed controller
- Conversion from Delta to Star connection for overrated motors
- Energy saving device for factory lighting
- Optimized use of compressor system
- Use of Fiber Glass Reinforced Plastic (FRP) blades in place of metallic in blowers
- Coolant motor optimization on Junker and EMAG machines
- Reducing the pneumatic pressure from 6 to 5.2 bar
- Introduction of ON delay and OFF delay timer for switching on and off of bore well pump
- Replacing old CFLs with LED lights
- Tempering of induction hardened parts in tempering oven (2 kW) instead of a 62 kW tempering furnace
- Temperature reduction in cleaning machine
- Capacitor installation in FCM area motors > 15 kW
- Voltage optimization at the 433 V substation
- Usage of portable compressor on Sundays and holidays

#### (b) Additional proposals being implemented

- Introduction of heat pumps for washing machines in Heat Treatment shop
- Solar power project at Nashik Plant

- Projects in HVAC area
- Projects on lighting (LED lighting and voltage optimization)
- Energy efficiency motors for exhaust units
- Efficiency improvement of motors >2kW
- Centralized chiller for Y stage machines in hangar to reduce heat load

#### (c) Impact of the above measures

During the year 2014, the implementation of energy conservation measures has resulted in net electrical energy savings of 17.0 mio kWh.

### B. Technology absorption

#### (a) Research and Development

##### 1. Specific Areas in which R&D was carried out:

**Fuel Injection Equipment - Diesel Systems:**

Segment specific local approach pursued for whole Indian market with strong focus on total cost of ownership giving a competitive advantage.

- In the passenger car segment, with proposed scenario of Bharat Stage V (BS V) in 2019 as per the draft Auto Fuel policy, the Company is engaged in CO<sub>2</sub> reduction measures with efficiency improvement packages on products.
- For emerging markets, DeNox systems are being applied in the commercial vehicle segment as new business potential.
- Low cost inline pumps with extended pressure capability for < 200kW genset market is developed as extension of conventional products within the local market.

**Gasoline Systems:**

- 2 wheeler EMS and associated component development.
- Low cost transmission concepts (E-Clutch).
- Alternate fuel systems (CNG).
- Extensions of EMS Technology in the Light Passenger Vehicle (LPV) to BS IV, BS V and CNG – LPV applications.

**Starter Motors and Generators:**

- Design and development of a new variant of Baseline Generator for further penetration in passenger car segment of the Indian market
- Design and development of gear reduction Starter Motor with protection features for off-highway application

**Spark Plugs:**

- Localization of higher grade ceramic for cost effectiveness
- Spark plug with precious metal contents on electrodes for better durability

**Glow Plug and Glow Control Units:**

- Series production of new platform with reduced tip diameter
- GLP (GLP2E): Completion of development for the emerging market
- Test facility upgrade to cover state-of-the-art Starting Device products
- Local competency established for Selective Catalytic Reduction system engineering and calibration

**2. Benefits derived**

The initiatives have resulted in benefits for our customers and the end users, as enumerated below:

- Reducing exhaust emissions
- Improving fuel economy and consequent reduction in CO<sub>2</sub>
- Optimum cost/benefit ratio for system solutions

**Future plan of action:**

- Build up competence in engine management solutions for technologies beyond BS V norms
- Projects on energy conservation to enable reduced CO<sub>2</sub> emissions thereby reducing the carbon footprint
- Product portfolios relevant to the low price vehicle segment
- Increase the depth of localization.

**3. Expenditure on R&D**

		[₹in Millions]
a)	Capital	146
b)	Revenue	2,006
c)	Total	2,152
d)	Total R&D expenditure as a percentage of Net Sales	1.8%

**(b) Technology absorption, adaptation and innovation****1. Efforts made:**

In its efforts to stay updated with latest technology, the Company is engaged in continuous exchange of information with member companies of the Bosch Group worldwide. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience. Competency development at Company's

Technical Centre, India has been a key focus to enable product, system and new solutions for the local needs.

**2. Benefits derived:**

The benefits are the same as enumerated in B(a) 2 above.

**3. Technology imported during the last five years:**

In addition to the existing technical collaborations for products in the field of fuel injection equipment, spark plugs, auto electrical, power tools, compact alternators, etc., the Company has entered into technical collaborations for the following products during the last five years:

Throttle Position Sensor and Assembly Lines (ATMO)	2009
Packaging Machines; Electronic Control Units.	2010
Compact Direct Starter Motor, Start-Stop Motor – SSM1; SSM- Eco, Common Rail Electronic Control Units-EDC17; Temperature Sensor TF-W; and VP37 product sub-class VE-EDC	2011
Packaging Machines of ranges Pack 201 Hand load infeed, Pack 301 inline Feeder for compressible biscuits, SVI 2620 & SVI 4020; Crank Shaft Sensor 'DG-6' family and Accelerator Pedal Module	2012
Flat Plate Collector Basic SKW (platform)	2013
Packaging Machine FLC 3000 (Product Class: 0998); FSM-EM-Component Kit (first generation)	2014

**4. Technology absorption:**

The Bosch Group is a leading global supplier of technology and services. The Company being a part of Bosch group has access to the future technologies. The Company therefore is able to offer at any point of time state-of-the-art technology to meet the requirements of its national and international customers.

**C. Foreign exchange earnings and outgo**

		[₹in Millions]
a)	Export activities:	
	Exports	14,652
b)	Total foreign exchange used and earned:	
	Foreign exchange used (including for capital assets)	35,554
	Foreign exchange earned	14,898

# Annexure 'B' to the Report of the Directors

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The provisions under Companies Act, 2013 and the Rules made thereunder for CSR are applicable for the companies whose financial year had commenced on or after April 01, 2014. Since our financial year commenced on January 01, 2014, the provisions are not applicable to the Company for the period under review.

### 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Brief outline of the CSR Policy and overview of projects and programmes undertaken are given in the Directors' Report.

The CSR Policy can be accessed at:

[http://www.boschindia.com/media/in/documents/our\\_company\\_1/shareholder\\_information\\_1/2014/CSRPolicy.pdf](http://www.boschindia.com/media/in/documents/our_company_1/shareholder_information_1/2014/CSRPolicy.pdf)

### 2. Composition of the CSR Committee:

Mr. Prasad Chandran, Chairman (Independent Director)  
Mr. Bhaskar Bhat (Independent Director)  
Dr. Steffen Berns (Managing Director)  
Mr. Soumitra Bhattacharya (Joint Managing Director)

### 3. Average Net Profit of the Company for the last three financial years:

Average Net Profit: ₹13,594 mio

### 4. Two percent of the amount as in item 3 above:

This provision is applicable from financial year starting on or after April 01, 2014, that is from the financial year starting April 01, 2015, for the Company.

### 5. Details of CSR spent for the Financial Year:

- Total amount spent for the financial year: ₹103.45 mio.
- Amount unspent, if any: Refer Note 6
- Manner in which amount spent in the financial year is detailed below:

(₹ in Million)

Sr. No	Projects/Activities	Sector	Locations	Amount Outlay (Budget) Project or Program wise	Amount spent on the Project or Program	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Child Health Development Programme (CHDP) for Government school children	Health, Hygiene & Education	Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	13.05	9.42	9.42	9.42*
2.	Infrastructure development (including sanitation facility for girls) in Govt. schools		Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	14.00	10.60	10.60	10.60
3.	Model School Concept for upgrading Education quality in Govt. Schools		Bengaluru (Karnataka)	7.25	0.66	0.66	0.66
4.	Science Education to Govt. school children		Bengaluru (Karnataka)	7.50	4.10	4.10	4.10*
5.	English and Computer Education in Govt. schools		Bengaluru (Karnataka)	3.75	5.95	5.95	5.95*

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Project or Program wise	Amount spent on the Project or Program	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency	
6.	Vocational Skills Training for School Dropout underprivileged youth	Vocational Training	All India	23.38	14.66	14.66	14.66	
7.	Train the Trainers		All India	3.45	3.47	3.47	3.47	
8.	Employability Enhancement through Skill Competitions		All India	3.88	2.43	2.43	2.43	
9.	Infrastructure development for Vocational Training in Govt. ITIs		Bengaluru (Karnataka)	18.85	14.05	14.05	14.05	
10.	Vocational Training set up support in Sir Vishveshwaraiah Training Institute		Bengaluru (Karnataka)	3.25	2.74	2.74	2.74	
11.	Vocational training for School Children		Bengaluru (Karnataka)	2.25	0.27	0.27	0.27	
12.	Employable skill training for ITI students		Bengaluru (Karnataka) Jaipur (Rajasthan)	0.35	0.67	0.67	0.67	
13.	Tribal school development		Neighborhood Projects	Nashik (Maharashtra)	3.00	5.09	5.09	5.09
14.	Village development projects			Dubhewadi and Dahlewadi (Maharashtra)	3.44	3.55	3.55	3.55
15.	Support to special children and medical support (Nashik Run)			Nashik (Maharashtra)	4.00	3.01	3.01	3.01
16.	Tree Plantation and Solar lighting in villages and Govt. school			Bengaluru (Karnataka)	1.12	1.10	1.10	1.10
17.	RO (Reverse Osmosis) Plants to provide clean drinking water facility to the Villagers			Jaipur (Rajasthan)	4.88	2.56	2.56	2.56
18.	Solid waste management Project (War On Waste)	Bengaluru (Karnataka)		1.89	1.25	1.25	1.25*	
19.	Tree plantation around RICO Industrial Estate	Jaipur (Rajasthan)		1.00	0.65	0.65	0.65	
20.	Tree Plantation and Self Help Group programme	Nashik (Maharashtra)		2.13	2.96	2.96	2.96	
21.	Environmental project like Clean Air Campaigns	Nashik (Maharashtra)		4.55	5.50	5.50	5.50	
22.	Check Dams (Water conservation in drought-prone area)	Nashik (Maharashtra)		2.90	2.87	2.87	2.87	
23.	Development of Rural Knowledge Centre for girls	Jaipur (Rajasthan)		5.15	2.56	2.56	2.56	

Sr. No	Projects/ Activities	Sector	Locations	Amount Outlay (Budget) Project or Program wise	Amount spent on the Project or Program	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
24.	Administrative expenses	Others	Bengaluru (Karnataka)	5.00	1.36	1.36	1.36
25.	CSR Awareness and promotional aids		Bengaluru (Karnataka)	1.60	1.16	1.16	1.16
26.	Volunteers Day and promotional events		Bengaluru (Karnataka)	2.35	0.81	0.81	0.81
<b>Total</b>				<b>143.97</b>	<b>103.45</b>	<b>103.45</b>	<b>103.45</b>

\*Details of Implementing Agencies:- Youth For Seva / Trinity Care Foundation, Bengaluru; Saahas, Bengaluru; Agastya International Foundation, Bengaluru; SEEDS, New Delhi.

#### 6. Reasons for not spending the amount specified in Point 5 (b) above:

Section 135 of the Companies Act, 2013 and rules thereunder are applicable from the financial year starting on or after April 01, 2014. This provision is not applicable to the Company as the financial year commenced on January 01, 2014.

The Company's CSR policy strategically focuses on creating a social impact in mid to long term. Stakeholders' inputs were taken during the year, the projects were conceptualized, strategic implementation plans were made, partners identified and pilot projects have been initiated. With the completion of preparation phase this year, the holistic implementation will happen in subsequent years.

The implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

sd/-

Steffen Berns  
Managing Director

sd/-

Soumitra Bhattacharya  
Joint Managing Director

sd/-

Prasad Chandran  
Chairman, CSR Committee

# Annexure 'C' to the Report of the Directors

## SECRETARIAL AUDIT REPORT

For the financial year January 01, 2014 to March 31, 2015

To  
The Members,  
Bosch Limited,  
Hosur Road,  
Aduodi,  
Bengaluru - 560 030.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bosch Limited (hereinafter called "the Company"). Secretarial Audit was not conducted pursuant to Section 204(1) of the Companies Act, 2013. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has during the audit period covering the financial year from January 01, 2014 to March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 1956, The Companies Act, 2013 (collectively "the Act"); and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: (Not applicable to the Company during the Audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: (Not applicable to the Company during the Audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: (Not applicable to the Company during the Audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (Not applicable to the Company during the Audit period).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India: (Not applicable to the Company during the audit period); and
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd.

During the period under review the Company has complied with provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

I further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Pune  
Date: May 18, 2015

Sachin Bhagwat  
ACS: 10189  
CP: 6029



## Annexure 'D' to the Report of the Directors

### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED

[Pursuant to section 186(4) of the Companies Act, 2013]

(₹ in Million)

Entity	Relationship	Whether Loan given/ investment made/ guarantee given/ security provided	Purpose of utilization by the recipient	Amount	Interest
Bosch Rexroth (India) Limited	Fellow subsidiary	Loan given (Short Term)	Working Capital	1,500.00	203.88
Mivin Engg. Technologies Private Limited	Fellow subsidiary	Loan given (Short Term)	Working Capital	100.00	13.51
<b>(A)</b>				<b>1,600.00</b>	<b>217.39</b>
Bosch Rexroth (India) Limited <b>(B)</b>	Fellow subsidiary	Loan given (Long Term-5 years)	Capital Expenditure	1,450.00	196.19
<b>Total amount disbursed (A) + (B)</b>				<b>3,050.00</b>	<b>413.58</b>

## Annexure ‘E’ to the Report of the Directors

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part “A”: Subsidiaries

Name of the subsidiary: MICO Trading Private Limited

[₹ in Thousands]

Reporting period for the subsidiary concerned, if different from the holding company's reporting	Not applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable
Share Capital	1,000
Reserves & Surplus	29
Total Assets	1,099
Total Liabilities	70
Investments	NIL
Income	113
Profit before taxation	4
Provision for taxation	(2)
Profit after taxation	6
Proposed Dividend	NIL
% of shareholding	100%

- Names of subsidiaries which are yet to commence operations : MICO Trading Private Limited
- Names of subsidiaries which have been liquidated or sold during the year : Nil

#### Part “B”: Associates and Joint Ventures

##### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associate : Newtech Filter India Private Limited (formerly known as MHB Filter India Private Limited)

[₹ in Thousands]

1. Latest audited Balance Sheet Date	December 31, 2014
2. Shares of Associate/Joint Ventures held by the Company on the year end	
Nos.	17,500,000
Amount of Investment in Associates/Joint Venture	175,000
Extent of Holding %	25%
3. Description of how there is significant influence	Voting Rights
4. Reason why the associate / joint venture is not consolidated	Provisions of section 129 of the Companies Act, 2013 are not applicable for the period under review.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	71,181
6. Profit / Loss for the year (attributable to Shareholding)	4,066

- Names of associates or joint ventures which are yet to commence operations : Nil
- Names of associates or joint ventures which have been liquidated or sold during the year : Nil

# Annexure 'F' to the Report of the Directors

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction:

In terms of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of Bosch Limited has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

### 2. Definitions:

In this policy unless the context otherwise requires

- a) Act means The Companies Act, 2013 and rules made thereunder, as amended from time to time.
- b) Company means Bosch Limited.
- c) Board means Board of Directors of Bosch Limited.
- d) Independent Director means a Director referred to in Section 149 (6) of The Companies Act, 2013 read with clause 49 of the listing agreement.
- e) Committee means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.
- f) M&SS means Managerial & Superintending Staff of the Company.
- g) Key Managerial Personnel or KMP means Managing Director, Joint Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary and such other persons who may be deemed to be KMP under the Companies Act, 2013.
- h) Senior Management Personnel means personnel of the Company comprising of all members of management one level below the executive directors including the functional heads. The designation and categories of such Personnel will be determined by the Company based on the functional and reporting structure.
- i) ASR means Annual Salary Review.

j) SLx means Salary Level.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

### 3. Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Bosch policies and applicable statutory requirements. At present, the Nomination and Remuneration Committee of the Company comprises of the following members:

- a) Mr. Bernhard Steinruecke, Chairman, Independent Director
- b) Mr. V.K. Viswanathan, Non Executive Non Independent Director
- c) Mr. Prasad Chandran, Independent Director
- d) Mr. Bhaskar Bhat, Independent Director

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

### 4. Key objectives of the Committee:

- a) To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management including appointment of M&SS in KMP and Senior Management positions;
- b) To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) To develop a succession plan for the Board and to regularly review the plan;
- e) To determine remuneration based on Company's financial position, trends and practices on remuneration prevailing in the industry;

- f) To retain, motivate and promote talent and to ensure long term sustainability of M&SS talent including KMPs & Senior Management Personnel and create competitive advantage; and
- g) Consider any other matters as may be requested by the Board.

#### **5. Meetings:**

The meeting of the Committee shall be held at regular intervals as deemed fit and appropriate.

The Company Secretary of the Company shall act as the Secretary of the Committee.

The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions, any /all of its powers to any of the Executive / Whole-time Directors and/or Senior M&SS of the Company, as deemed necessary for proper and expeditious execution.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend general meetings of the Company.

#### **6. Committee members interest:**

- a) A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

#### **7. Effective Date:**

This policy is effective 03.12.2014.

#### **8. Appointment of Director, Key Managerial Personnel & Senior Management - Criteria & Qualification:**

The appointment of Director, Key Managerial Personnel and Senior Management will be based on the outcome of strategic planning.

The recruitment process for selection to these categories of personnel commences after the approval of manpower requisitions by the appointing authority (depending upon the SLx levels). Relevant approval of concerned is also obtained as part of the process, as deemed fit depending upon the level of hiring.

The Committee shall consider the standards of qualification, expertise and experience of the candidates

for appointment as Director, Key Managerial Personnel and Senior Management and accordingly recommend to the Board his/her appointment.

#### **9. Remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other employees:**

- a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Compensation and Benefit policy of the Company as revised through the Annual Salary Review process from time to time.
- b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every ASR cycle / process including payouts for the variable part (Performance Incentive).
- c) The compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with external consultants. The Basket of Companies will be finalized by HR department after considering all the relevant aspects.
- d) The composition of remuneration so determined by the committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of identified senior management personnel from time to time.
- e) Remuneration to Non-Executive & Independent Directors:

##### Sitting Fees

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Act.

##### Profit-linked Commission

The profit-linked commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act. Profit linked commission would comprise of a fixed and variable component considering the overall performance of the Company, attendance at the meetings of Board / Committees, Membership / Chairmanship of Committees and responsibilities of Directors.

**10. Policy on Board diversity:**

The Board of Directors shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, etc. or as may be considered appropriate. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast one woman director.

**11. Changes amongst Directors, Key Managerial Personnel & Senior Management:**

The Committee may recommend to the Board, changes in Board, Key Managerial Personnel or Senior Management Personnel subject to the provisions of the Act and applicable Company's policies i.e., Rules and Regulations of Service and Conduct for M&SS, Code of Business

Conduct and Principles of legal compliance framed and adopted by the Company from time to time.

The Key Managerial Personnel and Senior Management Personnel shall superannuate as per the applicable provisions of the regulation and prevailing policy of the Company.

The Board of Directors will have the discretion to retain the Key Managerial Personnel and Senior Management Personnel in the same position / remuneration or revised remuneration after attaining the age of superannuation for organizational development reasons.

**12. Amendments to the Nomination and Remuneration Policy:**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

# Independent Auditors' Report

## To The Members of Bosch Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Bosch Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the fifteen months period ended on that date, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") read with General Circular 08/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the fifteen months period ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the fifteen months period ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with General Circular 08/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs;
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, which corresponds to sub section (2) of section 164 of the Companies Act, 2013.

For Price Waterhouse & Co Bangalore LLP  
 Firm Registration Number: 007567S/ S- 200012  
 (formerly, Price Waterhouse & Co., Bangalore,  
 Firm Registration Number: 007567S)  
 Chartered Accountants

Subramanian Vivek  
 Partner  
 Membership Number: 100332

Place : Bengaluru  
 Date : May 29, 2015

# Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Bosch Limited on the financial statements as of and for the fifteen months period ended March 31, 2015.

- i.
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all significant items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a substantial portion of the fixed assets has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification.
  - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the period.
- ii.
  - (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the period. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii.
  - (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act (Section 189 of Companies Act, 2013). Therefore, the provisions of Clause 4(iii) (b), (c) and (d) of the said Order are not applicable to the Company.
  - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act (Section 189 of Companies Act, 2013). Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanation that, except for certain items of inventory/fixed assets which are of special/proprietary nature for which suitable alternative sources do not exist, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v.
  - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 upto March 31, 2014 have been so entered and there are no contracts or arrangements that need to be entered into the register maintained under section 189 of the Companies Act, 2013 for the period from April 01, 2014 to March 31, 2015.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except to the extent of ₹339 million in respect of purchase and sale of goods and services where we are unable to comment, being of specialized/ proprietary nature.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act (Section 73 of Companies Act, 2013) and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act (sub-section (1) of Section 148 of Companies Act, 2013), and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix.
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source under Income Tax Act, service tax, entry tax and sales tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, customs duty, excise duty and entry tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount (₹ in millions)	Payment made in the normal course of appeal proceedings (₹ in millions)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944/ Finance Act, 1994	Excise duty, Service Tax, interest and penalty	29.02	-	1985-88, 1994-95	Supreme Court
		6.47	-	2002-04	High Court
		58.82	14.94	1998-01, 2003-13	Customs, Excise and Service Tax Appellate Tribunal
		26.37	-	1992-94, 2002-04, 2009-14	Upto commissioner Level
Customs Act, 1962	Customs duty and interest	5.60	3.64	2009-10	Customs, Excise and Service Tax Appellate Tribunal
		81.38	5.46	1991-92, 2008-13	Upto commissioner Level
Income Tax Act, 1961	Income Tax and Interest	4.46	-	2001-04	High Court
		0.82	-	2003-04	Income Tax Appellate Tribunal
		440.72	-	1979-80, 1983-84, 2007-13	Upto Commissioner level
Entry Tax Acts	Entry Tax and Interest	3.36	-	1991-92, 1999 -01	Upto commissioner Level
State and Central Sales Tax Acts	Sales Tax, Interest and Penalty	120.39	20.75	1993-94, 1995-2014	Upto commissioner Level
		42.05	9.66	1996-97, 1998-99, 2000-01, 2002-06, 2009-11	Sales Tax Appellate Tribunals of various states

- x. The Company has no accumulated losses as at March 31, 2015 and it has not incurred any cash losses in the fifteen months period ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act (Section 189 of Companies Act, 2013) during the period. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the period and does not have any debentures outstanding as at the beginning of the period and at the period end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the period. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S- 200012  
(formerly, Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Bengaluru  
Date : May 29, 2015



# Balance Sheet

[₹ in Millions (Mio INR)]

Particulars	Note No.	As at March 31, 2015	As at December 31, 2013
<b>Equity and Liabilities :</b>			
Shareholders' funds			
Share capital	3	314	314
Reserves and surplus	4	73,156	62,629
Non-current liabilities			
Long-term borrowings	5	542	1,289
Other long-term liabilities	6	483	391
Long-term provisions	7	4,302	2,517
Current liabilities			
Short-term borrowings	8	13	27
Trade payables	9	12,165	10,475
Other current liabilities	10	4,463	6,156
Short-term provisions	11	8,870	5,112
Total		104,308	88,910
<b>Assets :</b>			
Non-current assets			
Fixed assets	12		
(i) Tangible assets		9,675	9,364
(ii) Intangible assets		1	17
(iii) Capital work-in-progress		2,760	4,396
Non-current investments	13	26,246	10,022
Deferred tax assets (net)	14	4,172	2,989
Long-term loans and advances	15	2,189	2,626
Current assets			
Current investments	16	2,650	12,001
Inventories	17	12,762	11,978
Trade receivables	18	11,877	10,561
Cash and bank balances	19	18,960	14,415
Short-term loans and advances	20	11,417	9,084
Other current assets	21	1,599	1,457
Total		104,308	88,910
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Bengaluru  
Date : May 29, 2015

S. Karthik  
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	}	Chairman
Bernhard Steinruecke		} Directors
Renu S Karnad		
Prasad Chandran		
Bhaskar Bhat	} Managing Director	Joint Managing Director & CFO
Steffen Berns		Alternate Director
Soumitra Bhattacharya		
Andreas Wolf		

# Statement of Profit and Loss

[₹ in Millions (Mio INR)]

Particulars	Note No.	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
<b>Revenue from operations :</b>			
Gross sale of product	42	125,594	92,100
Less : Excise duty		(8,180)	(6,949)
Net sale of product		117,414	85,151
Sale of services	22	2,000	1,346
Other operating revenue	23	1,441	1,070
Other income	24	5,653	3,526
<b>Total Revenue</b>		<b>126,508</b>	<b>91,093</b>
<b>Expenses :</b>			
Cost of materials consumed	25	38,719	29,766
Purchase of stock-in-trade	26	26,520	19,151
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(669)	(1,235)
Employee benefit expenses	28	16,631	11,792
Finance cost	29	143	5
Depreciation and amortisation expenses	30	5,484	3,842
Other expenses	31	19,841	15,206
<b>Total Expenses</b>		<b>106,669</b>	<b>78,527</b>
Profit before exceptional items and tax		19,839	12,566
Exceptional items	53	(280)	-
<b>Profit before tax</b>		<b>19,559</b>	<b>12,566</b>
Tax expense :			
Current tax			
(i) for the period		7,463	4,070
(ii) relating to earlier years		(98)	86
Deferred tax charge/ (credit)		(1,183)	(437)
<b>Profit for the period</b>		<b>13,377</b>	<b>8,847</b>
Earnings per share - Basic and Diluted of face value of ₹10/- each	38	426	282
Summary of significant accounting policies	2		
Details of R&D expenses/ (income)	32		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Bengaluru  
Date : May 29, 2015

S. Karthik  
Company Secretary

For and on behalf of the Board

V.K. Viswanathan  
Bernhard Steinruecke  
Renu S Karnad  
Prasad Chandran  
Bhaskar Bhat  
Steffen Berns  
Soumitra Bhattacharya  
Andreas Wolf

Chairman  
Directors  
Managing Director  
Joint Managing Director & CFO  
Alternate Director

# Cash Flow Statement

[₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
<b>A. Cash flow from operating activities</b>		
Profit before tax	19,559	12,566
Adjustments for :		
Depreciation and amortisation expenses	5,484	3,842
Unrealised exchange difference	3	374
(Profit)/ Loss on sale of fixed assets	(12)	(22)
(Profit)/ Loss on sale/ redemption of non trade investments (net)	(1,545)	(686)
Premium paid on investments amortised	1	15
Rent	(556)	(389)
Dividend income	(66)	(57)
Interest income	(3,474)	(2,372)
Interest expense	143	5
Operating profit before working capital changes	19,537	13,276
Adjusted for :		
(Increase)/ decrease in inventories	(784)	(1,021)
(Increase)/ decrease in trade receivables	(1,329)	(291)
(Increase)/ decrease in other current assets	153	(44)
(Increase)/ decrease in long term loans and advances	(98)	57
(Increase)/ decrease in short term loans and advances	(433)	(209)
Increase/ (decrease) in trade payables	1,695	1,354
Increase/ (decrease) in current liabilities and provisions	186	1,293
Increase/ (decrease) in non-current liabilities and provisions	1,926	413
Cash generated from operations	20,853	14,828
Direct taxes paid (net of refunds)	(6,911)	(4,258)
Net cash from operating activities	13,942	10,570
<b>B. Cash flow from investing activities</b>		
Additions to tangible fixed assets	(4,086)	(5,121)
Additions to investment properties	(909)	(219)
Proceeds from sale of tangible fixed assets	35	42
Purchase of investments	(30,077)	(18,161)
Sale of investments	25,613	12,290
Inter corporate deposit given	(7,750)	(4,600)
Inter corporate deposit repayment received	6,350	4,450
Loan to related party given	-	(1,200)
Loan to related party repayment received	-	1,070
Fixed deposit investment (original maturity of more than 3 months)	(21,600)	(12,952)
Fixed deposit maturity (original maturity of more than 3 months)	16,822	13,142
Purchase consideration received towards sale of business	6	-
Dividend received	66	51
Rental income from Investment property	556	389
Interest received	3,179	2,357
Net cash from/ (used in) investing activities	(11,795)	(8,462)
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings and current maturities of long-term debt	(695)	(463)
Proceeds from/ (repayment of) short-term borrowings (net)	(14)	(10)
Dividends paid	(1,727)	(1,884)
Tax on dividend distribution	(294)	(320)
Capital subsidy received [refer note 4(a)]	434	326
Interest paid	(86)	(28)
Net cash from/ (used in) financing activities	(2,382)	(2,379)
Net cash flows during the year (A+B+C)	(235)	(271)
Unrealised exchange gain/(loss) on cash and cash equivalents	0	0
Cash and cash equivalents (Opening balance)	1,539	1,810
Cash and cash equivalents (Closing balance)	1,304	1,539
	<b>As at March 31, 2015</b>	<b>As at December 31, 2013</b>
Cash and cash equivalents comprises of :		
Cash on hand	0	0
Cheques on hand	369	348
Bank balances		
Current accounts	345	175
Deposit accounts (original maturity of less than 3 months)	590	1,016

Notes:(a) Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified u/s 211(3C) of the Companies Act, 1956.  
(b) Mutual Fund dividend reinvested has not been considered above as there was no cash inflow/ outflow.

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Bengaluru  
Date : May 29, 2015

S. Karthik  
Company Secretary

For and on behalf of the Board

V.K. Viswanathan  
Bernhard Steinruecke  
Renu S Karnad  
Prasad Chandran  
Bhaskar Bhat  
Steffen Berns  
Soumitra Bhattacharya  
Andreas Wolf

Chairman  
Directors  
Managing Director  
Joint Managing Director & CFO  
Alternate Director

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 1: General Information

Bosch Limited (the "Company") is the flagship company of Robert Bosch Group in India. Headquartered out of Bengaluru, the Company has its key manufacturing facilities in Bengaluru, Nashik, Naganathapura, Jaipur, Goa, Gangaikondan and Bidadi. The Company has presence across automotive technology, industrial technology, consumer goods and energy and building technology. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, starters and generators, industrial equipments, packaging machines, electrical power tools, security systems and industrial and consumer energy products and solutions. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

## Note 2: Summary of Significant Accounting Policies

## (a) Accounting basis and convention:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956 read with General Circular 08/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs.

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## (b) Revenue recognition:

Sale of products is recognised when the substantial risk and rewards of ownership in the goods are transferred to the buyer and is recorded net of trade discounts, sales tax, excise duty, claims, etc., as considered appropriate. Sale of services is recognised on rendering of services based on agreements/ arrangements with the concerned parties.

Interest on investments and deposits is recognised on a time proportion basis. Dividend income is accounted for when it is declared.

## (c) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date on which investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments.

Investment in land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

## (d) Fixed assets:

## (i) Tangible assets

Tangible assets are stated at cost of acquisition or construction less accumulated depreciation.

## (ii) Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation.

## (e) Depreciation/ Amortisation:

(i) Depreciation/amortisation on tangible and intangible assets is provided using the written down value method based on the useful life as estimated by the management. The estimated useful life for various fixed assets is given below :

<u>Tangible assets</u>	Useful life (in years)
<u>Buildings :</u>	
Residential	: 59
Factory/ Office	: 29
<u>Plant and machinery :</u>	
General	: 6
Data processing equipment	: 3
Furniture and fixtures	: 8
Office equipment	: 8
Vehicles	: 5

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

<u>Intangible assets</u>	Useful life (in years)
Know-how, business	3
Dealership and networking	3

In respect of specific assets including second hand machinery which are estimated to have a lower residual life than envisaged above, depreciation is provided based on the estimated lower residual life, where required.

- (ii) Low value assets not exceeding ₹15,000/- per unit and assets which are not directly connected with the production activity such as Research and Development assets, pollution control and energy saving devices are depreciated at 100% in the quarter of addition.
- (iii) Cost of application software is expensed off on purchase
- (iv) In respect of additions, depreciation is provided on pro-rata basis from the quarter of addition and in respect of disposals, the same is provided upto the quarter prior to disposal.
- (v) The aggregate depreciation so provided in the accounts is not less than the depreciation which would have been provided had the rates specified in Schedule XIV of the Companies Act, 1956, been adopted.
- (vi) Cost of leasehold land (other than those which will be converted to freehold after a certain period upon satisfying prescribed conditions) is amortised over the lease term.
- (f) Inventories:  
Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. In case of work-in-progress and finished goods, appropriate overheads are included. Obsolete/ slow moving inventories are adequately provided for. Excise duty on finished goods lying in factories are considered for valuation of inventories, as applicable.
- (g) Employee benefits:
- (i) Short term employee benefits:  
All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include salaries, wages, short term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.
- (ii) Post-employment benefits:  
Contributions towards Superannuation Fund, Pension Fund and government administered Provident Fund are treated as defined contribution schemes. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. Such contributions are recognised as expense in the period in which the employee renders related service. Provident Fund contributions made to Trusts administered by the Company are treated as defined benefit plan. The interest rate payable to the members of these Trusts shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The Company also provides for post employment defined benefit in the form of Gratuity. The cost of defined benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses in respect of the same are charged to the Statement of Profit and Loss.
- (iii) Other long term employee benefits:  
All employee benefits other than post-employment benefits and termination benefits, which do not fall due wholly within twelve months after the end of the period in which the employees render the related service, including long term compensated absences, service awards, death relief benefits and ex-gratia are determined based on actuarial valuation carried out at each balance sheet date. Estimated liability on account of long term employee benefits is discounted to the present value using the yield on government bonds as the discounting rate for the term of obligations as on the date of the balance sheet. Actuarial gains and losses in respect of the same are charged to the Statement of Profit and Loss.
- (iv) Termination benefits:  
Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss immediately.
- (h) Foreign currency transactions:  
Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the period end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities at the period end are recognised in the Statement of Profit and Loss.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

The Company uses derivative financial instruments such as forward exchange contracts and currency option contracts to hedge its risks associated with foreign currency fluctuations.

Forward exchange contracts outstanding as at the period end on account of firm commitment/ highly probable forecast transactions and currency option contracts are marked to market and the resultant loss, if any, is recognised in the Statement of Profit and Loss.

## (i) Leases:

Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease expense/ income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

## (j) Income tax :

## (i) Current taxation:

Provision is made for income tax based on the taxable income computed in accordance with the provisions of Income Tax Act, 1961.

## (ii) Deferred taxation:

Deferred income tax is provided on all timing differences at the balance sheet date between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

## (k) Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount.

## (l) Provisions:

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

## (m) Research and development:

Expenditure incurred in research phase is expensed as incurred. Development expenditure is capitalized as an internally generated intangible asset only if it meets the recognition criteria under Accounting Standard 26 on Intangible Assets, which inter-alia includes demonstration of technical feasibility, generation of future economic benefits etc. Expenditure that cannot be distinguished between research phase and development phase is expensed as and when incurred.

## (n) Grants received:

Grants and subsidies from the government are recognized if the following conditions are satisfied, (i) there is reasonable assurance that the Company will comply with the conditions attached to it and (ii) such benefits are earned and reasonable certainty exists of the collection.

Government grants or subsidies given with reference to the total investment in an undertaking or setting up of new industrial undertaking is treated as grant in the nature of promoters' contribution and hence credited directly to capital reserve. The said capital reserve is not available for distribution of dividend.

Government grants that are receivable as compensation for expenses or losses or for the purpose of giving financial support to the Company with no further related cost are treated as revenue in nature. Such grants are recognised in the Statement of Profit and Loss when they become receivable.

## (o) Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, demand deposits with banks, fixed deposits and other short-term highly liquid investments with original maturities of three months or less.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 3 : Share capital

[₹ in Millions (Mio INR)]

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
<i>Authorised</i>				
Equity shares of ₹10/- each	38,051,460	381	38,051,460	381
<i>Issued, Subscribed and fully Paid up</i>				
Equity shares of ₹10/- each	31,398,900	314	31,398,900	314

## (a) Reconciliation of the number of shares:

[₹ in Millions (Mio INR)]

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	31,398,900	314	31,398,900	314
Balance at the end of the period	31,398,900	314	31,398,900	314

## (b) Rights, preferences and restrictions attached to shares:

The Equity shares of the Company, having face value of ₹10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

## (c) Equity shares held by the holding company

[₹ in Millions (Mio INR)]

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the holding company	22,349,420	223	22,349,420	223

## (d) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity share in the Company:

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Robert Bosch GmbH, Federal Republic of Germany, the holding company	22,349,420	71.18%	22,349,420	71.18%

## (e) Shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2015		As at December 31, 2013	
	Number of equity shares bought back by the Company			
		-		625,971

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 4 : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
<b>Capital Reserve</b>		
Balance at the beginning of the period	1,497	1,099
Additions during the period [refer note (a) below]	362	398
Balance at the end of the period	1,859	1,497
<b>Share Premium</b>		
Balance at the beginning and at the end of the period	8	8
<b>Capital Redemption Reserve</b>		
Balance at the beginning and at the end of the period	67	67
<b>General Reserve</b>		
Balance at the beginning of the period	40,723	39,838
Add: Transfer from surplus in statement of profit and loss	1,337	885
Balance at the end of the period	42,060	40,723
<b>Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the period	20,334	14,407
Add: Profit for the period	13,377	8,847
Less: Appropriations		
Proposed final dividend on equity share [₹85 (2013: ₹55) per equity share]	(2,669)	(1,727)
Dividend distribution tax on proposed dividend [including relating to prior year NIL (2013: Mio INR 14)]	(543)	(308)
Transfer to General reserve	(1,337)	(885)
Balance at the end of the period	29,162	20,334
	73,156	62,629

(a) Addition to capital reserve represents subsidy received/ accrued during the period under the Package Scheme of Incentives, 2001 from the Government of Maharashtra.

## Note 5 : Long-term borrowings

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
<b>Unsecured:</b>		
Sales tax deferral loan [refer note (a) below]	542	1,289
	542	1,289

(a) Terms of repayment for unsecured borrowings :

**Borrowings**

Interest free Sales tax deferral loan  
-State Government of Maharashtra

-State Government of Rajasthan

**Terms of repayment**

Repayable in 5 equal annual installments for various schemes starting January 2009 onwards.

Repayable in 10 half-yearly equal installments starting January 2012 onwards.

## Note 6 : Other long-term liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Other liabilities (indirect taxes, retention money, etc.)	483	391
	483	391



## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 7 : Long-term provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Provision for employee benefits	4,300	2,466
Trade demand and others [refer note 11(a)]	2	51
	4,302	2,517

## Note 8 : Short-term borrowings

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Secured:		
Cash credit from banks [refer note (a) below]	13	27
	13	27

(a) Secured by hypothecation of present and future stocks of raw materials, finished goods, work-in-progress and book debts.

## Note 9 : Trade payables

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	259	172
Other trade payables	11,906	10,303
	12,165	10,475

(a) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

	As at March 31, 2015	As at December 31, 2013
(i) The amount due and remaining unpaid as at the balance sheet date		
-Principal	229	153
-Interest thereon	3	2
(ii) The amount of principal and interest paid beyond due date during the period		
-Principal	570	332
-Interest thereon	-	-
(iii) Interest due on principal amounts paid beyond the due date during the period but without interest	8	4
(iv) Interest accrued and remaining unpaid as at balance sheet date	30	19
(v) Total interest due but not paid for the earlier years	19	13

## Note 10 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Current maturities of long-term debt	567	515
Unpaid dividend [refer note (a) below]	25	24
Advance from customers	357	477
Statutory dues	700	1,542
Other payables (include employee dues, towards purchase of fixed assets, etc.)	2,814	3,598
	4,463	6,156

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the period end.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 11 : Short-term provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Provision for employee benefits	1,866	387
Trade demand and others [refer note (a) below]	1,804	1,468
Warranty [refer note (a) below]	1,358	1,165
Provision for tax [net of advance tax paid Mio INR 19,073 (2013: Mio INR 18,731)]	630	71
Proposed final dividend [refer note (b) below]	2,669	1,727
Dividend distribution tax	543	294
	8,870	5,112

(a) Disclosure under Accounting Standard(AS) 29 on "Provisions, Contingent Liabilities and Contingent Assets" :

Description	As at January 1, 2014	Additions during the period	Utilised/ Reversed during the period	As at March 31, 2015
Trade demand and others [note (i) below]	1,519 (1,116)	1,309 (974)	1,022 (571)	1,806 (1,519)
Warranty [note (ii) below]	1,165 (1,081)	1,278 (531)	1,085 (447)	1,358 (1,165)

(i) Nature of the provision has not been given on the grounds that it can be expected to prejudice the interests of the Company. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

(ii) Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 1 to 3 years.

(iii) Figures in bracket relate to previous period.

(b) Proposed final dividend :

	As at March 31, 2015	As at December 31, 2013
Proposed final dividend for the period on Equity share of ₹10/- each		
Amount of dividend proposed	2,669	1,727
Dividend per Equity share (₹)	85	55

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 12 : Fixed assets

[₹ in Millions (Mio INR)]

Particulars	Gross Block			Depreciation/ Amortisation			Net Block			
	As at January 01, 2014	Additions	Deductions / Adjustments	As at March 31, 2015	As at January 01, 2014	For the year	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at December 31, 2013
<b>(i) Tangible assets:</b>										
Land - Freehold	65	62	-	127	-	-	-	-	127	65
	(65)	(-)	(-)	(65)	(-)	(-)	(-)	(-)	(65)	(65)
- Leasehold	1,479	43	-	1,522	33	12	-	45	1,477	1,446
	(1,440)	(39)	(-)	(1,479)	(21)	(12)	(-)	(33)	(1,446)	(1,419)
Buildings [refer note (a) below]	2,686	1,218	9	3,895	1,304	273	6	1,571	2,324	1,382
	(2,456)	(230)	(-)	(2,686)	(1,135)	(169)	(-)	(1,304)	(1,382)	(1,321)
Buildings - R & D*	187	12	(6)	205	187	12	(6)	205	-	-
	(117)	(70)	(-)	(187)	(117)	(70)	(-)	(187)	(-)	(-)
Plant and machinery	34,341	4,100	823	37,618	28,205	4,785	807	32,183	5,435	6,136
	(31,180)	(3,958)	(797)	(34,341)	(25,777)	(3,211)	(783)	(28,205)	(6,136)	(5,403)
Plant and machinery - R & D*	2,345	126	26	2,445	2,345	126	26	2,445	-	-
	(2,231)	(121)	(7)	(2,345)	(2,231)	(121)	(7)	(2,345)	(-)	(-)
Office equipment	695	40	23	712	589	54	23	620	92	106
	(691)	(30)	(26)	(695)	(570)	(44)	(25)	(589)	(106)	(121)
Office equipment - R & D*	36	5	(15)	56	36	5	(15)	56	-	-
	(36)	(-)	(-)	(36)	(36)	(-)	(-)	(36)	(-)	(-)
Furniture and fixtures	592	45	26	611	493	59	25	527	84	99
	(574)	(46)	(28)	(592)	(472)	(48)	(27)	(493)	(99)	(102)
Furniture and fixtures - R & D*	59	2	27	34	59	2	27	34	-	-
	(59)	(1)	(1)	(59)	(59)	(1)	(1)	(59)	(-)	(-)
Vehicles	506	103	23	586	376	94	20	450	136	130
	(473)	(82)	(49)	(506)	(338)	(83)	(45)	(376)	(130)	(135)
Vehicles - R & D*	28	1	(1)	30	28	1	(1)	30	-	-
	(25)	(4)	(1)	(28)	(25)	(4)	(1)	(28)	(-)	(-)
<b>Total</b>	<b>43,019</b>	<b>5,757</b>	<b>935</b>	<b>47,841</b>	<b>33,655</b>	<b>5,423</b>	<b>912</b>	<b>38,166</b>	<b>9,675</b>	<b>9,364</b>
	<b>(39,347)</b>	<b>(4,581)</b>	<b>(909)</b>	<b>(43,019)</b>	<b>(30,781)</b>	<b>(3,763)</b>	<b>(889)</b>	<b>(33,655)</b>	<b>(9,364)</b>	<b>(8,566)</b>
<b>(ii) Intangible assets (acquired) :</b>										
Know-how, business	65	-	-	65	49	15	-	64	1	16
	(65)	(-)	(-)	(65)	(-)	(49)	(-)	(49)	(16)	(65)
Dealership and networking	2	-	-	2	1	1	-	2	0	1
	(2)	(-)	(-)	(2)	(-)	(1)	(-)	(1)	(1)	(2)
<b>Total</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>50</b>	<b>16</b>	<b>-</b>	<b>66</b>	<b>1</b>	<b>17</b>
	<b>(67)</b>	<b>(-)</b>	<b>(-)</b>	<b>(67)</b>	<b>(-)</b>	<b>(50)</b>	<b>(-)</b>	<b>(50)</b>	<b>(17)</b>	<b>(67)</b>
<b>(iii) Capital work-in-progress</b>									<b>2,760</b>	<b>4,396</b>
									<b>12,436</b>	<b>13,777</b>

(a) Buildings include Mio INR 0 (2013: Mio INR 0) being the value of shares in co-operative housing societies.

\* Relating to certain DSIR approved R&amp;D facilities, considered eligible for Income tax benefit.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 13 : Non-current investments (valued at cost, unless otherwise stated)

[₹ in Millions (Mio INR)]

Description (Long term, unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
<b>A. Investment property :</b>				
Land and buildings			851	851
Add: Capital work-in-progress			1,083	174
Less: Accumulated depreciation			(536)	(491)
Net block (Total - A)			1,398	534
<b>B. Trade investments :</b>				
<b>Investment in equity instruments :</b>				
Associate (also a fellow subsidiary):				
Newtech Filter India Private Limited (formerly known as MHB Filter India Private Limited)				
Equity shares of ₹10/- each fully paid	17,500,000	17,500,000	175	175
Subsidiary :				
MICO Trading Private Limited				
Equity shares of ₹10/- each fully paid	100,000	100,000	1	1
Total - B			176	176
<b>C. Non-trade investments :</b>				
<b>(a) Investment in equity instruments :</b>				
ICICI Bank Limited (Quoted)				
Equity shares of ₹2/- each (2013: ₹10/- each) fully paid (During the period Equity shares are sub-divided at 1:5)	2,185,550	437,110	16	16
Housing Development Finance Corporation Limited (Quoted)				
Equity shares of ₹2/- each fully paid	3,404,800	3,404,800	14	14
HDFC Bank Limited (Quoted)				
Equity shares of ₹2/- each fully paid	188,500	188,500	0	0
<b>(b) Investment in bonds (Quoted) :</b>				
India Infrastructure Finance Corporation Limited				
8.41% Tax Free secured bonds of ₹1,000/- each	100,000	-	101	-
8.16% Tax Free secured bonds of ₹1,000/- each	850,000	-	850	-
Indian Railway Finance Corporation Limited				
6.00% Tax Free unsecured bonds of ₹100,000 each	-	1,500	-	150
6.05% Tax Free unsecured bonds of ₹100,000/- each	-	200	-	19
7.55% Tax Free unsecured bonds of ₹100,000/- each	200	-	19	-
8.00% Tax Free unsecured bonds of ₹1,000/- each	54,445	-	54	-
8.23% Tax Free unsecured bonds of ₹1,000/- each	1,500,000	-	1,500	-
6.70% Tax Free unsecured bonds of ₹100,000/- each	5,000	-	496	-
Power Finance Corporation Limited				
8.20% Tax Free secured bonds of ₹1,000/- each	71,197	71,197	71	71
National Highway Authority of India Limited				
8.20% Tax Free secured bonds of ₹1,000/- each	433,981	296,000	432	294
National Thermal Power Corporation Limited				
8.19% Tax Free secured bonds of ₹1,000,000/- each	400	-	400	-
National Housing Bank				
8.25% Tax Free secured bonds of ₹5,000/- each	63,843	-	319	-
Rural Electrification Corporation Limited				
8.19% Tax Free secured bonds of ₹1,000/- each	750,000	-	750	-

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 13 : Non-current investments (valued at cost, unless otherwise stated)[Contd.]

[₹ in Millions (Mio INR)]

Description (Long term, unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
<b>(c) Investment in Mutual Funds (Quoted) :</b>				
<b>Birla Mutual Fund</b>				
Birla Sun Life Short Term Fund - Growth - Regular Plan Units of ₹10/- each	22,950,683	12,909,760	1,068	569
Birla Sun Life Short Term Fund - Direct - Growth - Plan Units of ₹10/- each	9,142,383	-	450	-
Birla Sunlife Treasury Optimizer Plan - Direct Plan Growth units of ₹100/- each	891,278	-	150	-
<b>Deutsche Mutual Fund</b>				
DWS Fixed Maturity Plan - Series 87 - 1114 Days - Growth Option of ₹10/- each	35,000,000	-	350	-
DWS Ultra Short Term - Institutional Treasury Advantage Fund - Growth Option Units of ₹10/- each	23,219,095	23,219,095	250	250
DWS Short Maturity Fund - Growth - Direct Units of ₹10/- each	32,558,404	-	800	-
DWS Premier Bond Fund - Growth - Direct Plan Units of ₹10/- each	12,493,004	12,493,004	250	250
<b>DSP BlackRock Mutual Fund</b>				
DSP BlackRock Money Manager Fund - Growth - Direct Units of ₹1,000/- each	515,761	-	950	-
<b>HDFC Mutual Fund</b>				
HDFC Fixed Maturity Plan - 1157 Days February 2015 (1) - Growth Option of ₹10/- each	35,000,000	-	350	-
HDFC Cash Management - Treasury Advantage Plan - Growth Units of ₹10/- each of Liquid Fund	12,452,990	12,452,990	250	250
HDFC Floating Rate Income Fund - Short Term Plan - Growth - Direct Plan Units of ₹10/- each	16,821,282	-	400	-
HDFC Short Term Fund - Growth - Direct Plan Units of ₹10/- each	4,433,056	4,433,056	100	100
HDFC High Interest Fund - Short Term Plan - Growth - Direct Plan Units of ₹10/- each	23,986,704	-	650	-
HDFC Medium Term Opportunities Fund - Growth - Regular Plan - Units of ₹10/- each	56,862,363	19,134,654	800	250
<b>ICICI Prudential Mutual Fund</b>				
ICICI Prudential Fixed Maturity Plan - Series 75 - 1100 Days Plan N - Growth Option of ₹10/- each	25,000,000	-	250	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 Days Plan G - Growth Option of ₹10/- each	20,000,000	-	200	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1142 Days Plan M - Growth Option of ₹10/- each	15,000,000	-	150	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 Days Plan T - Growth Option of ₹10/- each	30,000,000	-	300	-
ICICI Prudential Fixed Maturity Plan - Series 76 - 1108 Days Plan V - Growth Option of ₹10/- each	5,000,000	-	50	-
ICICI Prudential Flexible Income - Regular Plan - Growth Units of ₹100/- each of Liquid Fund	2,334,094	2,334,094	450	450
ICICI Prudential Flexible Income - Direct Plan - Growth Units of ₹100/- each of Liquid Fund	2,791,471	1,728,758	650	400
ICICI Prudential Short Term - Growth - Direct Plan Units of ₹10/- each	30,952,115	16,265,339	800	400

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 13 : Non-current investments (valued at cost, unless otherwise stated)[Contd.]

[₹ in Millions (Mio INR)]

Description (Long term, unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
<b>IDFC Mutual Fund</b>				
IDFC Ultra Short Term Fund - Growth - Direct Units of ₹10/- each of Liquid Fund	24,662,395	-	450	-
IDFC Ultra Short Term Fund - Growth - Regular Units of ₹10/- each of Liquid Fund	7,804,289	-	150	-
IDFC Super Saver Income Fund - Short Term - Direct Plan - Growth units of ₹10/- each	66,286,524	31,577,449	1,720	770
IDFC Dynamic Bond Fund - Growth - Direct Plan Units of ₹10/- each	37,675,248	37,675,248	550	550
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth units of ₹10/- each	13,118,625	-	300	-
<b>State Bank of India Mutual Fund</b>				
SBI Debt Fund Series B - 8 (1105 Days) Growth Option of ₹10/- each	25,000,000	-	250	-
SBI Debt Fund Series B - 9 (1105 Days) Growth Option of ₹10/- each	50,000,000	-	500	-
SBI Ultra Short Term Debt Fund - Growth - Direct Units of ₹1,000/- each	659,506	410,901	1,050	650
SBI Short Term Debt Fund - Growth - Direct Plan Units of ₹10/- each	78,767,786	33,573,716	1,162	461
<b>Tata Mutual Fund</b>				
Tata Floater Fund - Direct - Growth Units of ₹1,000/- each of Liquid Fund	287,320	-	600	-
Tata Short Term Bond Fund - Growth Direct Units of ₹10/- each	52,754,903	-	1,350	-
<b>Templeton Mutual Fund</b>				
Templeton India Ultra short bond fund Super IP - Growth Units of ₹10/- each of Liquid Fund	-	166,586,958	-	2,498
Templeton India Ultra short bond fund Super IP - Growth Units of ₹10/- each of Liquid Fund	-	21,220,970	-	250
<b>UTI Mutual Fund</b>				
UTI Treasury Advantage Institutional Plan - Growth - Direct Units of ₹1,000/- each of Liquid Fund	879,403	295,952	1,500	500
UTI Short Term Institutional Plan - Growth - Direct Units of ₹10/- each	25,684,642	10,427,529	400	150
Total - C			24,672	9,312
<b>Total (A + B + C)</b>			<b>26,246</b>	<b>10,022</b>
Aggregate amount of quoted investments			24,672	9,312
Market value of quoted investments			32,209	13,354
Aggregate amount of unquoted investments			176	176
Aggregate value of investment property			1,398	534
Aggregate provision for diminution in the value of investments			-	-

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 14 : Deferred tax assets (net)

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Difference between books and Income tax written down value of depreciable fixed asset	2,832	2,341
Expenses debited to the Statement of Profit and Loss in a year but allowable as deductible expenses for tax purposes in the subsequent years as reduced by the claims allowable in the current year in respect of such expenses on a payment basis	1,340	648
	4,172	2,989

## Note 15 : Long-term loans and advances (Unsecured, considered good)

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Capital advances	297	332
Security deposits	394	324
Loans to related parties	950	1,450
Others		
Secured (refer note 41)	169	184
Unsecured	379	336
	2,189	2,626

## Note 16 : Current investments (valued at cost, unless otherwise stated)

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
<b>A. Non-trade investments:</b>				
<b>(a) Investment in bonds: (Quoted)</b>				
Indian Railway Finance Corporation Limited 6.05% Tax Free unsecured bonds of ₹100,000/- each	200	-	20	-
India Infrastructure Finance Corporation Limited 6.85% Tax Free unsecured bonds of ₹100,000/- each	-	38,000	-	3,801
<b>(b) Investment in mutual funds: (Quoted)</b>				
<b>Birla Sunlife Mutual Fund</b>				
Birla Sunlife Fixed Term Plan - Series GG - Growth Option of ₹10/- each	-	50,000,000	-	500
Birla Sunlife Fixed Term Plan - Series GJ - Growth Option of ₹10/- each	-	15,000,000	-	150
Birla Sunlife Fixed Term Plan - Series HF - Growth Option of ₹10/- each	-	10,000,000	-	100
Birla Sunlife Fixed Term Plan - Series IV - Growth Option of ₹10/- each	-	10,000,000	-	100
Birla Sunlife Fixed Term Plan - Series JA - Growth Option of ₹10/- each	-	35,000,000	-	350
Birla Sunlife Fixed Term Plan - Series JE - Growth Option of ₹10/- each	-	10,000,000	-	100
Birla Sunlife Fixed Term Plan - Series JG - Growth Option of ₹10/- each	-	20,000,000	-	200
Birla Sunlife Fixed Term Plan - Series KZ - Growth Option of ₹10/- each	20,000,000	-	200	-
Birla Sunlife Cash Plus Fund - Growth - Direct Option of ₹100/- each	446,191	-	100	-

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 16 : Current investments (valued at cost, unless otherwise stated)[Contd.]

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
<b>Deutsche Mutual Fund</b>				
DWS Fixed Maturity Plan - Series 24 - Growth Option of ₹10/- each	-	40,000,000	-	400
DWS Fixed Maturity Plan - Series 27 - Growth Option of ₹10/- each	-	10,000,000	-	100
DWS Fixed Maturity Plan - Series 28 - Growth Option of ₹10/- each	-	20,000,000	-	200
DWS Fixed Maturity Plan - Series 30 - Growth Option of ₹10/- each	-	10,000,000	-	100
<b>DSP BlackRock Mutual Fund</b>				
DSP BlackRock Fixed Maturity Plan - Series 154 (12.5Months) - Growth Option of ₹10/- each	20,000,000	-	200	-
<b>HDFC Mutual Fund</b>				
HDFC Fixed Maturity Plan - Series 23 (371 Days) December 2012 (1) - Growth Option of ₹10/- each	-	10,000,000	-	100
HDFC Fixed Maturity Plan - Series 23 (372 Days) January 2013 (3) - Growth Option of ₹10/- each	-	20,000,000	-	200
HDFC Fixed Maturity Plan - Series 28 (370 Days) November 2013 (1) - Growth Option of ₹10/- each	-	20,000,000	-	200
HDFC Fixed Maturity Plan - Series 31 (367 Days) - Growth Option of ₹10/- each	18,000,000	-	180	-
HDFC Fixed Maturity Plan - Series 31 (366 Days) May 2014 (1) - Growth Option of ₹10/- each	20,000,000	-	200	-
<b>ICICI Prudential Mutual Fund</b>				
ICICI Prudential Fixed Maturity Plan - Series 68 (368 Days) Plan G - Growth Option of ₹10/- each	-	10,000,000	-	100
ICICI Prudential Fixed Maturity Plan - Series 68 (369 Days) Plan I - Growth Option of ₹10/- each	-	30,000,000	-	300
ICICI Prudential Fixed Maturity Plan - Series 68 (369 Days) Plan K - Growth Option of ₹10/- each	-	40,000,000	-	400
ICICI Prudential Fixed Maturity Plan - Series 69 (369 Days) Plan J - Growth Option of ₹10/- each	-	10,000,000	-	100
ICICI Prudential Fixed Maturity Plan - Series 70 (367 Days) Plan C - Growth Option of ₹10/- each	-	15,000,000	-	150
ICICI Prudential Fixed Maturity Plan - Series 70 (368 Days) Plan J - Growth Option of ₹10/- each	-	15,000,000	-	150
ICICI Prudential Fixed Maturity Plan - Series 71 (369 Days) Plan E - Growth Option of ₹10/- each	-	15,000,000	-	150
ICICI Prudential Fixed Maturity Plan - Series 71 (371 Days) Plan M - Growth Option of ₹10/- each	-	30,000,000	-	300
<b>IDFC Mutual Fund</b>				
IDFC Fixed Term Plan - Series 13 (371 Days) - Growth Option of ₹10/- each	-	20,000,000	-	200
IDFC Fixed Term Plan - Series 25 (371 Days) - Growth Option of ₹10/- each	-	5,000,000	-	50
IDFC Fixed Term Plan - Series 27 (371 Days) - Growth Option of ₹10/- each	-	75,000,000	-	750
IDFC Fixed Term Plan - Series 31 (371 Days) - Growth Option of ₹10/- each	-	15,000,000	-	150
<b>State Bank of India Mutual Fund</b>				
SBI Debt Fund - Series 20 (366 Days) - Growth Option of ₹10/- each	-	30,000,000	-	300
SBI Debt Fund - Series 23 (366 Days) - Growth Option of ₹10/- each	-	25,000,000	-	250



## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 16 : Current investments (valued at cost, unless otherwise stated)[Contd.]

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	As at March 31, 2015	As at December 31, 2013	As at March 31, 2015	As at December 31, 2013
SBI Debt Fund - Series 38 (366 Days) - Growth Option of ₹10/- each	-	10,000,000	-	100
SBI Debt Fund - Series 46 (366 Days) - Growth Option of ₹10/- each	-	15,000,000	-	150
SBI Debt Fund - Series A 14 (380 Days) - Growth Option of ₹10/- each	15,000,000	-	150	-
SBI Debt Fund - Series A 18 (366 Days) - Growth Option of ₹10/- each	20,000,000	-	200	-
SBI Debt Fund - Series A 24 (366 Days) - Growth Option of ₹10/- each	10,000,000	-	100	-
SBI Debt Fund - Series A 28 (367 Days) - Growth Option of ₹10/- each	10,000,000	-	100	-
<b>Tata Mutual Fund</b>				
Tata Fixed Maturity Plan - Series 42 Scheme A (370 Days maturity) - Growth Option of ₹10/- each	-	10,000,000	-	100
Tata Fixed Maturity Plan - Series 43 Scheme D (370 Days maturity) - Growth Option of ₹10/- each	-	35,000,000	-	350
Tata Fixed Maturity Plan - Series 44 Scheme B (370 Days maturity) - Growth Option of ₹10/- each	-	10,000,000	-	100
TATA Fixed Maturity Plan - Series 46 Scheme A (370 Days maturity) - Growth Option of ₹10/- each	-	40,000,000	-	400
Tata Fixed Maturity Plan - Series 46 Scheme R (379 Days maturity) - Growth Option of ₹10/- each	25,000,000	-	250	-
Tata Fixed Maturity Plan - Series 47 Scheme J (368 Days maturity) - Growth Option of ₹10/- each	25,000,000	-	250	-
<b>UTI Mutual Fund</b>				
UTI Fixed Income Fund - Series XIV - I (366 Days) - Growth ₹10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XIV - VI (366 Days) - Growth ₹10/- each	-	20,000,000	-	200
UTI Fixed Income Fund - Series XIV - VII (367 Days) - Growth ₹10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XV - II (367 Days) - Growth ₹10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XV - VII (369 Days) - Growth ₹10/- each	-	15,000,000	-	150
UTI Fixed Income Fund - Series XV - IX (366 Days) - Growth ₹10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XV - VIII (368 Days) - Growth ₹10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XVIII - XII (366 Days) - Growth Option of ₹10/- each	25,000,000	-	250	-
UTI Fixed Income Fund - Series XVIII - XIII (366 Days) - Growth Option of ₹10/- each	30,000,000	-	300	-
UTI Fixed Income Fund - Series XIX - IV (366 Days) - Growth Option of ₹10/- each	15,000,000	-	150	-
<b>Total</b>			<b>2,650</b>	<b>12,001</b>
Aggregate amount of quoted investments			2,650	12,001
Market value of quoted investments			2,866	12,371
Aggregate amount of unquoted investments			-	-
Aggregate value of investment property			-	-
Aggregate provision for diminution in the value of investments			-	-

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 17 : Inventories (at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Raw materials	2,927	2,829
Work-in-progress (refer note 45)	1,407	1,250
Finished goods (refer note 44)	4,126	3,800
Stock-in-trade (refer note 44)	3,673	3,487
Stores and spares	267	261
Loose tools	362	351
	12,762	11,978

(a) Inventory includes the following as goods-in-transit

	As at March 31, 2015	As at December 31, 2013
Raw materials	670	782
Stock-in-trade	1,074	973
Loose tools	36	13
	1,780	1,768

## Note 18 : Trade receivables

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	621	508
Others	11,256	10,053
	11,877	10,561
<i>Unsecured, considered doubtful</i>		
Outstanding for a period exceeding six months from the date they are due for payment	404	313
Others	-	-
	404	313
	12,281	10,874
Less: Provision for doubtful debts	(404)	(313)
	11,877	10,561

## Note 19 : Cash and bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Cash and cash equivalents		
Cash on hand	0	0
Cheques on hand	369	348
Bank balances		
Current accounts	345	175
Deposit accounts (original maturity of less than 3 months)	590	1,016
Other bank balances		
Deposit accounts (original maturity of more than 3 months but less than 12 months)	17,631	12,852
Unpaid dividend accounts	25	24
	18,960	14,415

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 20 : Short-term loans and advances (Unsecured, considered good) [₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Loan to related parties	2,100	1,600
Inter corporate deposits	5,250	3,850
Balance with customs, excise and sales tax authorities, etc	2,397	2,109
Others (include employee advances, vendor advances, etc.)		
Secured (refer note 41)	24	23
Unsecured	1,646	1,502
	11,417	9,084

## Note 21 : Other current assets (Unsecured, considered good) [₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Interest accrued on investments	184	255
Interest accrued on bank and inter corporate deposits	956	590
Other current assets	459	612
	1,599	1,457

## Note 22 : Sale of services [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Research and development income	1,478	1,087
Others	522	259
	2,000	1,346

## Note 23 : Other operating revenue [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Scrap sales	288	251
Export incentives	513	379
Provision/ Liabilities no longer required written back	236	104
Miscellaneous income	404	336
	1,441	1,070

## Note 24 : Other income [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Interest income		
Bank and inter corporate deposits	2,449	1,554
Loans to related parties	414	367
Non-trade investments - long term	431	282
Others	180	169
Dividend from investments - long term	66	57
Profit on sale/ redemption of non trade investments (net)		
Long term	1,534	686
Current	11	-
Rent	556	389
Profit on sale of fixed assets (net)	12	22
	5,653	3,526

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 25 : Cost of materials consumed [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Raw materials consumed (refer note 46)	38,796	29,841
Less: Issues capitalised	(77)	(75)
	38,719	29,766

(a) Cost of materials consumed is based on derived values.

## Note 26 : Purchase of stock-in-trade [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Purchase of goods (refer note 43)	26,520	19,151
	26,520	19,151

## Note 27 : Changes in inventories of finished goods, work-in-progress and stock-in-trade [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Opening stock		
Finished goods	3,800	2,571
Work-in-progress	1,250	1,517
Stock-in-trade	3,487	3,214
Closing stock		
Finished goods	4,126	3,800
Work-in-progress	1,407	1,250
Stock-in-trade	3,673	3,487
	(669)	(1,235)

(a) Includes excise duty on increase/ (decrease) of finished goods Mio INR 65 (2013: Mio INR 231)

## Note 28 : Employee benefit expenses [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Salary, wages, bonus etc.	13,843	10,634
Contributions to provident and other funds	1,669	329
Staff welfare	1,119	829
	16,631	11,792

## Note 29 : Finance cost [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Interest - others	143	5
	143	5

## Note 30 : Depreciation and amortisation expenses [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Depreciation expenses		
- Tangible assets [refer note 12 (i)]	5,423	3,763
- Intangible assets [refer note 12 (ii)]	16	50
- Investment property [refer note 13]	45	29
	5,484	3,842

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 31 : Other expenses

[₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Consumption of stores and spares	1,029	790
Consumption of tools	1,989	1,629
Power and fuel	1,317	1,070
Repairs to plant and machinery	1,112	739
Repairs to building	608	325
Royalty and technical service fee	1,862	1,363
Rent	554	360
Rates and taxes	258	225
Insurance	118	68
Packing, freight and forwarding	2,178	1,633
Warranty and service expenses	488	398
Travelling and conveyance	1,045	655
Professional and consultancy charges	1,466	1,227
Advertisement and sales promotion expenses	1,317	1,025
Miscellaneous expenses [Refer note (a) below]	4,570	3,753
Less: Expenses capitalised	(70)	(54)
	19,841	15,206

## (a) Miscellaneous expenses include :

[₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee [including relating to prior year Mio INR 3 (2013: Nil)]	13	6
Tax account and audit fees [including relating to prior year Mio INR 1 (2013: Nil)]	4	1
Other services [including relating to prior year Mio INR 1 (2013: Nil)]	10	3
Reimbursement of expenses	1	1
(ii) Donations	35	25
(iii) Provision for doubtful debts	91	-
(iv) Bad debts written off	38	83
(v) Premium paid on investment amortised	1	15
(vi) Exchange loss [including exchange loss of Mio INR 10 (2013: Mio INR 380) on account of mark-to-market valuation of outstanding forward and option contracts]	250	454

## Note 32 : R &amp; D expenses / (income) \*

[₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
R & D Expenses :		
Cost of materials consumed	45	43
Employee benefit expenses	855	550
Other expenses	734	441
	1,634	1,034
R & D Income :		
Sale of services	(1,478)	(1,087)
Other income	(0)	(1)
	(1,478)	(1,088)

\* Relating to certain DSIR approved R &amp; D facilities, considered eligible for Income Tax benefit.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 33: Employee Retirement Benefits:

Disclosure on Retirement Benefits as required in Accounting Standard (AS) 15 on "Employee Benefits" are given below:

## (a) Post Employment Benefit - Defined Contribution Plans

The Company has recognised an amount of Mio INR 355 (2013: Mio INR 238) as expense under the defined contribution plans in the Statement of Profit and Loss.

## (b) Post Employment Benefit - Defined Benefit Plans

The Company makes annual contributions to the Mico Employees' Gratuity Fund and makes monthly contributions to Bosch Employees (Bangalore) Provident Fund Trust and Bosch Workmen's (Nashik) Provident Fund Trust, funded defined benefit plans for qualifying employees. The Gratuity Scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability. The Provident Fund Scheme provides for lumpsum payment/transfer to the member employees at retirement, death while in employment or on termination of employment of an amount equivalent to the credit standing in his account maintained by the Trusts. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

As per AS-15 benefits involving employer established provident fund, which require interest short falls to be compensated are to be considered as defined benefit plan. The Company actuary has accordingly provided the valuation and based on the below provided assumption there is no shortfall as at March 31, 2015.

## (i) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Obligation at the beginning of the period	6,120	5,503	2,693	2,944
Service cost	350	262	270	231
Contributions from plan participants	789	572	-	-
Interest cost	711	477	288	236
Benefit settled	(1,072)	(758)	(391)	(273)
Actuarial (gain)/ loss	114	(180)	851	(445)
Change in the reserves	-	220	-	-
Transfer In	50	24	-	-
Obligation at the end of the period	7,062	6,120	3,711	2,693

## (ii) Change in plan assets :

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Plan assets at fair value at the beginning of the period	6,137	5,585	2,848	2,623
Expected return on plan assets	677	507	309	218
Actuarial (gain)/ loss	315	(55)	136	(25)
Asset distributed on settlements	-	-	-	-
Transfer In	50	24	-	-
Contributions	1,139	834	44	305
Benefit settled	(1,072)	(758)	(391)	(273)
Plan assets at fair value at the end of the period	7,246	6,137	2,946	2,848

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

(iii) Reconciliation of present value of the obligation and the fair value of the plan assets : [₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Present value of obligation at the end of the period	7,062	6,120	3,711	2,693
Fair value of plan assets at the end of the period	7,246	6,137	2,946	2,848
(Surplus)/ Deficit recognised in balance sheet (*)	(184)	(17)	765	(155)

(\*) Surplus relating to Provident Fund is not recognised in the Balance sheet as the plan assets belong to the Trusts.

(iv) Expenses recognised in the Statement of Profit and Loss : [₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Service cost	350	262	270	231
Interest cost	711	477	288	236
Expected return on plan assets	(677)	(507)	(309)	(218)
Actuarial (gain)/ loss	(201)	(125)	715	(420)
Past service cost	-	-	-	-
Net cost	183	107	964	(171)

(v) Investment details:

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
	% Invested	% Invested	% Invested	% Invested
Government of India Securities (Central and State)	52	49	52	52
High Quality Corporate Sector Bonds (including Public Sector bonds)	44	43	30	30
Cash and bank balances (including Special Deposits Scheme, 1975)	4	8	18	18
Others	-	-	-	-
Total	100	100	100	100

(vi) Assumptions :

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Discount factor [refer note (a) below]	7.80%	9.25%	7.80%	9.25%
Estimated rate of return on plan assets [refer note (b) below]	7.80%	9.25%	7.80%	9.25%

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

(vii) Actual rate of return on plans assets :

	Provident Fund		Gratuity	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Actual rate of return on plan assets	8.78%	8.84%	8.93%	8.64%

(viii) Contribution expected to be paid to the Mico Employees' Gratuity Fund within next year is Mio INR 249 (2013: Mio INR 200). Contribution expected to be paid to the Mico Workmen (Bangalore) Provident Fund Trust and Mico Workmen's (Nashik) Provident Fund Trust within the next year is Mio INR 379 (2013: Mio INR 305).

(ix) Net (asset)/ liability recognised in balance sheet in respect of Gratuity (including experience adjustment impact):

[₹ in Millions (Mio INR)]

	March 31, 2015	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Present value of defined benefit obligation	3,711	2,693	2,944	2,583	2,291
Fair value of plan assets	2,946	2,848	2,623	2,313	2,014
(Surplus)/ Deficit recognised in balance sheet	765	(155)	321	270	277
Experience adjustment on plan assets [gain/ (loss)]	136	(25)	(13)	18	(21)
Experience adjustment on plan obligation [(gain)/ loss]	851	(445)	21	(4)	(0)

(x) Net (asset)/ liability in respect of Provident Fund (including experience adjustment impact):

[₹ in Millions (Mio INR)]

	March 31, 2015	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Present value of defined benefit obligation	7,062	6,120	5,503	4,783	4,062
Fair value of plan assets	7,246	6,137	5,585	4,989	4,271
(Surplus)/ Deficit	(184)	(17)	(82)	(206)	(209)
Experience adjustment of plan assets [gain/ (loss)]	315	(55)	38	0	(2)
Experience adjustment of plan obligation [(gain)/ loss]	114	(180)	169	46	(2)

## Notes:

(a) The discount rate is based on the prevailing market yield on Government Bonds as at the balance sheet date for the estimated term of obligations.

(b) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(c) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 34: Segmental Reporting :

The Company's operations predominantly relate to manufacturing and trading of automotive products. The Company is also manufacturing and /or trading in industrial technology products, consumer goods and energy and building technology products which are non-automotive products. The risks and rewards associated with these two businesses are significantly different. Therefore, the primary segment consists of "Automotive Products" and "Others" which are essentially non-automotive products. Secondary segmental reporting is organised in two geographical segments, namely "India" and "Outside India".

The Accounting principles and policies adopted in the preparation of the financial statements are also consistently applied to record income / expenditure and assets/liabilities in individual segments. The inter-segment sales are recorded at cost.

## (a) Details of Primary Segment

[₹ in Millions (Mio INR)]

Business Segment	Automotive Products		Others		Eliminations		Consolidated Total	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
<b>Revenue</b>								
Net sale of product	102,979	74,127	14,435	11,024	-	-	117,414	85,151
Sale of services	1,940	1,323	60	23	-	-	2,000	1,346
Other operating revenue	1,317	936	124	134	-	-	1,441	1,070
Inter-segment revenue	-	-	287	129	(287)	(129)	-	-
<b>Total Revenue</b>	<b>106,236</b>	<b>76,386</b>	<b>14,906</b>	<b>11,310</b>	<b>(287)</b>	<b>(129)</b>	<b>120,855</b>	<b>87,567</b>
<b>Result</b>								
Segment result	15,162	10,313	1,017	605	-	-	16,179	10,918
Less: Unallocated corporate expenses							(2,130)	(1,873)
Add: Other income							5,653	3,526
Less: Finance costs							(143)	(5)
Less: Tax expense (net)							(6,182)	(3,719)
<b>Net Profit</b>							<b>13,377</b>	<b>8,847</b>
<b>Other Information</b>								
Segment assets	36,094	35,028	5,381	5,044	-	-	41,475	40,072
Unallocated corporate assets							62,833	48,838
<b>Total assets</b>	<b>36,094</b>	<b>35,028</b>	<b>5,381</b>	<b>5,044</b>	<b>-</b>	<b>-</b>	<b>104,308</b>	<b>88,910</b>
Segment liabilities	22,825	19,925	3,321	2,548	-	-	26,146	22,473
Unallocated corporate liabilities							4,692	3,494
<b>Total liabilities</b>	<b>22,825</b>	<b>19,925</b>	<b>3,321</b>	<b>2,548</b>	<b>-</b>	<b>-</b>	<b>30,838</b>	<b>25,967</b>
Capital expenditure	3,860	4,824	228	99				
Depreciation and amortisation	5,097	3,494	143	129				

## (b) Details of Secondary Segment

Revenue from geographical segment is based on location of its customers. Total carrying amount of assets and total cost incurred during the period to acquire fixed assets is based on geographical locations of the assets.

[₹ in Millions (Mio INR)]

Geographical Segment	Segment revenue		Carrying cost of assets		Capital expenditure	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
India	104,808	76,179	101,800	86,637	5,030	5,113
Outside India	16,047	11,388	2,508	2,273	-	-
<b>Total</b>	<b>120,855</b>	<b>87,567</b>	<b>104,308</b>	<b>88,910</b>	<b>5,030</b>	<b>5,113</b>

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 35: Related Party Disclosure :

(a) List of related parties:

**Holding Company :** Robert Bosch GmbH, Federal Republic of Germany**Other related parties where transactions have taken place during the period :****Fellow Subsidiary Companies:**

Beissbarth GmbH, Germany	Matra-Werke GmbH, Germany
Bosch (China) Investment Ltd., China	MIVIN Engineering Technologies Private Ltd., India
Bosch (Zhuhai) Security Systems Co., Ltd., China	Moehwald GmbH, Germany
Bosch Automotive Components (Changchun) Co., Ltd., China	Moeller & Devicon A/S, Denmark
Bosch Automotive Diagnostics Equipment (Shenzhen) Ltd., China	Nippon Injector Corporation, Japan
Bosch Automotive Diesel Systems Co., Ltd., China	OOO Robert Bosch Saratow, Russia
Bosch Automotive Electronics India Private Ltd., India	OOO Robert Bosch, Russia
Bosch Automotive Products (Changsha) Co., Ltd., China	P.T. Robert Bosch, Indonesia
Bosch Automotive Products (Nanjing) Co., Ltd., China	Pharmatec GmbH, Germany
Bosch Automotive Products (Suzhou) Co., Ltd., China	Precision Seals Manufacturing Ltd., India
Bosch Automotive Service Solutions (Suzhou) Co., Ltd., China	Robert Bosch (Australia) Pty. Ltd., Australia
Bosch Automotive Service Solutions Corporation, Japan	Robert Bosch (Bangladesh) Ltd., Bangladesh
Bosch Automotive Service Solutions GmbH, Germany	Robert Bosch (France) S.A.S., France
Bosch Automotive Service Solutions Inc., United States of America	Robert Bosch (Malaysia) Sdn. Bhd., Malaysia
Bosch Automotive Service Solutions Ltd., United Kingdom	Robert Bosch (Pty.) Ltd., South Africa
Bosch Automotive Service Solutions Pty. Ltd., Australia	Robert Bosch (South East Asia) Pte. Ltd., Singapore
Bosch Automotive Service Solutions S.A. de C.V., Mexico	Robert Bosch A/S, Denmark
Bosch Automotive Service Solutions S.R.L., Italy	Robert Bosch AG, Austria
Bosch Automotive Service Solutions SARL, France	Robert Bosch Argentina Industrial S.A., Argentina
Bosch Automotive Thailand Co. Ltd., Thailand	Robert Bosch Automotive Technologies (Thailand) Co., Ltd., Thailand
Bosch Car Multimedia Portugal, S.A., Portugal	Robert Bosch Car Multimedia GmbH, Germany
Bosch Chassis Systems India Ltd., India	Robert Bosch Car Multimedia Holding GmbH, Germany
Bosch Corporation, Japan	Robert Bosch Company Ltd., China
Bosch Diesel s.r.o., Czech Republic	Robert Bosch Elektronik GmbH, Germany
Bosch Electrical Drives Co., Ltd., Korea	Robert Bosch Elektronika Gyártó Kft., Hungary
Bosch Electrical Drives India Private Ltd., India	Robert Bosch Elektrowerkzeuge GmbH, Germany
Bosch Energy and Building Solutions GmbH, Germany	Robert Bosch Energy and Body Systems Kft., Hungary
Bosch Engineering GmbH, Germany	Robert Bosch Engineering and Business Solutions Private Ltd., India
Bosch Engineering Holding GmbH, Germany	Robert Bosch Engineering and Business Solutions Vietnam Co. Ltd., Vietnam
Bosch Fren Sistemleri Sanayi ve Ticaret A.S., Turkey	Robert Bosch España Fábrica Castellet S.A., Spain
Bosch Industriekessel GmbH, Germany	Robert Bosch España Fábrica Madrid S.A., Spain
Bosch Lawn and Garden Ltd., United Kingdom	Robert Bosch España Fábrica Treto S.A., Spain
Bosch Management Support GmbH, Germany	Robert Bosch España Gasoline Systems S.A., Spain
Bosch Packaging Services AG, Switzerland	Robert Bosch Fahrzeugelektrik Eisenach GmbH, Germany
Bosch Packaging Systems AG, Switzerland	Robert Bosch Fuel Systems LLC, United States of America
Bosch Packaging Technology (Chengdu) Co., Ltd., China	Robert Bosch Inc., Philippines
Bosch Packaging Technology (Singapore) Pte. Ltd., Singapore	Robert Bosch Korea Diesel Ltd., Korea
Bosch Packaging Technology B.V., Netherlands	Robert Bosch Korea Ltd., Korea
Bosch Packaging Technology K.K., Japan	Robert Bosch Licensing Administration C.V., Netherlands
Bosch Packaging Technology Limited, United Kingdom	Robert Bosch LLC, United States of America
Bosch Packaging Technology SA, Switzerland	Robert Bosch Ltd., Thailand
Bosch Power Tec GmbH, Germany	Robert Bosch Ltda., Brazil
Bosch Power Tools (China) Ltd., China	Robert Bosch México S.A. de C.V., Mexico
Bosch Rexroth (India) Ltd., India	Robert Bosch México Sistemas Automotrices, S.A. de C.V., Mexico
Bosch Rexroth AG, Germany	Robert Bosch Middle East FZE, United Arab Emirates
Bosch Rexroth Ltd., United Kingdom	Robert Bosch Oy, Finland
Bosch Rexroth Ltda., Brazil	Robert Bosch Packaging Technology B.V., Netherlands
Bosch Sanayi ve Ticaret A.S., Turkey	Robert Bosch Packaging Technology Inc., United States of America
Bosch Security Systems B.V., Netherlands	Robert Bosch Power Tool Elektromos Szerszámgyártó Kft., Hungary
Bosch Security Systems Inc., United States of America	Robert Bosch Power Tools Sdn. Bhd., Malaysia
Bosch Security Systems Ltd., United Kingdom	Robert Bosch Produktie N.V., Belgium
Bosch Sicherheitssysteme GmbH, Germany	Robert Bosch S. A., Chile
Bosch Sistemas De Frenado, S.L.U., Spain	Robert Bosch Sdn. Bhd., Malaysia
Bosch Software Innovations GmbH, Germany	Robert Bosch Sp. z o.o., Poland
Bosch Solar Energy AG, Germany	Robert Bosch Taiwan Co., Ltd., Taiwan
Bosch Solarthermie GmbH, Germany	Robert Bosch Tecnologia de Embalagem Ltda., Brazil
Bosch Soluções Serviços Automotivos Ltda., Brazil	Robert Bosch Tool Corporation, United States of America
Bosch Technology Licensing Administration GmbH, Germany	Robert Bosch, S. de R.L. de C.V., Mexico
Bosch Thermotechnology (Shanghai) Co., Ltd., China	Robert Bosch, spol. s.r.o., Czech Republic
Bosch Trading (Shanghai) Co., Ltd., China	SBM Schoeller-Bleckmann-Medizintechnik GmbH, Austria
Bosch Transmission Technology B.V., Netherlands	Scintilla AG, Switzerland
Bosch Vietnam Co., Ltd., Vietnam	Service- und Betriebsgesellschaft Heidehof GmbH, Germany
BSH Home Appliances Private Limited, India	sia Abrasives Company Ltd., China
Centro Studi Componenti per Veicoli S.p.A., Italy	sia Abrasives Industries AG, Switzerland
DECA SRL, Italy	SICAM S.r.l., Italy
ETAS Automotive India Private Ltd., India	Tecnologie Diesel e Sistemi Frenanti S.p.A., Italy
ETAS GmbH, Germany	Unipoint Electric MFG Co., Ltd., Taiwan
Freud S.p.A., Italy	United Automotive Electronic Systems Co., Ltd., China
Hüttlin GmbH, Germany	ZF Lenksysteme India Private Ltd., India
Koller + Schwemmer GmbH, Germany	

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

**Subsidiary Company :** MICO Trading Private Limited, India

**Associate (also a fellow subsidiary) :** Newtech Filter India Private Limited, India (formerly known as MHB Filter India Private Limited, India) [Pursuant to further share purchase by Robert Bosch Investment Nederland B.V., Netherlands from Mann and Hummel Filter Private Ltd., India (joint venture parties) on December 19, 2014, the joint venture agreement between Bosch Group and Mann and Hummel stands terminated. Consequently, the relationship with Newtech Filter India Private Ltd., India has changed from joint venture to an associate.]

**Other entity under the control of the company :** Bosch India Foundation, India.

**Key Management Personnel:** Dr. Steffen Berns, Mr. Soumitra Bhattacharya, Mr. Franz Hauber (from January 01, 2014 to February 28, 2015) and Dr. Andreas Wolf (from March 01, 2015)

Note : The information disclosed is based on the names of the parties as identified by the management.

(b) Related Party transactions/ balances - summary:

Particulars	Holding Company	Fellow Subsidiary	Subsidiary	Associate	Key Management Personnel	Other entity under the control of the company	Total
Net sale of product	5,153	4,526		-			9,679
	(3,542)	(3,149)		(4)			(6,695)
Sale of services	531	511					1,042
	(470)	(147)					(617)
Rent income		556					556
		(389)					(389)
Purchase consideration towards sale of business		13					13
		(-)					(-)
Miscellaneous income (including reimbursements received)	118	461	0	33			612
	(189)	(531)	(0)	(8)			(728)
Interest earned		414					414
		(367)					(367)
Purchases of : Tangible assets	144	267					411
	(2,465)	(309)					(2,774)
Goods	12,216	11,419		703			24,338
	(8,559)	(7,836)		(878)			(17,273)
Dividend paid (cash basis)	1,229						1,229
	(1,341)						(1,341)
Services received: Royalty and technical service fee	255	1,607					1,862
	(1,200)	(163)					(1,363)
Professional, consultancy and other charges	1,610	1,055		13			2,678
	(1,683)	(1,058)		(-)			(2,741)
Liability written back		4					4
		(-)					(-)
Guarantees given on behalf of other entities		38					38
		(34)					(34)
Donation expense						33	33
						(21)	(21)
Loan given during the period (*)		-					-
		(1,200)					(1,200)
Loan repaid during the period		-					-
		(1,070)					(1,070)
Loan receivable (*)		3,050					3,050
		(3,050)					(3,050)
Trade receivables	648	1,409		-			2,057
	(568)	(894)		(1)			(1,463)
Other receivables	62	305		2			369
	(102)	(424)		(1)			(527)
Trade payables	3,502	3,590		35			7,127
	(3,283)	(2,424)		(29)			(5,736)
Other payables	30	4				33	67
	(322)	(14)				(21)	(357)

(\*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Particulars	Holding Company	Fellow Subsidiary	Subsidiary	Associate	Key Management Personnel	Other entity under the control of the company	Total
Managerial Remuneration:							
Dr. Steffen Berns					60		60
					(41)		(41)
Mr. Soumitra Bhattacharya					32		32
					(16)		(16)
Mr. Franz Hauber					43		43
					(-)		(-)
Dr. Andreas Wolf					6		6
					(-)		(-)
Unpaid Bonus/ Commission as at period end					30		30
					(20)		(20)
Loan and Advances transactions :							
Loan/Advances given during the period					4		4
					(0)		(0)
Recovery during the period					4		4
					(1)		(1)
Amount outstanding at the period end					4		4
					(4)		(4)

(c) Names and details of fellow subsidiaries having transaction value in excess of 10% in line transactions during the period:

Particulars	Name of the fellow Subsidiary	March 31, 2015	December 31, 2013
Net sale of product	Bosch Automotive Diesel Systems Co., Ltd., China	1,258	165
	Robert Bosch Korea Diesel Ltd., Korea	735	701
Sale of services	Bosch Corporation., Japan	171	8
	Bosch Automotive Service Solutions Inc., United States of America	117	-
Rent income	Robert Bosch Engineering and Business Solutions Private Ltd., India	442	332
	Bosch Automotive Electronics India Private Ltd., India	114	57
Purchase consideration towards sale of business	Bosch Rexroth (India) Ltd., India	13	-
Miscellaneous income (including reimbursements received)	Bosch Automotive Electronics India Private Ltd., India	125	79
	Robert Bosch Engineering and Business Solutions Private Ltd., India	141	145
	Bosch Chassis Systems India Ltd., India	75	81
Interest earned	Bosch Rexroth (India) Ltd., India	400	324
Purchase of goods	Bosch Automotive Electronics India Private Ltd., India	4,193	2,330
Purchase of tangible assets	Bosch Automotive Diesel Systems Co., Ltd., China	178	-
Professional, consultancy and other charges received	Robert Bosch Engineering and Business Solutions Private Ltd., India	577	514
Royalty and Technical Service fee	Bosch Technology Licensing Administration GmbH., Germany	1,102	-
	Robert Bosch Licensing Administration C.V., Netherlands	468	139
Loan given	Robert Bosch Engineering and Business Solutions Private Ltd., India	-	1,000
	Bosch Rexroth (India) Ltd., India	-	200
Loan repaid	Robert Bosch Engineering and Business Solutions Private Ltd., India	-	1,000

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 36: Lease Disclosures

Information on leases as per Accounting Standard(AS) 19 on "Accounting for Leases":

## (a) Operating Lease Expenses :

The Company has various operating leases for office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the period is Mio INR 554 (2013: Mio INR 360).

Disclosure in respect of Non-cancellable lease is as given below:

	As at March 31, 2015	As at December 31, 2013
Future minimum lease payments		
- Not later than 1 year	90	93
- Later than 1 year and not later than 5 years	136	99
- Later than 5 years	5	-

## (b) Operating Lease Income :

Rental income received during the period in respect of operating lease is Mio INR 556 (2013: Mio INR 389). Details of assets given on operating lease as on March 31, 2015 are as below:

Particulars	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the period	
	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013	March 31, 2015	December 31, 2013
Land	3	3	-	-	3	3	-	-
Buildings	848	848	536	491	312	357	45	29
Plant and machinery	501	520	443	399	58	121	63	29
Furniture and fixtures	51	51	50	50	1	1	0	1
Office equipment	36	36	34	33	2	3	1	0
Total	1,439	1,458	1,063	973	376	485	109	59

## Note 37: Research and Development expenses

Total Research and Development expenditure recognised in the Statement of Profit and Loss (including amounts shown under Note 12 and Note 32 to the Financial Statements) amounts to Mio INR 2,152 (2013: Mio INR 1,605)

## Note 38: Earnings Per Share

[₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Profit attributable to Equity Shareholders	13,377	8,847
Weighted average number of Equity Shares outstanding during the period	31,398,900	31,398,900
Nominal value of Equity Shares (₹)	10	10
Basic and Diluted earnings per Share (₹)	426	282

## Note 39: Contingent liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
(a) Claims against the Company not acknowledged as debts:		
Excise/ Customs		
Net of tax	0	0
Gross	0	0
(b) Bills discounted not matured	572	577

## Note 40: Capital commitment

[₹ in Millions (Mio INR)]

	As at March 31, 2015	As at December 31, 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	2,524	2,852

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

Note 41:		[₹ in Millions (Mio INR)]	
	As at March 31, 2015	As at December 31, 2013	
(a) Advances include dues from directors and an officer of the Company	4	5	
(b) Maximum amount due from directors and an officer of the Company at any time during the period	6	6	

Note 42: Particulars of Gross Sales		[₹ in Millions (Mio INR)]	
Products	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013	
Fuel Injection Equipment	49,297	40,396	
Injectors, Nozzles and Nozzle holders	32,601	21,270	
Starters and Generators	14,448	10,916	
Portable Electric Power tools	9,951	7,146	
Others	19,297	12,372	
	125,594	92,100	

(a) The above amount does not include sale of raw material Mio INR 1,167 (2013: Mio INR 904)

Note 43: Purchase of stock-in-trade		[₹ in Millions (Mio INR)]	
Products	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013	
Fuel Injection Equipment	11,781	7,464	
Injectors, Nozzles and Nozzle holders	1,537	767	
Portable Electric Power tools	5,101	4,327	
Filter and Filter inserts	2,813	2,640	
Others	5,288	3,953	
	26,520	19,151	

Note 44: Closing stock of finished goods and stock-in-trade		[₹ in Millions (Mio INR)]	
Products	As at March 31, 2015	As at December 31, 2013	
Fuel Injection Equipment	3,911	3,112	
Injectors, Nozzles and Nozzle holders	1,014	1,211	
Portable Electric Power Tools	1,274	1,422	
Others	1,600	1,542	
	7,799	7,287	

Note 45: Closing stock of work-in-progress		[₹ in Millions (Mio INR)]	
Products	As at March 31, 2015	As at December 31, 2013	
Fuel Injection Equipment	562	437	
Injectors, Nozzles and Nozzle holders	403	365	
Starters and Generators	86	82	
Special Purpose Machinery	124	143	
Packaging machines	113	129	
Others	119	94	
	1,407	1,250	

Note 46: Cost of materials consumed		[₹ in Millions (Mio INR)]	
	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013	
Components [refer note (a) below]	38,719	29,766	
	38,719	29,766	

(a) No individual component is more than 10% of the total cost of materials consumed.

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 47: Value of imported and indigenous raw materials, spares and components consumed [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015		For the year ended December 31, 2013	
	%	Value	%	Value
Imported	37	14,924	40	12,240
Indigenous	63	25,411	60	18,360
	100	40,335	100	30,600

## Note 48: C.I.F. value of imports [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Raw materials	13,820	11,734
Components, spare parts, etc.,	1,104	930
Capital goods	649	2,946
Stock-in-trade	14,574	9,967
	30,147	25,577

## Note 49: Expenditure in foreign currencies [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Royalty and Technical service fee	1,862	1,363
Professional fees, travelling, trainees' expenses etc.	2,316	2,532
	4,178	3,895

## Note 50: Earnings in foreign currencies [₹ in Millions (Mio INR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
F.O.B. value of exports	13,681	8,753
Sale of service and others	1,217	1,017
	14,898	9,770

## Note 51: Remittances in foreign currency on account of dividends to non-resident shareholders [₹ in Millions (Mio INR)]

Particulars	No. of shareholders	No. of shares	Face Value (₹)	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Final 2012	1	22,349,420	10	-	1,341
Final 2013	1	22,349,420	10	1,229	-
				1,229	1,341

## Note 52: Derivative instruments

The Company uses forward exchange and currency option contracts to hedge against its foreign currency exposures relating to highly probable forecast transactions. The Company does not enter into derivative instruments for trading or speculative purposes.

## (a) The foreign exchange contracts outstanding as at period end are as follows: [₹ in Millions (Mio INR)]

Import payments	As at March 31, 2015	As at December 31, 2013
Number of forward exchange contracts	14	62
INR/USD	1,021	6,072
Number of currency option contracts	14	18
INR/USD	902	1,170

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

(b) The net foreign currency receivable/ (payable) unhedged as at the period end are as follows: [₹ in Millions (Mio INR)]

Currency	As at March 31, 2015	As at December 31, 2013
AUD	-	(1)
CHF	(7)	(9)
CNY	(1)	(1)
EUR	(1,937)	(964)
GBP	(2)	2
HKD	(5)	0
JPY	(65)	(94)
PLN	-	0
SEK	(1)	(12)
SGD	(336)	(401)
USD	(991)	0
ZAR	-	0

## Note 53: Exceptional items

Exceptional items represent one time changes in retirement benefits consequent to wage settlement during the period.

## Note 54: Change in the financial year

The company has changed its accounting year to commence from 1st April of every year and to end on 31st March of following year to comply with the requirement of the Companies Act, 2013. Consequently, the current accounting period is for the fifteen months from January 1, 2014 to March 31, 2015. Hence, the current period's figures are not comparable to those of the previous period.

## Note 55: Previous period figures

Previous period's figures have been regrouped/ reclassified, wherever necessary, to conform to current period classification.

## Note 56: Rounding off

Amounts mentioned as "0" in the financial statements denote amounts rounded off being less than Rupees one million.

## Notes to the financial statements 1 to 56

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Bengaluru  
Date : May 29, 2015

S. Karthik  
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	}	Chairman
Bernhard Steinruecke		} Directors
Renu S Karnad		
Prasad Chandran		
Bhaskar Bhat		
Steffen Berns		Managing Director
Soumitra Bhattacharya		Joint Managing Director & CFO
Andreas Wolf		Alternate Director



## Subsidiary Company

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(1) AND (3) OF THE COMPANIES ACT, 1956.

### **MICO Trading Private Limited**

[Amount in (TINR)]

(a) Holding Company's interest: 100,000 Equity shares of 10 each fully paid up (i.e., 100% of the paid up Equity Capital)	1,000
(b) Net aggregate amount of the Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts	
(i) For the Subsidiary's financial period ended March 31, 2015	6
(ii) For its previous financial years	23
(c) Net aggregate amount of the subsidiary's profits/(losses) dealt with in the Holding Company's accounts:	
(i) For the Subsidiary's financial period ended March 31, 2015	Nil
(ii) For its previous financial years	Nil

For and on behalf of the Board

V.K. Viswanathan	}	<i>Chairman</i>
Bernhard Steinruecke		}
Renu S Karnad		
Prasad Chandran		
Bhaskar Bhat		
Steffen Berns	<i>Managing Director</i>	
Soumitra Bhattacharya	<i>Joint Managing Director &amp; CFO</i>	
Andreas Wolf	<i>Alternate Director</i>	

Place : Bengaluru  
Date : May 29, 2015

S. Karthik  
Company Secretary

**MICO TRADING PRIVATE LIMITED****Directors**

Dr. Steffen Berns (DIN : 06449396)  
Soumitra Bhattacharya (DIN : 02783243)

**Auditors**

Price Waterhouse & Co., Bangalore LLP  
Firm Registration Number: 007567S/ S- 200012

**Bankers**

Canara Bank

**Registrar Office**

Hosur Road, Adugodi, Bengaluru - 560 030

**Report of the Directors**

The Directors have pleasure in presenting their TWENTY SECOND Annual Report together with the Audited Statements of Accounts for fifteen months period from January 01, 2014 to March 31, 2015.

The Board of Directors of the Company at its meeting held on June 20, 2014, *inter alia*, approved change in the financial year of the Company to commence from April 01 of every year and to end on March 31 of the following year as provided under Section 2(41) of the Companies Act, 2013 ("Act"). Consequently, as a transitional arrangement, the current Annual Accounts and Directors Report of the Company are for a period of fifteen months from January 01, 2014 to March 31, 2015.

**Operations**

The Company has not commenced business.

**Dividend**

The Board of Directors do not recommend any dividend for the period January 01, 2014 to March 31, 2015.

**Directors**

Pursuant to Article 92 of the Articles of Association of the Company Mr. Soumitra Bhattacharya (DIN : 02783243) retires by rotation at the Twenty Second Annual General Meeting. He is eligible for re-election.

**Board Meetings**

During the period January 01, 2014 to March 31, 2015, 5 meetings of the Board of Directors were held on: February 27, 2014; June 20, 2014; September 09, 2014; December 03, 2014 and February 16, 2015.

**Risk Management**

Since the Company has not commenced any business no specific Risk Management Policy has been formulated. However, the Company is guided by the Risk Management Policies of its holding Company i.e. Bosch Limited.

**Details of Loans, Guarantee and Investment**

No Loans, Guarantee and Investments were granted, provided or made during the period under review.

**Corporate Social Responsibility (CSR)**

The Company does not fall under the ambit of Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility.

**Related Party Transactions**

There were no material contracts or arrangements entered with related parties pursuant to the provisions of section 188 of the Act.

**Deposits**

During the period January 01, 2014 to March 31, 2015, there were no deposits as per the provisions of the Act.

**Auditors**

Company's Auditors Messrs Price Waterhouse & Co. Bangalore LLP (Membership No. 007567S/S-200012) retire at the forthcoming Annual General Meeting and are eligible for appointment. They have confirmed to the Company that they are eligible to be appointed as Auditors in terms of Section 139, 141 of the Companies Act, 2013 and Rules framed thereunder.

**Directors' Responsibility Statement**

Pursuant to Section 134(5) of The Companies Act, 2013, we report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the period January 01, 2014 to March 31, 2015;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis and;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo**

The Company has not commenced any operation hence provisions of Section 217(1)(e) of the Companies Act, 1956/Section 134(1)(m) of Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014 are not applicable to the Company.

There were no foreign exchange earnings or outgo during the period under review.

**Certificate of Compliance under Section 383A of the Companies Act, 1956**

A Secretarial Compliance Certificate dated April 09, 2015 issued by Mr. S. Swaroop, Company Secretary in Whole-time practice, (Membership No.27907), is annexed to this Report.

**Significant and Material Orders**

There were no significant and material orders passed by the regulators or courts impacting the going concern status or Company's operations.

**Material Changes and Commitments**

There were no material changes and commitments between the end of Financial Year and the date of this report which could have an impact on the financial position of the Company.

**Acknowledgement**

Directors express their gratitude to the Bankers and various Government Departments for their continued cooperation extended to the Company.

**Disclaimer**

The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated April 04, 2014 clarified that the financial statements and documents required to be attached thereto, in respect of financial year commencing prior to April 01, 2014 shall continue to be governed by the provisions of Companies Act, 1956, schedules and rules made there under. Though the financial statements and the Auditors' Report have been prepared as per the provisions of Companies Act, 1956, the Company has, to the extent possible, provided the information in the Board's Report as per the provisions of Companies Act, 2013.

	For and on behalf of the Board of Directors
	Steffen Berns                      Soumitra Bhattacharya
Bengaluru	Director                              Director
May 25, 2015	

**Secretarial Compliance Certificate**

[In terms of Section 383A(1) of the Companies Act, 1956]

Company	:	MICO TRADING PRIVATE LIMITED
CIN	:	U51109KA1992PTC013736
Authorised Capital	:	₹10,00,000
Paid-up Capital	:	₹10,00,000

To

The Members of MICO Trading Private Limited  
Hosur Road, Adugodi, Bangalore 560 030 Karnataka.

I have examined the registers, records, books and papers of M/s MICO Trading Private Limited ("the Company") as required to be maintained under the Companies Act, 1956/2013 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period January 01, 2014 to March 31, 2015. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government and Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- The Company being a Private Limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 3 (Three), excluding its present and past employees of the Company during the year:
  - has not invited public to subscribe for its shares or debentures; and
  - has not invited or accepted any deposits from persons other than its Members, Directors or their relatives.
- The Board of Directors duly met 5 times respectively on February 27, 2014, June 20, 2014, September 09, 2014, December 03, 2014 and February 16, 2015 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed during the period January 01, 2014 to March 31, 2015.
- The Company was not required to close its Register of Members during the period January 01, 2014 to March 31, 2015.
- The Annual General Meeting of the Company for the financial year ended on December 31, 2013, was held on February 27, 2014 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- No Extra-Ordinary General Meeting of the members of the Company was held during the period January 01, 2014 to March 31, 2015.
- The Company being a Private Company, Section 295 of the Act is not applicable.
- The Company has duly complied with the provisions of the Act in respect of contracts specified in the Act.
- The Company has made necessary entries in the Register maintained under the Act.
- There was no requirement during the period January 01, 2014 to March 31, 2015 to obtain approvals from the Board of Directors and Members pursuant to Section 314 of the Act.
- The Company has not issued duplicate share certificates during the year.
- The Company has :-
  - not issued any Shares during the year;
  - not deposited any amount in a separate bank account as no dividend was declared during the year;
  - not posted warrants to any member of the company as no dividend was declared during the financial year;

- d) was not required to transfer any amount to Investor Education and Protection Fund, as it had no such unpaid accounts, in respect of dividend, share application money due for refund, matured deposits, matured debentures and interest accrued thereon;
- e) duly complied with the requirements of Section 217 of the Companies Act 1956.
14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors and alternate directors to fill casual vacancies during the period January 01, 2014 to March 31, 2015 under review.
15. There was no appointment of Managing Directors/Whole Time Directors / Managers during the period under review.
16. The Company has not appointed any sole-selling agents during the period under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors, Registrar of Companies and/or such prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. No shares, debentures /other securities were issued during the period under review.
20. The Company has not bought back any shares during the period under review.
21. There was no redemption of Preference Shares or Debentures during the period under review.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company, being a Private Limited Company, does not attract the provisions of Section 293(1) (d) of the Act.
25. The Company being a Private Company, the provisions of Section 372A of the Act is not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. As per information and explanations given to me and records made available for verification, there was no prosecution initiated against or any show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offenses under the Act.
32. The Company has not received any money as Security Deposit from its employees during the Financial Year.
33. The Company has not constituted a Separate Trust for its employees and hence the question of deposit of contribution with prescribed authorities pursuant to Section 418 of the Act does not apply.

Place : Bengaluru  
Date : April 09, 2015

#### Annexure "A"

Statutory Registers maintained by the Company:

Name of The Register	Required Under Section of The Companies Act, 1956
Register of Members	150 & 163
Register of Directors	303
Register of Director's shareholdings	307
Minute Book of Meetings of the Board of Directors	193
Register of Contracts, Companies & firms in which Directors are interested	301
Minute Book of General Meetings	193
Books Of Account	209
Records of situation or change of situation of registered office	146
Documents required for the allotment of shares	75(1)
Documents required for the increase in share Capital	94A(2)
Documents required for the Registration of resolutions and agreements	192

#### Annexure "B"

Purpose of Filing	Form No./ Return	Filed under Section	Date and SRN	Whether filed within the prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
Balance Sheet (2013)	23AC – XBRL 23ACA- XBRL	220	SRN Q29752557 21.03.2014	Yes	No
Notice of appointment of Auditor by the Company	GNL 2	139	SRN C16117905 19.08.2014	Yes	No
To note disclosure of Interest of Directors	MGT 14	184	SRN C11336567 18.07.2014	Yes	No
Annual Return (2013)	20B	159	SRN Q30928378 24.04.2014	Yes	No
Compliance Certificate (2013)	66	383A	SRN Q29706058 19.03.2014	Yes	No

Place : Bengaluru  
Date : April 09, 2015

#### Independent Auditors' Report

To the Members of MICO Trading Private Limited

#### Report on the Financial Statements

- We have audited the accompanying financial statements of MICO Trading Pvt. Ltd. (the "Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the fifteen months period ended on that date, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management's Responsibility for the Financial Statements

- The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") read with General Circular 08/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

- Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

- In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - in the case of the Statement of Profit and Loss, of the profit for the fifteen months period ended on that date; and
  - in the case of the Cash Flow Statement, of the cash flows for the fifteen months period ended on that date.

**Report on other Legal and Regulatory Requirements**

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act notified under Companies Act 1956 read with General Circular 08/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs;
  - On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, which corresponds to sub section (2) of section 164 of the Companies Act, 2013.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S- 200012  
(formerly, Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Chennai  
Date : May 25, 2015

**Annexure to Independent Auditors' Report**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of MICO Trading Private Limited on the financial statements as of and for the fifteen months period ended March 31, 2015.

- The Company does not hold any fixed assets during the period ended March 31, 2015. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
- The Company does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act (Section 189 of the Companies Act 2013). Therefore, the provisions of Clause 4(iii) (b), (c) and (d) of the said Order are not applicable to the Company.
  - The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act (Section 189 of the Companies Act 2013). Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- The Company does not have any transaction of purchase of inventory and fixed assets or sale of goods and services. Therefore, the provisions of Clause 4(iv) of the said Order are not applicable to the Company.
- According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. (Section 189 of the Companies Act 2013).
- The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act (section 73 of the Companies Act 2013) and the rules framed there under.
- As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial period did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial period did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable.

- The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act (sub-section (1) of Section 148 of the Companies Act 2013) for any of the products of the Company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
  - According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- The Company has no accumulated losses as at the end of the financial period and it has not incurred any cash losses in the financial period ended on that date or in the immediately preceding financial period.
- As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- The Company has not raised any funds on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the period. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- The Company has not issued any debentures during the period and does not have any debentures outstanding as at the beginning of the period and at the period end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- The Company has not raised any money by public issues during the period. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/ S- 200012  
(formerly, Price Waterhouse & Co., Bangalore,  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Place : Chennai  
Date : May 25, 2015

**MICO TRADING PRIVATE LIMITED****Balance Sheet**

[₹ in Thousands (TINR)]

Particulars	Note No.	As at March 31, 2015	As at December 31, 2013
<b>Equity and Liabilities :</b>			
Shareholders' funds			
Share capital	3	1,000	1,000
Reserves and surplus	4	29	23
Current liabilities			
Other current liabilities	5	70	15
Short-term provisions	6	-	9
Total		1,099	1,047
<b>Assets :</b>			
Current assets			
Cash and bank balances	7	1,088	1,042
Short term loans and advances	8	7	-
Other current assets	9	4	5
Total		1,099	1,047
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
 Firm Registration Number: 007567S/S-200012  
 (formerly, Price Waterhouse & Co., Bangalore  
 Firm Registration Number: 007567S)  
 Chartered Accountants

For and on behalf of the Board

Subramanian Vivek  
 Partner  
 Membership Number: 100332

Soumitra Bhattacharya                      Dr. Steffen Berns  
 Directors

Chennai  
 May 25, 2015

Bengaluru  
 May 25, 2015

**Statement of Profit and Loss**

[₹ in Thousands (TINR)]

Particulars	Note No.	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2015
<b>Revenue:</b>			
Other income	10	113	93
Total Revenue		113	93
<b>Expenses :</b>			
Other expenses	11	109	21
Total Expenses		109	21
<b>Profit before tax</b>		4	72
<b>Tax expense :</b>			
Current tax			
(i) for the period		2	23
(ii) relating to earlier years		(4)	
<b>Profit for the period</b>		6	49
Earnings per share - Basic and Diluted of face value of ₹10 each	12	0.06	0.49
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
 Firm Registration Number: 007567S/S-200012  
 (formerly, Price Waterhouse & Co., Bangalore  
 Firm Registration Number: 007567S)  
 Chartered Accountants

For and on behalf of the Board

Subramanian Vivek  
 Partner  
 Membership Number: 100332

Soumitra Bhattacharya                      Dr. Steffen Berns  
 Directors

Chennai  
 May 25, 2015

Bengaluru  
 May 25, 2015

## Cash Flow Statement

[₹ in Thousands (TINR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
<b>A. Cash flow from operating activities</b>		
Profit before tax		
Adjusted for :	4	72
Interest income	(113)	(93)
Operating profit/ (loss) before working capital changes	(109)	(21)
Adjusted for :		
Increase / (decrease) in current liabilities and provisions	55	(137)
Cash generated from/ used in operations	(54)	(158)
Direct taxes paid (net of refunds)	(13)	(15)
Net cash from/ used in operating activities	(67)	(173)
<b>B. Cash flow from investing activities</b>		
Fixed deposit matured (having original maturity of more than three months)	-	106
Interest received	113	89
Net cash from / (used in) investing activities	113	195
<b>C. Cash flow from financing activities</b>		
	-	-
Net cash flows during the period (A+B+C)	46	22
Cash and cash equivalents (Opening balance)	42	20
Cash and cash equivalents (Closing balance)	88	42

	As at March 31, 2015	As at December 31, 2013
Cash and cash equivalents comprises of :		
Cash on hand	-	0
Bank balances		
Current accounts	88	42

Notes: (a) Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified under section 211(3C) of the Companies Act, 1956.

As per our report of even date

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Chennai  
May 25, 2015

For and on behalf of the Board

Soumitra Bhattacharya                      Dr. Steffen Berns

Directors

Bengaluru  
May 25, 2015

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 1: General Information

MICO Trading Private Limited (the "Company") is wholly owned subsidiary of Bosch Limited. The company was incorporated in the year 1992 with the main object of carrying on business as traders, agents, distributors etc. of goods in India and abroad and to generally act as an import or export house and undertake all functions and services connected therewith. The Company has not yet commenced business.

## Note 2: Summary of Significant Accounting Policies

## a. Accounting basis and convention:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956 read with General Circular 08/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs.

The assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## b. Revenue recognition:

Interest on Bank deposits is recognised on a time proportion basis.

## c. Taxes on Income

Current taxation:

Provision is made for income tax based on the taxable income computed in accordance with the provisions of Income Tax Act, 1961.

Deferred taxation:

Deferred income tax is provided on all timing differences at the balance sheet date between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

## d. Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, demand deposits with banks, fixed deposits and other short-term highly liquid investments with original maturities of three months or less.

## Note 3: Share capital

[₹ in Thousands (TINR)]

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
<i>Authorised</i>				
Equity shares of ₹10 each	100,000	1,000	100,000	1,000
<i>Issued, Subscribed and fully Paid-up</i>				
Equity shares of ₹10 each	100,000	1,000	100,000	1,000

## (a) Reconciliation of the number of shares:

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	100,000	1,000	100,000	1,000
Balance at the end of the period	100,000	1,000	100,000	1,000

## (b) Rights, preferences and restrictions attached to shares:

The Equity Shares of the Company, having face value of ₹10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

## (c) Equity shares held by the holding company and its nominees:

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	Amount	Number of shares	Amount
Bosch Limited, India, the holding company	100,000	1,000	100,000	1,000

## (d) Details of Equity shares held by Shareholders holding more than 5% of the aggregate equity shares in the Company:

	As at March 31, 2015		As at December 31, 2013	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
Bosch Limited, India, the holding company	100,000	100.00%	100,000	100.00%

## Notes to the Financial Statements for the fifteen months period ended March 31, 2015

## Note 4: Reserves and surplus

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the period	23	(26)
Add: Profit for the period	6	49
Balance at the end of the period	29	23

## Note 5: Other current liabilities

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Audit fees payable	64	15
Statutory dues	6	-
	70	15

## Note 6: Short-term provisions

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Provision for taxation	-	9
	-	9

## Note 7: Cash and bank balances

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Cash and cash equivalents		
Cash on hand	-	0
Bank balances		
Current accounts	88	42
Other bank balances		
Deposit accounts (original maturity of more than 3 months but less than or equal to 12 months)	1,000	1,000
	1,088	1,042

## Note 8: Short-term loans and advances

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Advance tax (net of provision for taxation TINR 6)	7	-
	7	-

## Note 9: Other current assets (Unsecured, considered good)

[₹ in Thousands (TINR)]

	As at March 31, 2015	As at December 31, 2013
Interest accrued on deposits	4	5
	4	5

## Note 10: Other income

[₹ in Thousands (TINR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Interest income		
Bank deposits	113	93
	113	93

## Note 11: Other expenses

[₹ in Thousands (TINR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Professional and other charges [Refer note (a) below]	108	17
Miscellaneous expenses	1	4
	109	21



## (a) Professional and other charges include:

[₹ in Thousands (TINR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Remuneration to Auditors (excluding service tax) Statutory Audit fees [including relating to prior year TINR 37 (2013: Nil)]	96	15
	96	15

## Note 12: Earnings Per Share

[₹ in Thousands (TINR)]

	For the fifteen months period ended March 31, 2015	For the year ended December 31, 2013
Profit attributable to Equity Shareholders	6	49
Weighted average number of Equity Shares outstanding during the period	100,000	100,000
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings per Share (₹)	0.06	0.49

## Note 13: Segmental Reporting

The Company has not commenced business. Segment information for reportable segments as envisaged under AS 17 on segment reporting as notified under section 211 (3C) of the Companies Act, 1956, have not been disclosed as there has been no operations during the period.

## Note 14: Related Party Transactions

Holding Company: Bosch Limited, India  
Ultimate Holding Company: Robert Bosch GmbH, Federal Republic of Germany  
Transactions during the period with Bosch Limited, India (Holding Company):  
Reimbursement of expenses paid: TINR 8 (2013: TINR 23)

## Note 15: Disclosures under Accounting Standards

Disclosures under Accounting Standards as notified under section 211(3C) of Companies Act, 1956 and Schedule VI are restricted to those which are currently applicable to the Company.

## Note 16: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

The Company does not have any transactions or dues in relation to any supplier registered under Micro, Small and Medium Enterprises Development Act, 2006.

## Note 17: Change in the financial year

The company has changed its accounting year to commence from 1<sup>st</sup> April of every year and to end on 31<sup>st</sup> March of following year to comply with the requirement of the Companies Act, 2013. Consequently, the current accounting period is for the fifteen months. Hence, the current period's figures are not comparable to those of the previous period.

## Note 18: Previous period figures

Previous period's figures have been regrouped/ reclassified, wherever necessary, to conform to current year classification.

## Note 19: Rounding off

Amounts mentioned as '0' in the financial statements denote amounts rounded-off being less than one thousand rupees.

Notes: to the financial statements 1 to 19

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
(formerly, Price Waterhouse & Co., Bangalore  
Firm Registration Number: 007567S)  
Chartered Accountants

Subramanian Vivek  
Partner  
Membership Number: 100332

Chennai  
May 25, 2015

For and on behalf of the Board

Soumitra Bhattacharya Dr. Steffen Berns

Directors

Bengaluru  
May 25, 2015

# Report on Corporate Governance

## Company's philosophy on Code of Governance

The Company is committed to good Corporate Governance practices aimed at increasing value for all stakeholders. The Company as a constituent of the Bosch Group has always been a value driven Company. The Company's corporate governance philosophy is based on Bosch values focusing on fairness, responsibility, openness and trust, reliability, credibility and legality.

The Bosch Values and Bosch Code of Business Conduct provides necessary framework in running the business with the highest standards of corporate governance and enable the Company to fulfill its legal, financial and ethical objectives. The Company has a well-informed and Independent Board for ensuring the same.

## Board of Directors

### Composition of the Board:

The Board comprises of an optimum mix of Executive and Non-Executive Directors. The Board has one woman director. Half of the Board comprises of Independent Directors. The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, banking, financial and business administration.

The composition of the Board as on March 31, 2015 is as under:-

Sl. No	Name of the Director	Category
1.	Mr. V.K. Viswanathan	Chairman, Non-Executive & Non Independent Director
2.	Mr. Peter Tyroller	Non-Executive & Non-Independent Director
3.	Mr. Bernhard Steinruecke	Independent Director
4.	Mrs. Renu S. Karnad	Independent Director
5.	Mr. Prasad Chandran	Independent Director
6.	Mr. Bhaskar Bhat	Independent Director
7.	Dr. Steffen Berns	Managing Director
8.	Mr. Soumitra Bhattacharya	Joint Managing Director

Mr. Franz Hauber (Alternate Director to Mr. Peter Tyroller) ceased to be Director of the Company with effect from close of business hours on February 28, 2015. Dr. Andreas Wolf was appointed as an Alternate Director to Mr. Peter Tyroller with effect from March 01, 2015.

Seven Board Meetings were held during the period January 01, 2014 to March 31, 2015. Details of attendance of Directors at the Board Meetings are given below:-

Name of the Director	Board Meetings						
	2014						2015
	27 <sup>th</sup> Feb	5 <sup>th</sup> June	11 <sup>th</sup> Aug	9 <sup>th</sup> Sept	11 <sup>th</sup> Nov	3 <sup>rd</sup> Dec	13 <sup>th</sup> Feb
Mr. V.K. Viswanathan	✓	✓	✓	✓	✓	✓	✓
Mr. Peter Tyroller	✓	✓	✓*	✓*	✓*	✓*	✓*
Mr. Bernhard Steinruecke	✓	✓	✓	✓	✓	✓	✓
Mrs. Renu S. Karnad	✓	--	--	✓	✓	✓	✓
Mr. Prasad Chandran	✓	✓	✓	✓	✓	✓	✓
Mr. Bhaskar Bhat	✓	✓	--	✓	✓	--	✓
Dr. Steffen Berns	✓	✓	✓	✓	✓	✓	✓
Mr. Soumitra Bhattacharya	✓	✓	✓	✓	-	✓	✓

\*Attended by Mr. Franz Hauber, Alternate Director

All Directors except Mrs. Renu S. Karnad attended the last Annual General Meeting.

Particulars of the directorship of Board, membership and Chairmanship of Board Committees of the directors across all companies including Bosch Limited as on date of this report are given below:

Name of the Director	Directorships held*	Committees®	
		Membership	Chairmanship
Mr. V.K. Viswanathan	7	2	4
Mr. Peter Tyroller	5	Nil	Nil
Mr. Bernhard Steinruecke	5	3	1
Mrs. Renu S. Karnad	18	4	1
Mr. Prasad Chandran	3	4	Nil
Mr. Bhaskar Bhat	8	3	Nil
Dr. Steffen Berns	5	1	Nil
Mr. Soumitra Bhattacharya	5	Nil	1
Dr. Andreas Wolf	3	Nil	Nil

\*includes Directorship in Private Limited companies and foreign companies @ includes only Membership/Chairmanship in Audit & Stakeholders' Relationship committees

### Audit Committee

During the period January 01, 2014 to March 31, 2015, Eight Audit Committee meetings were held on February 27, 2014, April 25, 2014, June 05, 2014, August 11, 2014, September 09, 2014, November 11, 2014, December 03, 2014 and February 13, 2015.

The constitution and number of meetings attended by members of the Committee are given below:-

Name of the Director	No. of Meetings Attended
Mrs. Renu S. Karnad, Chairperson	6
Mr. V.K. Viswanathan	8
Mr. Bernhard Steinruecke	8
Mr. Prasad Chandran	7
Mr. Bhaskar Bhat	6

All members of the Audit Committee possess requisite qualification and have sound knowledge of finance, accounts and internal control.

The Board of Directors at their meeting held on June 05, 2014 revised the terms of reference of the Audit Committee in line with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The revised terms of reference of the Audit Committee is set out below:-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. qualifications in the draft audit report;
5. Reviewing with the management the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee by the Companies Act, 2013, listing agreement or by the Board from time to time.
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; and
- e) Such other matters as may be prescribed under the Companies Act, 2013, listing agreement and by the Board of Directors of the Company from time to time.

During the period January 01, 2014 to March 31, 2015, the Committee met on February 27, 2014, June 05, 2014, December 03, 2014 and February 13, 2015. The constitution and number of meetings attended by members of the Committee are given below:-

Name of the Director	No. of Meetings Attended
Mr. Bernhard Steinruecke, Chairman	4
Mr. V.K. Viswanathan	4
Mr. Prasad Chandran	4
Mr. Bhaskar Bhat	3

#### **Remuneration Policy**

The Board of Directors at their meeting held on December 03, 2014 approved "Nomination and Remuneration Policy". The policy includes criteria for appointment of Directors, Key Managerial Personnel and Senior Management.

The policy is available on the website of the Company [www.boschindia.com](http://www.boschindia.com) under "Shareholder Information" section and is also enclosed as Annexure 'F' to the Directors' Report.

#### **Details of Remuneration**

##### **a. Whole-time Directors**

The remuneration payable to the Executive Directors is approved by the shareholders at the general meeting of the Company. Remuneration of Executive Directors consists of a fixed salary and a variable bonus taking into account the economic results and individual performance. The Board of Directors, on the recommendation of Nomination & Remuneration Committee, determines the variable bonus from year to year. It can amount up to 160% of the base salary. In addition, Executive Directors receive benefits such as company owned/ leased house, services of security and garden maintenance, company car and driver, telephone at home, club membership and reimbursement of joining time expenses and similarly on their return.

#### **Nomination and Remuneration Committee (earlier known as Remuneration Committee)**

The Board of Directors at their meeting held on June 05, 2014 rechristened the erstwhile Remuneration sub-committee of the Board as "Nomination & Remuneration Committee" and also revised the terms of reference in line with the requirements of the Companies Act, 2013 and the Listing Agreement.

The revised terms of reference of the Nomination and Remuneration Committee is set out below:-

- a) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every director's performance;

Details of remuneration paid to Whole-time Directors during the financial year are given below:

Particulars	Dr. Steffen Berns Amount (₹)	Mr. Soumitra Bhattacharya Amount (₹)	Mr. Franz Hauber * (01.01.14 – 28.02.15) Amount (₹)	Dr. Andreas Wolf ** (w.e.f. 01.03.15) Amount (₹)
Salary	31,105,894	11,585,507	24,703,733	3,722,443
Commission / Bonus	18,012,496	12,140,878	10,737,173	1,650,000
Contribution to Provident Fund & other funds	1,549,631	2,710,095	1,448,306	101,325
Other perquisites as per Income Tax Rules (incl. book depreciation on assets used by the Directors)	9,697,639	4,699,368	6,371,422	895,650
<b>Total</b>	<b>60,365,660</b>	<b>31,135,848</b>	<b>43,260,634</b>	<b>6,369,418</b>

\* Appointed as an Alternate Director to Mr. Peter Tyroller with effect from January 01, 2014 and by virtue of being in employment of the Company, appointed as Whole-time Director with effect from the said date. Resigned from the Directorship of the Company with effect from the close of business hours on February 28, 2015.

\*\* Appointed as an Alternate Director to Mr. Peter Tyroller with effect from March 01, 2015 and by virtue of being in employment of the Company, appointed as Whole-time Director effective the aforementioned date.

#### b. Non Whole-time Directors

Remuneration to Non Whole-time Directors is paid by the way of Commission and Sitting Fee for attending the meetings of the Board / Committee thereof in addition to reimbursement of expenses incurred for attending the aforementioned meetings.

The Board of Directors have revised the Sitting Fee payable to the Directors for attending the meeting of the Board or any Committee thereof with effect from January 01, 2015 as follows:

Particulars	Sitting Fee (per meeting)	Revised Sitting Fee (per meeting) effective January 01, 2015
Board Meeting	₹10,000/-	₹20,000/-
Audit Committee	₹5,000/- (if held on a separate day other than the Board Meeting)	₹10,000/- (whether held on the same day of the Board Meeting or not)
Other Committees of the Board	Nil	Nil

The Commission is based on the profits of the Company, for an amount not exceeding ₹60,00,000 for all Non Whole-time Directors in respect of any one financial year. Within the overall limit, the Commission is determined for each Director based on attendance at Board / Committee meetings, responsibilities as the Chairman of the Board, Membership / Chairmanship of the Audit Committee and overall responsibilities as a Director.

Details of Commission and Sitting Fees paid to Non Whole-time Directors for the period from January 01, 2014 to March 31, 2015 is given below;

Particulars	Commission ₹	Sitting Fee ₹	Total ₹
Mr. V. K. Viswanathan	1,060,000	95,000	1,155,000
Mr. Bernhard Steinruecke	960,000	95,000	1,055,000
Mrs. Renu S. Karnad	898,000	75,000	973,000
Mr. Prasad Chandran	960,000	90,000	1,050,000
Mr. Bhaskar Bhat	848,000	75,000	923,000

Mr. Peter Tyroller has waived his entitlement for Sitting Fee and Commission.

Directors have no pecuniary relationship with the Company other than their remuneration. None of the Directors are *inter-se* related to each other.

#### Director Familiarization Programme

Details relating to familiarization programme for Directors have been mentioned in the Directors' Report.

**Performance Evaluation of the Board**

Details relating to the manner in which evaluation of the performance of the Board/Individual Directors was carried out is provided in the Directors' Report.

**Stakeholders' Relationship Committee (earlier known as Shareholders'/Investors Grievance Committee)**

The Board of Directors at their meeting held on June 05, 2014 rechristened the erstwhile "Shareholders'/Investors Grievance Committee" to "Stakeholders' Relationship Committee" as required under the provisions of Section 178(5) of Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the period January 01, 2014 to March 31, 2015, the Stakeholders' Relationship Committee met on February 27, 2014, June 05, 2014, September 09, 2014, December 03, 2014 and February 13, 2015. The constitution and number of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings Attended
Mr. Bernhard Steinruecke, Chairman	5
Mr. V.K. Viswanathan	5
Mrs. Renu S. Karnad	4
Mr. Prasad Chandran	5
Dr. Steffen Berns	5

Mr. S. Karthik, Company Secretary is the Compliance Officer.

The Committee reviews grievances received from the shareholders/investors and action taken thereon.

3 complaints/grievances were received and duly dealt to the satisfaction of the shareholders during the period under review.

There were no complaints/grievances pending as on March 31, 2015.

**Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee was constituted at the Board level comprising of Mr. Prasad Chandran as its Chairman and Mr. Bhaskar Bhat, Dr. Steffen Berns and Mr. Soumitra Bhattacharya as its members. The CSR Committee oversees the Company's CSR initiatives.

During the period January 01, 2014 to March 31, 2015, the CSR Committee met twice on February 26, 2014 and December 02, 2014. The constitution and number of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings Attended
Mr. Prasad Chandran, Chairman	2
Mr. Bhaskar Bhat	2
Dr. Steffen Berns	2
Mr. Soumitra Bhattacharya	2

**Risk Management Committee**

The Board of Directors at their meeting held on December 03, 2014 constituted Risk Management Committee, as required under the Clause 49 of the Listing Agreement, comprising of Mr. Soumitra Bhattacharya – Joint Managing Director as the Chairman and Dr. Steffen Berns - Managing Director and Mr. S. Karthik – Vice President (Corporate Finance, Accounts & Controlling) & Company Secretary as its Members.

The Risk Management Committee is responsible for monitoring and reviewing of risk management plan of the Company and all other incidental matters from time to time as required under Clause 49 of the Listing Agreement.

**Share Transfer Committee & Share Transfers System**

Mr. Bernhard Steinruecke, Mr. Prasad Chandran, Mr. Bhaskar Bhat and Dr. Steffen Berns constitute the Share Transfer Committee.

Share Transfers in physical form are processed by the Company/its Registrar & Share Transfer Agent and the share certificates are returned within fifteen days from the date of receipt of the transfer by the Company provided that the transfer documents are complete in all respects.

To facilitate prompt services to the shareholders, the Company Secretary is authorized to approve transfer, transmission, consolidation, sub-division of shares and issue of duplicate share certificates not exceeding 500 shares per folio per occasion. These are processed every fortnight subject to receipt of requisite documents complete in all respects.

**Prohibition of Insider Trading and Code of Conduct for Directors, etc.**

The Board of Directors at their meeting held on May 29, 2015 adopted a “Code of Conduct to regulate, monitor and report trading by Employees and other Connected Persons” and “Code of Fair Disclosure” pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**CEO/CFO Certificate**

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer (Joint Managing Director) dated May 29, 2015 on the financial statements and other matters of the Company for the financial period from January 01, 2014 to March 31, 2015, pursuant to Clause 49 (IX) of the Listing Agreement was placed before the Board at its meeting held on May 29, 2015.

**Subsidiary Company**

The Company does not have any material non-listed Indian subsidiary. The Company’s only subsidiary MICO Trading Private Limited has not commenced its business yet. As the aggregate assets and income of the said subsidiary as on March 31, 2015 is not material, no consolidated financial statements have been prepared. The minutes of the Board meetings of the said subsidiary for each quarter were considered and taken on record by the Board of Directors of the Company at its Board Meetings held every quarter. The Audit Committee of the Company also reviews the Financial Statement of the subsidiary.

Since the Company does not have any material subsidiary, policy regarding material subsidiaries has not been formulated.

**Reconciliation of Share Capital**

During the period January 01, 2014 to March 31, 2015, an audit was carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the

total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges and was also placed before the Board of Directors at their meetings.

**Disclosures**

**Related Party Transactions**

During the period January 01, 2014 to March 31, 2015, there were no material related party transactions conflicting with the interest of the Company at large.

The Company has a policy for Related Party Transactions, which is available on the website of the Company [www.boschindia.com](http://www.boschindia.com) under ‘Shareholder Information’ section.

**Penalties & Strictures**

No penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other authority on any matter relating to capital market during the period January 01, 2014 to March 31, 2015.

**Code of Conduct and Whistle Blower Policy**

During the period January 01, 2014 to March 31, 2015, “Code of Conduct for Board Members and Senior Management” (the “Code”) and Whistle Blower Policy were revised in terms of the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Code and Whistle Blower Policy are available on the website of the Company [www.boschindia.com](http://www.boschindia.com) under ‘Shareholder Information’ section. The Whistle Blower Policy, *inter-alia*, provides access to the Chairman of the Audit Committee, protection against victimization, affords protection to the directors, employee and associates of Company in the matter of disclosure of any alleged wrongful conduct concerning the affairs of the Company made in good faith and details the procedure for making such protected disclosure. During the period under review, no person was denied access to the Audit Committee.

The Certificate by the CEO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

This is to confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management for and in respect of the period commencing from January 01, 2014 to March 31, 2015.

Dr. Steffen Berns  
Managing Director

Place: Bengaluru,  
Date: May 29, 2015

#### **Mandatory/Non-mandatory requirements**

The Company has complied with the requirements relating to Corporate Governance as mandated by the Listing Agreements with BSE Limited and the National Stock Exchange of India Limited. The office of the Chairman and Managing Director is assumed by separate persons.

Internal auditors periodically apprise the Audit Committee on findings/observation of Internal Audit and actions taken thereon.

There are no qualification/adverse remark by the Auditors relating to the Financial Statement of the Company for the period from January 01, 2014 to March 31, 2015.

#### **Communication to Shareholders**

Quarterly/half yearly/annual results and information relating to convening of Annual General Meetings and Extraordinary General Meetings are published in leading newspapers (viz., Business Standard in English-all editions and Udayavani / Kannada Prabha in Kannada) and are hosted on the website of the Company viz., [www.boschindia.com](http://www.boschindia.com) under 'Shareholder Information' section and also notified to the stock exchanges as required under the Listing Agreement.

The Audited Accounts, Directors' Report, Auditors' Report, Cash Flow Statements, Corporate Governance Report, Business Responsibility Report and Quarterly/Half Yearly Financial Statements can be viewed on the Company's website at [www.boschindia.com](http://www.boschindia.com) under the section 'Shareholder Information'.

The Executive Management of the Company participates in the conference call organized post publication of Audited/ Unaudited, Quarterly/ Half Yearly/ Annual Financial Results of the Company. The transcript of the con-call is also hosted on the website of the Company [www.boschindia.com](http://www.boschindia.com) under 'Shareholder Information'.

#### **Shareholder Information**

A detailed supplement containing information of importance to shareholders is given in this Annual Report.

Bengaluru  
May 29, 2015



## **Certificate on compliance with the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement**

To  
Members  
Bosch limited  
Hosur Road, Adugodi  
Bengaluru - 560 030

I have examined the relevant records of Bosch Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance pursuant to clause 49 of the listing agreement entered by the Company with BSE Limited and National Stock Exchange of India Limited, for the year ended on March 31, 2015, covering the period for 15 months from January 01, 2014 to March 31, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the said clause. This certificate is neither an assurance as to the future viability of the Company nor the effectiveness with

which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations given and information furnished, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

I further state that it is neither an audit nor an expression of opinion on the financial statement of the Company.

A. Vijay Shankar  
Practicing Company Secretary  
Membership No 5897  
CP No 12217

Place : Bengaluru  
Date : May 29, 2015

## Shareholder Information

### Annual General Meeting (AGM)

2015 - 10.30 a.m., August 28, 2015 at  
'Vivanta' By Taj, Bengaluru - 560001

a. Location and time of last 3 AGMs is given below:

2012	10.30 a.m., Monday, June 04; 'Vivanta' By Taj, Bengaluru
2013	10.30 a.m., Wednesday, June 05; 'Vivanta' By Taj, Bengaluru
2014	10.30 a.m., Thursday, June 05; 'Vivanta' By Taj, Bengaluru

b. Particulars of Special Resolutions passed in the last three AGMs are given below:

04.06.12: -Nil-

05.06.13: Appointment of Mr. V. K. Viswanathan, Non-Executive Director as a Management Consultant of the Company for a period of Nine Months from 01.01.13 to 30.09.13, pursuant to provisions of Section 309 and 314 of the Companies Act, 1956.

05.06.14: -Nil-

c. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 following Special Resolution was approved by the Members by way of a Postal Ballot during the period under review.

<b>Particulars of the Resolution</b>	Amendment to Clause 5 of the Memorandum of Association of the Company.
<b>Name of the Scrutinizer</b>	Mr. V. Sreedharan
<b>Date of declaration of Results</b>	August 04, 2014

#### Details of Voting Pattern

	No. of shareholders voted	No. of votes casted	% to the valid votes casted
<b>Total (A)</b>	460	2,53,78,868	N.A.
<b>Invalid (B)</b>	24	4,780	N.A.
<b>Total Valid (C= A - B)</b>	436	2,53,74,088	N.A.
<b>Casted in Favor</b>	430	2,53,45,237	99.89
<b>Casted Against</b>	06	28,851	0.11

As on the date of this report, there is no proposal to pass any resolution by Postal Ballot.

### Financial Results

The financial results for the quarter / half-year / year would generally be published as under:

Quarter / half-year / year	In the month of
quarter ending June 30	August
quarter / half-year ending September 30	November
quarter ending December 31	February
Year ending March 31	May

### Date of Book Closure

The Company's Register of Members and the Share Transfer Books will remain closed from Saturday, August 22, 2015 to Friday, August 28, 2015 (both days inclusive) for the purpose of payment of dividend.

### Dematerialization of Shares

71.18% of the paid-up capital is held by Robert Bosch GmbH. Of the remaining 28.82% held by public, shares representing 27.98% of the paid-up capital has been dematerialized.

The Company has entered into an agreement with the following Depositories whereby the equity shares of the Company were admitted as 'eligible security' in the depository system:

1. National Securities Depository Limited (NSDL): January 05, 1999.
2. Central Depository Services (India) Limited (CDSL): August 04, 2000.

Members still holding physical share certificates are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI). From June 26, 2000 the shares of the Company are mandated by SEBI for trading in dematerialized form.

NSE has reintroduced the shares of the Company in their F & O segment with effect from November 28, 2014. Shares of the Company have also been included in CNX Nifty with effect from May 29, 2015.

### Listing of Shares

The Company's equity shares are listed at the following Stock Exchanges and Listing Fees for the year 2015-16 has been paid to the Stock Exchanges.

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.	500530
National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051.	BOSCHLTD

The International Securities Identification Number (ISIN) for the Company's Shares is INE 323A01026.

The Company does not have any outstanding ADRs/ GDRs/warrants or any convertible instruments.

#### Particulars of dividend remaining unclaimed

In terms of Section 205A(5) of The Companies Act, 1956, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (the Fund) established by the Central Government.

Brief particulars of dividend amount remaining unclaimed are given below.

Year to which the dividend pertains	Declared at the AGM/ (Board Meeting) held on	Date of transfer to Unpaid Dividend Account	Balance in the Unpaid Dividend Account as on 31.03.2015 (₹)	Due date for transfer to the Fund*
2007	05.06.08	10.07.08	1,615,275	10.07.15
2008	28.05.09	02.07.09	1,643,800	01.07.16
2009	03.06.10	08.07.10	1,937,880	07.07.17
2010	01.06.11	06.07.11	2,589,440	05.07.18
2011 (special)	(01.06.11)	06.07.11	5,466,520	05.07.18
2011 (final)	04.06.12	10.07.12	3,274,750	09.07.19
2012	05.06.13	09.07.13	4,162,680	08.07.20
2013	05.06.14	09.07.14	4,429,975	08.07.21

\*as per Section 205A of Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999. [The corresponding provisions of Companies Act, 2013 and rules made thereunder are yet to be notified]

Particulars of the unclaimed dividend pertaining to the years 2006 to 2012 as on the date of last AGM (June 05, 2014) was hosted on Company's website [www.boschindia.com](http://www.boschindia.com) under the section 'Shareholder Information'

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. As per the prevailing statutory provisions, the unpaid dividend once transferred to the said Fund cannot be claimed.

#### Bank particulars for Dividend Warrants

With a view to prevent fraudulent encashment of dividend warrants, members holding shares in physical form are advised to furnish to the Company/ RTA particulars of their bank account with a request to incorporate the same in the dividend warrant.

#### Electronic Clearing Service

The Company makes payment of dividend through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS) to members. Under this system of payment of dividend, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. However, the Company may pay the dividend by issue of warrants where no ECS/NECS particulars made available to the Company. SEBI Vide Circular No. CIR/MRD/DP/10/2013 dated 21.03.2013 advised all listed companies to update bank details of their shareholders holding shares in demat mode and/or physical form, to enable usage of the electronic mode of remittance for distributing dividends and other cash benefits to the shareholders.

The circular further states that in cases where either the bank details such as MICR, IFSC, etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, Company/ RTA may use physical payment instruments for making cash payments to the Investors. Companies will have to mandatorily print the bank account details of the investors on such payment instruments.

We request the members to opt for electronic modes of payments. Members holding shares in electronic form are requested to approach the DP for updating the bank details. Members holding Shares in physical form, who wish to avail of the ECS/NECS facility, are requested to give the ECS/NECS mandate in the prescribed form. The form can be obtained from the Company's website [www.boschindia.com](http://www.boschindia.com) under the Section 'Shareholder Information'.

#### Payment of Dividend

Dividend warrants are posted to Members at their registered address usually within two working days of the declaration of dividend at the Annual General Meeting.

The dividend for the period ended March 31, 2015, if approved at the AGM will be paid on or about 01.09.2015. Dividend warrants in respect of shares held in electronic/dematerialized form are posted to the beneficial owners to their address as per the

information furnished by NSDL and CDSL as on the record date.

Particulars of dividend declared in the previous years (from the year 2002 final) are given below.

Year	Dividend per share (₹)	Year	Dividend per share (₹)
2002 (final)	40.00	2008	25.00
2003	65.00	2009	30.00
2004	10.00	2010	40.00
2005	12.00	2011(special)	85.00
2006 (interim)	12.00	2011	50.00
2006 (final)	4.00	2012	60.00
2007	25.00	2013	55.00

(Note: upto 2003: on shares of face value ₹100; from 2004: on shares of face value ₹10)

#### Requirement of PAN

The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009, clarified that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTA for registration of such transfer of shares.

Further, SEBI vide circular ref.no. MRD/DoP/SE/ RTA/ Cir-03/2010 dated January 07, 2010, clarified that for deletion of name of the deceased shareholder(s), transmission of shares to the legal heir(s) and for transposition of shares, it shall be mandatory to furnish a copy of PAN card to the Company/RTA.

#### Nomination

Pursuant to the provisions of Section 72 of the Companies Act, 2013, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014, Members may file Nomination in respect of their shareholdings. Members holding shares in Physical Form willing to avail this facility may submit to the Company the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14. Form SH-13 and SH-14 can be downloaded from the Company's website [www.boschindia.com](http://www.boschindia.com) under the section 'Shareholder Information'. Members holding shares in electronic form are requested to give the nomination to their respective Depository Participants directly.

#### Rights of members

The following are some of the important rights of the members:

1. Receive notices of General Meetings, Annual Report etc.
2. Attend and vote at the General Meetings and appoint proxy in their stead.
3. Demand for a poll along with other members who collectively hold not less than 1/10<sup>th</sup> of the voting power or who collectively hold 50,000 shares (i.e., shares on which aggregate sum of not less than ₹500,000 has been paid up).
4. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10<sup>th</sup> of the total paid up share capital of the Company carrying voting rights.
5. Receive dividends and other corporate benefits like rights, bonus shares etc., when declared / announced.
6. Transfer the shares.
7. Inspect minutes book of General Meetings.
8. Inspect various registers such as Register of Members, Register of Directors etc.
9. Nominate a person to whom his/her shares shall vest in the event of death.
10. Seek relief in case of oppression and mismanagement in the manner given under the Companies Act, 1956 / Companies Act, 2013.
11. Seek relief in case the affairs of the company are managed in a manner prejudicial to the interest of the company or its members by virtue of a Class Action Suit under Section 245 (yet to be notified).

#### Audited Annual Financial Results

The statement of Audited Financial Results and the statement of segment-wise revenue, results and capital employed for the period ended March 31, 2015 prepared pursuant to Clause 41 of the Listing Agreements entered into with the Stock Exchanges are available in the Company's website [www.boschindia.com](http://www.boschindia.com). The statement was approved by the Board of Directors at their meeting held on May 29, 2015.

**Shareholding Pattern (as on March 31, 2015)**

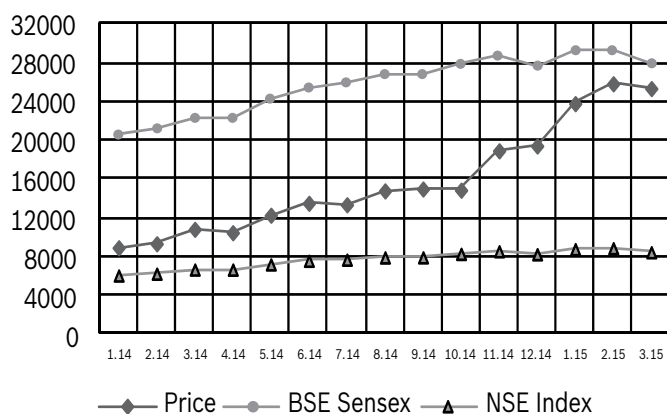
Category	No. of Members	No. of Shares held	% to the Capital
Robert Bosch GmbH	1	22,349,420	71.18
Insurance Companies	7	2,683,558	8.55
Foreign Institutional Investors	290	2,911,339	9.27
Mutual Funds/UTI	110	598,260	1.91
Financial Institutions/ Banks	14	19,748	0.06
Bodies Corporate	1,004	492,794	1.56
Foreign Nationals/ NRIs/OCBs	987	93,687	0.29
Clearing Member	182	44,293	0.14
Trust	13	1,720	0.01
Individuals	34,707	2,204,081	7.03
<b>Total</b>	<b>37,315</b>	<b>31,398,900</b>	<b>100.00</b>

**Shareholders holding more than 1% of the share capital of the Company (as on March 31, 2015)**

Sl. No.	Name of the Shareholder	No. of shares held	% to paid-up capital
1.	Robert Bosch GmbH	22,349,420	71.18
2.	General Insurance Corporation of India	9,81,142	3.13
3.	The New India Assurance Co. Ltd.	8,87,194	2.83
4.	Aberdeen Global India Equity Fund Mauritius Ltd.	6,90,865	2.20

**Distribution of Shareholding (as on March 31, 2015)**

No. of Shares held	Members		Shares	
	No.	%	No.	%
1-500	36,258	97.18	1,160,008	3.69
501-1000	477	1.28	339,114	1.08
1001-2000	277	0.74	387,594	1.23
2001-3000	66	0.18	162,214	0.52
3001-4000	39	0.10	137,840	0.44
4001-5000	24	0.06	109,197	0.34
5001-10000	69	0.18	500,072	1.60
>10000	105	0.28	28,602,861	91.10
<b>Total</b>	<b>37,315</b>	<b>100.00</b>	<b>31,398,900</b>	<b>100.00</b>

**Share Price and Index****Price and Volume of Shares Traded**

Month/Year	BSE Ltd.			National Stock Exchange of India Ltd.		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
Jan 2014	10349	8843	32,255	10333	8810	159,208
Feb 2014	9560	8857	35,940	9594	8850	99,289
Mar 2014	10988	9161	38,884	11000	9180	152,120
Apr 2014	11006	10050	42,156	11030	10052	121,009
May 2014	13330	9999	28,542	13330	10300	196,492
Jun 2014	13649	11700	33,635	13669	11710	194,404
Jul 2014	14000	12610	38,796	14099	12680	170,640
Aug 2014	15000	13300	28,104	14998	13300	157,248
Sep 2014	15350	14400	25,967	15350	14490	226,749
Oct 2014	15300	14200	9,661	15300	14135	83,219
Nov 2014	19580	14900	86,035	19570	14905	420,439
Dec 2014	21168	18200	82,029	21150	18213	690,267
Jan 2015	23960	18926	40,474	23989	18900	505,544
Feb 2015	27397	22222	116,945	27398	22000	2,112,580
Mar 2015	27989	24700	55,157	27990	24672	1,153,415

**Website**

The Company's website [www.boschindia.com](http://www.boschindia.com) contains information about the Company, Products, Services and Solutions, Press Releases and Shareholder Information. The 'Shareholder Information' section serves to inform the Shareholders by providing key information like Board of Directors, Committees of the Board, Financial Results, Shareholding Pattern, details of unpaid / unclaimed dividend etc.

**Registrar and Transfer Agent**

(For shares held in physical & dematerialized form)

Integrated Enterprises (India) Limited.

No.30, Ramana Residency,

4<sup>th</sup> Cross, Sampige Road,

Malleswaram,

Bengaluru – 560 003

Tel: (080) 23460815 to 818; Fax: (080) 23460819

E-mail: [irg@integratedindia.in](mailto:irg@integratedindia.in)

**Investor Service Centre**

Secretarial Department (BCS)

Bosch Limited

Hosur Road, Adugodi

Bengaluru – 560 030

Tel: (080) 2299 2393 (Extn. 2315/2310);

Monday to Friday: 9.30 a.m. to 5.00 p.m. (except holidays)

**Designated e-mail ID for redressal of investor complaints**

[investor@in.bosch.com](mailto:investor@in.bosch.com)

**Compliance Officer**

Mr. S. Karthik, Company Secretary

# Business Responsibility Report

## Section A: General Information about the Company

1. Corporate Identity Number (CIN):  
L85110KA1951PLC000761
2. Name of the Company: Bosch Limited
3. Registered office address:  
P.B.No.3000, Hosur Road,  
Adugodi, Bengaluru - 560 030
4. Website: www.boschindia.com
5. E-mail ID: rbin.corporate@in.bosch.com
6. Financial Year reported:  
January 01, 2014 to March 31, 2015
7. Sector(s) that the Company is engaged in  
(industrial activity code-wise):  
Automotive Component and Accessories
8. List three key products/services that the  
Company manufactures/provides (as in  
balance sheet)
  - i) Fuel Injection Equipment & Components  
(ITC code: 84.08 & 84.09)
  - ii) Auto Electrical Items (ITC code: 85.11)
  - iii) Portable Electric Power Tools  
(ITC code: 85.08)
9. Total number of locations where business  
activity is undertaken by the Company
  - i) International Location: -Nil-
  - ii) National Locations: 10 Plant and 23 Sales  
Offices at different location across India.
10. Markets served by the Company: – Local/  
State/National/International.

## Section B: Financial Details of the Company

[₹ in Million]

Sr No.	Particulars	Details
1.	Paid up Capital	314
2.	Total Turnover	117,414
3.	Total profit after taxes	13,377
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.77
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer Annual Report on CSR Activites

## Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes, the Company has a subsidiary viz., MICO Trading Private Limited having its registered office at P.B. No. 3000, Hosur Road, Adugodi, Bengaluru - 560 030.

2. Does the Subsidiary Company / Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s).

The said subsidiary has not commenced business. Hence, there is no participation by the said subsidiary in business responsibility initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility.

## Section D: BR Information

1. Details of the Director/Directors responsible for implementation of the BR policy/policies:

Director Identification Number (DIN) : 02783243  
 Name : Mr. Soumitra Bhattacharya  
 Designation : Joint Managing Director

### **Details of the BR head:**

Sr No.	Particulars	Details
1.	DIN Number (if applicable)	02783243
2.	Name	Mr. Soumitra Bhattacharya
3.	Designation	Joint Managing Director
4.	Telephone number	(080) 2299 2212
5.	e-mail id	Soumitra.bhattacharya@in.bosch.com

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These are briefly are as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability  
 P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle  
 P3 Businesses should promote the wellbeing of all employees  
 P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized  
 P5 Businesses should respect and promote human rights  
 P6 Businesses should respect, protect and make efforts to restore the environment  
 P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner  
 P8 Businesses should support inclusive growth and equitable development  
 P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for ...	Y	Y	Y	Y*	Y*	Y	N	Y	Y*
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	Y	-	-	Y	-	-	-
3.	Does the policy conform to any national /international standards? If yes, specify?	-	-	-	-	-	Y (ISO14001 and OHSAS18001)	-	-	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	-	-	-	-	-	-	-	Y	-
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	-	-	-	Y	-
6.	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	Y**	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y (Internally)	-	Y (Internally)	-	-	Y	-	Y	-
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	-	Y (Internal Agency)	-	-	Y (Both Internal & External Agency)	-	-	-

**2a. If answer to Sr. No 1 against any of the Principle is 'No', please explain why: (Tick up to 2 options)**

Sr No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principle	--	--	--	--	--	--	--	--	--
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3.	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4.	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5.	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--
6.	Any other reason (please specify)	<b>P7</b> The Company through the various industry forums endeavors to promote growth and technological progress, economic reforms, inclusive development policies and sustainable business principles. Therefore, need for a formal policy has not been felt.								

\*These Principles are encompassed in the Company's Code of Business Ethics and Principles of Social Responsibilities.

\*\* The CSR Policy of the Company can be accessed at [http://www.boschindia.com/media/in/documents/our\\_company\\_1/shareholder\\_information\\_1/2014/CSRPolicy.pdf](http://www.boschindia.com/media/in/documents/our_company_1/shareholder_information_1/2014/CSRPolicy.pdf)

**3. Governance related to BR:**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No

**Section E: Principle-wise performance****Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.**

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company as a constituent of the Bosch Group has always been a value driven organisation. Throughout its history, Bosch Group, including the Company has been guided by the values and ethics of its founder Robert Bosch. These include the principle of legality, which obliges all employees to observe compliance with the laws of the countries in which the Company does business. Other values have evolved over time. These values have been codified to ensure uniform and common understanding and systematic implementation across all Bosch locations and units worldwide.

Your Company values –

- Future and Result focus
- Responsibility and Sustainability
- Initiative and Determination
- Openness and Trust
- Fairness
- Reliability, Credibility and Legality
- Diversity

The Company's policy relating to ethics, bribery and corruption, extends to group companies in India, its employees and representatives which includes dealers, distributors, agents, sub-contractors and power of attorney holders.



2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  
The Company has received 29 stakeholder complaints during the period from January 01, 2014 to March 31, 2015. Of them, 23 were satisfactorily resolved during the period and 6 are under review.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.
  - Common Rail Pump Kompact (CP1K)
  - Common Rail Pump High pressure (CP1H)
  - Fuel Control Unit (FCU1)
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):  
The above products have enabled reduction in fuel consumption by approximately 5 percent. Further, design optimization of these products have resulted in energy savings as well as reduction in raw material consumption.
3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  
Sustainable sourcing can be classified under two broad headings:
  - 1) Products and processes:  
Any vendor or source identified for the Company is kept informed about its key principles & efforts made towards sustainable operations. Key vendors carrying high pollution potential are audited in line with Environment Health Safety (EHS) norms. The local Help Safety and Environment (HSE) team, helps in assessment of high risk operations/processes. Frequent training programmes addressing the requirements are briefed & periodically updated during open house /workshop.
  - 2) Transportation & Logistics:  
Vehicles are pooled for collecting raw materials reducing the diesel consumption & load on environment. Also returnable packaging concept has been initiated with major OEM's thereby reducing the waste generation. All transporters & security team are trained yearly & briefed on EHS requirements related to transportation & environment.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  
Localized vendors are generally preferred, if they meet the quality specifications & EHS compliance. This also improves reliability factor & reduces cost of operation.  
Vendors are provided classroom training for developing their competency. The Company also engages with vendor's employees and systems to help them develop a Lean approach. Local HSE team is engaged in assessment & training the suppliers on EHS compliance.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.  
Yes, the Company has a mechanism to recycle products and waste.  
In 2014, nearly 41.14% of the hazardous waste generated was sent for recycling. Some of the hazardous waste which are recycled are:
  1. Used Oil
  2. Skimmed Oil
  3. Used Solvents (SBP spirit + Isophar H + MTO)

Apart from this, upto 75.92% of the non hazardous waste was sent for recycling. At all the Company's locations, wastes are segregated based on their characteristics, collected and stored in an appropriate manner. The waste collected are sent to central / state pollution board approved recyclers for suitable reuse / recycle / disposal.

**Principle 3: Businesses should promote the wellbeing of all Employees**

1. Please indicate the total number of employees:

Sr No	Category of Employees	No. of Employees
1.	Associates	7,324
2.	Managerial and Superintending Staff (M&SS)	3,882
	<b>TOTAL</b>	<b>11,206</b>

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

Total number of employees hired on temporary/contractual/casual basis are: 2,524

3. Please indicate the number of permanent women employees.

Number of permanent women employees: 513

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities: 53

5. Do you have an employee association that is recognized by management?

Yes, there are recognized trade unions affiliated to various central trade union bodies.

6. What percentage of your permanent employees are members of this recognized employee association?

Almost 100% of permanent employees are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual Harassment	3	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

A. Permanent Employees	:	74%
B. Permanent Women Employees	:	85%
C. Casual/Temporary/Contractual Employees	:	58%
D. Employees with Disabilities	:	100%

**Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders. The Company has engaged around 75 physically disabled persons through the NGO 'Ability in Disability' who are working in various departments including power tools, packaging and aftermarket spare parts packing.

**Principle 5: Businesses should respect and promote human rights**

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Policy on Human Rights covers not only the Company but extends to its Group Companies, Joint Ventures, Suppliers, Contractors, NGOs, etc.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

**Principle 6: Businesses should respect, promote and make efforts to restore the environment**

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures Suppliers/Contractors/NGOs/others.

The Company's Corporate Environment Policy extends to cover the Company and its subsidiary.

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company aims to reduce relative CO<sub>2</sub> emissions by 20% by 2020. An insight to the environmental initiatives can be accessed at the hyperlink viz:

<http://www.boschindia.com/content/language1/html/4430.htm>

- Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants and projects.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

All locations are certified for requirements under ISO 14001 (Environmental Management System) and OHSAS 18001(Occupational Health and Safety System). The system requirements are broad based by incorporating internal standards. Layered audits are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame.

The EHS performance assessment is carried out annually at locations to establish the maturity levels. It is carried out by cross functional team assessing the performance over the past year. Based on the outcome, areas for improvement are identified and objectives are derived for the next year.

- Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken up several initiatives on clean technology, energy efficiency and renewable energy.

Innovative technologies are used to reduce the impact on the environment. In the entire chain of manufacturing, the emphasis is on preserving natural resources. Processes are designed to minimize use of raw materials, water and energy.

Details of these are available at <http://www.boschindia.com/content/language1/html/4430.htm>

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions / waste generated by the Company are within the permissible limits given by CPCB/ SPCB.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:  
The Company is a member of:
- i) Confederation of Indian Industry(CII)
  - ii) Bangalore Chamber of Commerce (BCC)
  - iii) Automotive Component Manufacturers' Association of India (ACMA)
  - iv) Bombay Chamber of Commerce and Industry (BCCI)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- Yes, following are the broad areas:
- a) Promote growth and technological progress
  - b) Sustainable business principles
  - c) Energy Sustainability
  - d) Water & Food Security

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

In line with the provisions of the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, *inter-alia*, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

The thrust areas of the Company's CSR activities are:

- a) Child health, hygiene and education;
- b) Vocational training focused on employable skills; and
- c) Neighbourhood projects as per the local needs identified by Company's Plants

Some of the initiatives taken during the year under review are:

Child health, hygiene and education:

Child Health Development Programme: Medical camps for several Government School children were undertaken covering 26,000 students studying in 125 government schools in and around Bengaluru.

Child Science Education Programme: In partnership with Agastya International Foundation, 30 LIB(Labs in a Box), 2 Mobile Science Vans and one mobile bike were deployed benefiting more than 20,000 children were provided.

Child English & Computer Education Programme: The computer labs were set up in 20 Government schools with CPUs, monitors, UPS and other infrastructure.

Infrastructure development in schools: The infrastructure upgradation in the form of better sanitation and providing potable water was undertaken in 38 schools in and around Bengaluru and Jaipur.

Vocational training focused on employable skills:

BRIDGE - Bosch's Response to India's Development & Growth through Employability Enhancement

Through a unique vocational training programme aimed at underprivileged unemployed youth, select school dropouts are targeted. By imparting industry relevant, short term skills development and training programmes, the focus is to help these youth to get suitable employment and bring them back to the main stream.

End-to-end solution vocational training model includes, training contents development (both soft skills and functional skills), application oriented delivery methodology, continuous evaluation, internship, employment and financial assistance over the course of 2 months. The programme was organized in more than 50 centers in the country including 25 Government ITIs in Karnataka. More than 500 youth have been trained and employed and thousands more will be benefited in years to come.

Neighbourhood Projects:

Bengaluru: Bosch Technical Labs

Technical labs have been set up in 25 Government ITIs under PPP mode in partnership with the Government of Karnataka. This is mainly to upgrade the technical training infrastructure as per current industry requirements and improve the training quality of existing ITIs.

Nashik- Village development projects:

The Nashik plant has adopted a number of villages and undertook various projects. In the area of Health & Hygiene, activities included a general health camp initiatives, malnutrition and dental health camp, and a health checkup in a tribal school. Community development initiatives included: livestock development, 'Annual Agri Plan' for paddy-yield improvement and better agricultural practices – in coordination with ICRISAT, Anganwadi renovation, school renovation and self-help group formation. Vocational training and income-generating programs were also initiated.

Construction of check dams of cement bags was carried out in 28 villages for increasing the ground water table level.

Jaipur:RO Plant: Providing clean drinking water to the villagers

Three additional reverse osmosis (RO) plants were set up in villages near Jaipur during the year catering to 421 families. The seven RO plants set up till date support 1270 families. Renovation of the Goner Girls School was another important initiative during the year.

Naganathapura: Support to the underprivileged

The Naganathapura plant sustained its efforts to improve the lives of neighbouring communities by taking up various initiatives.

Bosch India Foundation (BIF)

The Company, in addition to carrying out CSR activities through various partners & NGOs, also carries out CSR activities through Bosch India Foundation, a trust formed by Bosch group companies in India including Bosch Limited. The Company contributes approximately 0.25 percent of its Net Profit to the Foundation for carrying out CSR activities. BIF continued its journey in community and societal development, with a clear focus on sustainability through the following key programs and intervention areas:

1. Serving the underprivileged and weaker sections of society through vocational skills training and healthcare projects
2. Holistic integrated village development
2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO government structures /any other organization?

The Company's Social Responsibility Projects are implemented through internal team as well as in partnership with Non-Governmental Organizations (NGOs) and Government Institutions.

3. Have you done any impact assessment of your initiative?  
Yes, the Company has conducted impact assessments of its CSR Initiatives.
4. What is your company's direct contribution to community development projects and the details of the projects undertaken?

The Company spent an amount of Mio INR 103.45 on community development projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure 'B' to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company ensures its presence is established right from the commencement of the initiatives. It collaborates with the communities right from need identification to project implementation phase. The Company has extensive engagement with various stakeholders. The feedback from the stakeholders are analysed and various actions like improvement actions are prioritized.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
No new consumer case was filed against the Company during the period January 01, 2014 to March 31, 2015. 5 cases were pending as on March 31, 2015 for decision.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)  
Yes, apart from the mandated declarations, additional declarations are furnished on the products/ labels relating to the products and their usage.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
NIL
4. Did your company carry out any consumer survey / consumer satisfaction trends?  
Yes

# National Network

## Manufacturing Facilities

### Bengaluru

Post Box No. 3000  
Hosur Road, Adegodi  
Bengaluru - 560 030

### Verna

N-4A, Phase IV,  
Verna Industrial Estate  
Verna, Salcate, Goa - 403 722

### Bidadi

No. 42, II-phase, Sector-2,  
KIADB Industrial Area,  
Shanumangala  
Bidadi Hobli,  
Ramanagar District - 562109

### Naganathapura

Post Box No. 6887  
Electronic City P.O.  
Bengaluru - 560 100

### Kumbalgodu

#5, Survey Nos. 37 & 38  
I Phase, KIADB Kumbalgodu  
Industrial Area  
Kumbalgodu Village  
Kengeri Hobli  
Bengaluru - 560 074

### Gangaikondan

P.No.B8, SIPCOT Industrial Centre,  
Tirunelveli Taluk,  
Gangaikondan  
Tamil Nadu- 627 352

### Nashik

Post Box No. 64  
75, MIDC Estate  
Satpur, Trimbak Road  
Nashik - 422 007

### Bommasandra

276-A, The Sub Layout  
Kanchanayakanahalli Village  
Bommasandra, I Phase  
Jigni Industrial Area  
Anekal Taluka  
Bengaluru - 562 158

### Jaipur

SP-663  
RIICO Industrial Area  
Sitapura  
Jaipur - 302 022

### Chennai

Indospace SKCL,  
Oragadam  
Wallajabad Road,  
Sriperumbudur Taluk,  
Kancheepuram - 631 604

## Sales Offices

### Ahmedabad

31/32, JMC House, Level 3  
Opp. to Parimal Garden  
Ellis Bridge  
Ahmedabad - 380 006

### Bengaluru

21/1, Mission Road  
Bengaluru - 560 027

### Bhubaneshwar

Plot No. N-6/454  
IRC Village  
Jayadev Vihar Nayapalli  
Bhubaneshwar - 751 015

### Chandigarh, Punjab & Panchkula

FF & SF, SCO - 301  
Sector 9, Panchkula-134 109  
Haryana

### Chennai

Sabari Sunnyside  
2<sup>nd</sup> Floor, Middle Wing  
#8/17, Shafee Mohamad Road  
Off: Greams Road Thousand Lights  
Chennai - 600 006

### Delhi & Gaziabad

'Rishyamook'  
85-A, Panchkuian Road  
New Delhi - 110 001

### Ernakulam

MCM Building,  
IN. SY. No. 145/12A, 32/232  
N.H. By-Pass Road  
Padivattom Ernakulam  
Cochin - 682 024

### Guwahati

3<sup>rd</sup> Floor  
Mayur Garden Building  
Opp. Rajiv Bhavan  
ABC, G.S. Road  
Guwahati - 781 005

### Indore

2<sup>nd</sup> Floor, MAN House  
15th PU-3, Scheme  
No. 54 AB Road  
Indore - 452 008

### Jaipur

T - 304, 305 & 307  
Sangam Tower  
Church Road  
Off MI Road  
Jaipur - 302 001

### Jabalpur

3<sup>rd</sup> floor Shiv Mullan Tower  
Wright Town  
Jabalpur - 482 002 (MP)

### Jodhpur

SUN TOWER, 2nd Floor  
Khasra No 900 / 751  
Main Pal Road  
Jodhpur - 342 004

### Kolkata

91-A, Park Street  
Kolkata - 700 016

### Lucknow

2<sup>nd</sup> Floor, Madan Plaza  
14, Station Road  
Lucknow - 226 001

### Madurai

GV Towers  
3/4, Melakkal Road  
Kochadai  
Madurai - 625 010

### Mumbai

79, Dr. Annie Besant Road  
Worli  
Mumbai - 400 018

### Patna

Plot No. 21/A-2  
Patliputra Colony  
Near Patliputra Golamber  
Opp. UNICEF Office  
Patna - 800 013

### Pune

3<sup>rd</sup> Floor  
Godrej Millennium  
9 Koregaon Park  
Pune - 411 001

### Raipur

2<sup>nd</sup> floor  
Pithalia Complex  
Opp. Telephone Exchange  
Near Fafadih Chowk  
Raipur - 492 001

### Rajkot

Royal Square, 1st Floor  
Near Godown Road Corner  
Opp. Bavishi Plywood  
Tagore Road  
Rajkot - 360 002

### Ranchi

Bhagirathi Complex  
Opp. Adivasi Hostel  
Karam Toli Road  
Ranchi - 834 001

### Secunderabad

Plot.117  
Srinagar Colony  
Trimulgherry  
Secunderabad - 500 015

### Vijayawada

'RUMR' PLAZA  
1<sup>st</sup> Floor, Opp. Sri Chaitanya  
Olympiad School  
Pinanamaneni  
Polytechnic Road  
Mogalrajapuram  
Vijayawada - 520 010

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Adugodi, Bengaluru - 560 030  
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Print Point

