

Bosch Limited

Registered Office: Hosur Road, Adugodi, Bangalore - 560 030.

Tel +91 80 2299 2315, Fax +91 80 2299 2181, website: www.boschindia.com; e-mail: investor@in.bosch.com

CIN: L85110KA1951PLC000761

NOTICE TO MEMBERS

NOTICE is hereby given that the SIXTY SECOND Annual General Meeting of Bosch Limited (the 'Company') will be held at 10.30 a.m. on Thursday, June 05, 2014 at Trinity Hall, 'Vivanta By Taj', 41/3, Mahatma Gandhi Road, Bangalore - 560 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2013 and audited Statement of Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ending December 31, 2013.
3. To appoint a Director in place of Mr. V.K. Viswanathan, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED that in accordance with applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), the retiring auditors, Messrs. Price Waterhouse & Co. Bangalore, Chartered Accountants, (Registration No.007567S), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Peter Tyroller, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on June 05, 2013, effective from July 01 2013, pursuant to Article 85A of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and Article 85A of the Articles of Association of the Company, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Peter Tyroller as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the appointment of Mr. Franz Hauber as Whole-time Director of the Company from January 01, 2014 to December 31, 2016 on the terms and conditions including remuneration set out in the Agreement dated December 11, 2013 entered into between the Company and Mr. Franz Hauber with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Franz Hauber provided that the remuneration payable to Mr. Franz Hauber shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."
"RESOLVED FURTHER THAT in the event of Mr. Franz Hauber 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, Mr. Franz Hauber 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.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Bernhard Steinruecke, Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mrs. Renu S Karnad, Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Prasad Chandran, Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Bhaskar Bhat, Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019.”

By Order of the Board

Bangalore
May 05, 2014

S. Karthik
Company Secretary

NOTES: (A) 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 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 the aggregate not more than ten percent of the total share capital of the Company.

(B) 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, 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.

(C) Attention of members is invited to page no. 50 in the annual report. The Directors Report was approved by the Board of Directors at their meeting held on February 27, 2014. Mrs. Renu S Karnad and Mr. Prasad Chandran, Directors of the Company were ascertained as per the then prevailing provisions of Companies Act, 1956 to retire by rotation at the ensuing annual general meeting and therefore, reference to the same has been given in the Directors Report.

With effect from April 01, 2014, *inter-alia*, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the directors to retire by rotation have been re-ascertained on the date of this notice. Accordingly, Mr. V.K. Viswanathan, Non-Independent Non-Executive Chairman will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment. In terms of clause 49 of the listing agreement details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.

- (D) Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
- (E) The Register of Members and the share transfer books of the Company will remain closed from May 14, 2014 to May 27, 2014 both days inclusive.
- (F) Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended December 31, 2013, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on May 13, 2014 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 May 13, 2014. The dividend warrants will be posted on or about June 06, 2014.

Note: (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 Agent.

(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.

- (G) The identity/signature of the Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL.
- (H) The Registrar and Transfer Agent of the Company M/s. Integrated Enterprises (India) Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, is handling registry work in respect of shares held both in physical form and in electronic/demat form.
- (I) Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended December 31, 2006 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same as referred to in sub-section (1) of Section 205A of the Companies Act, 1956, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Companies Act, 1956. Intimation in respect of unclaimed dividend has been sent to concerned members.
- (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 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
- (K) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- (L) Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.

(M) Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

Procedure / Instructions for e-voting are as under :

- (1) In case of Members receiving AGM Notice by e-mail:
 - (a) Open e-mail.
 - (b) The said e-mail contains your user id and password for e-voting. Please note that the password is an initial password.
 - (c) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
 - (d) Now click on "Shareholders" to cast your votes.

- (e) Now, select the Electronic Voting Sequence Number - “EVSN” alongwith “BOSCH LIMITED” from the drop down menu and click on “SUBMIT”.
- (f) Now, fill up the following details in the appropriate boxes:

User ID	For members holding shares in Demat Form:
	a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID; b) For CDSL :- 16 digits beneficiary ID; For Members holding shares in Physical Form:- - Folio Number registered with the Company
Password	Your unique password is printed on the Attendance Slip/e-mail.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department

*Members who have not updated their PAN with the Company / Depository Participant are requested to use default number ‘BOSCHLTD24’ in the PAN field.

- (g) After entering these details appropriately, click on “SUBMIT” tab.
- (h) Members holding shares in Physical form will then reach directly to the voting screen.
- (i) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (j) 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 communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (k) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (l) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Attendance Slip.
- (m) On the voting page, you will see Resolution Description and against the same the option ‘YES/NO’ for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- (n) Click on the Resolution File Link if you wish to view the entire AGM Notice.
- (o) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (p) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (q) Institutional members (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., to the Scrutinizer through e-mail at sree@sreedharancs.com with a copy marked to helpdesk.evoting@cdslindia.com. File naming convention should be ‘Corporate Name

EVS.N.' The documents should reach the Scrutinizer on or before the close of working hours on June 02, 2014.

- (r) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com or investor@in.bosch.com.
- (2) In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy) in the permitted mode:

- (a) Initial password as below is given in the attendance slip for the AGM:

EVS.N (Electronic Voting Sequence Number)	USERID	PASSWORD
XXXXXXXX	XXXXXXXX	XXXXXXXX

- (b) Please follow all steps from Sl. No. (1)(c) to (1)(r) above to cast your vote.

- (3) General:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period commences on Friday, May 30, 2014 (9.00 a.m.) and ends on Sunday, June 1, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of April 25, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of April 25, 2014.
- (e) Mr. Sreedharan, Practising Company Secretary, Bangalore, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (N) The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website www.boschindia.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- (O) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (P) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

ANNEXURE TO THE NOTICE

(A) Item no. 3 – details pursuant to clause 49 of the listing agreement:

Mr. V. K. Viswanathan, 63, is a Bachelor of Commerce from Madras University and a Chartered Accountant from Institute of Chartered Accountants of India. Prior to joining the Company, he was the Group Treasurer & Head of Mergers and Acquisitions with Hindustan Unilever Limited with which group he was associated in various capacities for 17 years in India and global headquarters in London.

Mr. Viswanathan joined Bosch Limited in 1998 and took up an assignment in the Diesel Systems Division of Robert Bosch GmbH, Germany from September 1998. Upon completion of the assignment, Mr. Viswanathan joined the Board as Joint Managing Director on January 01, 2001, responsible for Finance, Administration, HR and IT Co-ordination. He was later on seconded to Robert Bosch Corporation, Farmington Hills, Michigan, USA (Robert Bosch North America) as Sr. Vice President responsible for automotive electrical and electrical drives division from 2006 to 2007.

After completion of assignment with Robert Bosch Corporation, Farmington Hills, Michigan, USA (Robert Bosch North America), he returned to India and took over as President of Bosch group companies in India and Joint Managing Director of Bosch Limited in November 2007.

Mr. Viswanathan retired as Managing Director and was appointed as Vice Chairman from January 01, 2013 and later on as Chairman of Bosch Limited from July 01, 2013.

Mr. Viswanathan has been appointed on the Board of HDFC Life Insurance Limited as an Independent Director w.e.f. April 25, 2014. Details of his other directorships are given in Directors Report. The membership / chairmanship of committees (only Audit and Shareholder / Investor Grievance Committees) in other public limited companies - (i) Member of Audit Committee of Magma HDI General Insurance Company Limited (ii) Chairman of Audit Committee of Bharti Airtel Limited. He does not hold any shares in the Company.

(B) Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 5 to 10 of the Notice and details pursuant to clause 49 of the listing agreement:

Item no. 5

The Board of Directors at their meeting held on June 05, 2013 appointed Mr. Peter Tyroller as an Additional Director of the Company to take effect from July 01, 2013. Mr. Tyroller holds office upto the date of the forthcoming Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mr. Tyroller for the office of Director. A copy of the notice is available in the website viz., www.boschindia.com under shareholders section.

A brief profile of Mr. Tyroller is given herein for the information of the shareholders.

Mr. Tyroller, 57, completed his engineering studies at the University of Applied Sciences in Ulm, Germany, (1984). This was followed by a second course of studies in Engineering Management from the University of Applied Sciences in Frankfurt (am Main), Germany. He began his professional career with Alfred Teves GmbH (ITT Automotive) in Frankfurt, Germany in 1985. He served as the Director of the Airbag Systems Unit of Robert Bosch GmbH and Managing Director of United Airbag Systems GmbH, both in Schwieberdingen, Germany. He has been the Managing Director of Wiper Systems & Electrical Motors Division of Valeo Autoelectric GmbH & Co. KG, Bietigheim. He held the position as Executive Vice-President Sales, Gasoline Systems Division, Robert Bosch GmbH, Schwieberdingen in 2000 and later as President in 2003.

He has been the member of the Board of Management, Robert Bosch GmbH from 2006 with corporate responsibility in marketing and sales, automotive original equipment sales and divisional responsibility in Automotive Aftermarket and from July 01, 2013, he took over the responsibility of Asia Pacific. Mr. Tyroller has been the president of CLEPA, the European Association of Automotive Suppliers since January 2010. The names of the companies in which he holds other directorship are given in Directors Report. Mr. Tyroller does not hold any shares in the Company.

Except Mr. Tyroller, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 6

The Board of Directors of the Company at their meeting held on December 04, 2013 appointed Mr. Franz Hauber, Executive Vice President as an Alternate Director to Mr. Peter Tyroller with effect from January 01, 2014. Consequent, to his appointment as Alternate Director, the Board of Directors at the same meeting approved the appointment of Mr. Hauber as Wholetime Director, pursuant to Article 76 of the Articles of Association of the Company, for a period of three years from January 01, 2014 to December 31, 2016, subject to the approval of the shareholders and on terms and conditions detailed herein. The Board of

Directors at their meeting held on February 27, 2014 revised the annual base salary of Mr. Hauber comprising of a Rupee Component and a Euro Component from Rs. 5,825,381 p.a. to Rs. 7,981,705 p.a. and Euro 99,775 p.a. to Euro 126,795 p.a.

A brief profile of Mr. Hauber is given herein for the information of the shareholders.

Mr. Hauber, 54, is a Mechanical Engineering degree holder from Fachhochschule Konstanz, Germany. He is associated with Bosch group since the last 26 years.

Mr. Hauber started his career in Bosch group as a development engineer in ABS Hydraulics. During these 26 years of association, he has worked in several management positions including manufacturing, quality, logistics, safety, project management and corporate functions. He has varied experience in the divisions like Chassis System Control, Diesel System and Gasoline System. He joined the Company from January 01, 2013 as the Executive Vice President, Manufacturing and Quality.

The terms and conditions of his appointment are as under:

1. a) Annual Base Salary Rupee component of Rs. 7,981,705 p.a. and Euro component of Euro 126,795 p.a. payable at the exchange rate on the salary day in the range of 10,000,000 INR to Rs. 30,000,000 INR gross, increments being at the discretion of the Board.

b) Variable Annual Bonus Annual bonus is fixed annually by the Board of Directors, taking into account the economic results and also Mr. Hauber'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) Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Hauber, the Company has no profits or the profits are inadequate, the Company will pay remuneration by way of salary and perquisites as herein stated.
4. Benefits/facilities:
 - i. Housing:
The Company will provide and maintain a house for Mr. Hauber and his family.
 - ii. Car and Driver:
2 cars maintained and fueled by the Company with 2 drivers for the use of Mr. Hauber and his family.
 - iii. Gas, Electricity & Water charges for the house:
These services will be borne/paid by Mr. Hauber.
 - iv. Telephone:
One cellphone, broadband/Internet and fax. Private calls and additional connections are to be paid by Mr. Hauber. These services will be provided by Company.
 - 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 Rs. 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 Mr. Hauber and family for joining duty in Bangalore will be paid by the Company.

Relocation expenses referred to above, in case Mr. Hauber joins another company within Bosch group, that

company will bear these expenses. However, if Mr. Hauber resigns and joins another company outside the Bosch group, then Company will not reimburse such relocation expenses.

5. Other Benefits:

Mr. Hauber 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.

7. Variation/Modification:

Amendments and supplements to this contract require to be made in writing in order to be legally valid.

8. The agreement is subject to the requisite approvals, if any, under Indian Laws.

A copy of the Agreement dated December 11, 2013 referred to in the resolution at item no. 6 will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday and Sunday. Vide letter dated December 24, 2013 an abstract of the agreement for the appointment of Mr. Hauber as a Wholetime Director of the Company was sent to the shareholders pursuant to section 302 of the Companies Act, 1956.

The names of the companies in which he holds other directorship are given in Directors Report. The membership / chairmanship of committees (only Audit and Shareholder / Investor Grievance Committees) in other public limited companies – (i) Member of Audit Committee – Bosch Chassis Systems India Limited (ii) Member of Audit Committee – Bosch Rexroth India Limited. He does not hold any shares in the Company.

Except Mr. Hauber, no other Director or Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 6 of the Notice. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 7

Mr. Bernhard Steinruecke, aged 59 years, studied Law and Economics in Vienna, Bonn, Geneva and Heidelberg. He has a Law degree from the University of Heidelberg and passed the Bar Examination of the High Court of Hamburg. He worked with Coopers and Lybrand, Hamburg before joining Deutsche Bank in 1984 and rose to become General Manager of the Mumbai Branch and Joint Chief Executive Officer of the Bank's operations in India. Later, he became the Managing Partner and Speaker of the Board of the ABC Privatkunden-Bank, Berlin. Since July 2003 he is the Director General of Indo German Chamber of Commerce. Mr. Steinruecke is Chairman of Shareholders'/Investors' Grievance Committee, member of Audit Committee, Remuneration Committee and the Share Transfer Committee of the Board.

The names of the companies in which he holds other directorship are given in Directors Report. The membership / chairmanship of committees (only Audit and Shareholder / Investor Grievance Committees) in other public limited companies – (i) Member of Audit Committee – Apollo Munich Health Insurance Company Limited (ii) Member of Audit Committee – FAG Bearings India Limited (iii) Chairman of Audit Committee – HDFC Ergo General Insurance Limited. He does not hold any shares in the Company.

Mr. Steinruecke has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 2005. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Steinruecke fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Steinruecke is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Steinruecke as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Steinruecke as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Steinruecke shall not be liable to retire by rotation. Except Mr. Steinruecke, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 8

Mrs. Renu. S. Karnad, 61, holds a Bachelor Degree in Law from the University of Bombay and Masters Degree in Economics from Delhi School of Economics. She joined HDFC Ltd. in 1978 in the legal and credit department and grew to become the head of lending business of HDFC Ltd. and presently is the Managing Director of HDFC Ltd. In 1984, she was awarded Pravin Fellow – Woodrow Wilson School of International Affairs, Princeton University, Princeton, NJ. She is the Chairperson of the Audit Committee and member of Shareholders' and Investors' Grievance Committee of the Company. She does not hold any shares in the Company.

The names of the companies in which she holds other directorship are given in Directors Report. The membership / chairmanship of committees (only Audit and Shareholder / Investor Grievance Committees) in other public limited companies– (i) Chairperson of Audit Committee - Credit Information Bureau (India) Limited (ii) Member of Audit Committee - HDFC Ergo General Insurance Co. Limited (iii) Chairperson of Audit Committee - Akzo Nobel India Limited.

Mrs. Karnad has been an Independent Director under listing agreement on the Board of the Company since 2007. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mrs. Karnad fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mrs. Karnad is independent of the management of the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Karnad as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Karnad as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mrs. Karnad shall not be liable to retire by rotation. Except Mrs. Karnad, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 9

Mr. Prasad Chandran, 61, is a post-graduate in Chemistry and has a Masters degree in Business Administration. He has also received Advanced Management Education from Institutes in the US, UK and Japan. Mr. Chandran was a former president of Indo German Chamber of Commerce (IGCC) and is presently serving as Committee member. He is also the Managing Committee Member of the Bombay Chamber of Commerce and Industry and Member of the Executive Committee of Federation of Indian Chambers of Commerce & Industry (FICCI) and The Energy and Resources Institute (TERI). He is also an active participant in a number of trade industry delegations of the Government of India.

Mr. Chandran initiated the "Million Minds" project which aims at improving governance and fighting corruption. Whilst implementing the BASF Global values and principles, he addressed policy issues on corruption to raise the standards of governance in India. The "Million Minds" project aims to sensitize stakeholders and creates voluntary action groups in different parts of the country. He is presently associated with a number of NGOs and is also an invited Board Trustee of the Public Concern for Governance Trust (PCGT) Mumbai.

Mr. Chandran was the Chairman & Managing Director of BASF India Limited. He was also the Chairman of BASF Group Companies in India and Head-South Asia. Mr. Chandran does not hold any other directorship.

Mr. Chandran has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 2009. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are independent directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Chandran fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Chandran is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chandran as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Chandran as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Chandran shall not be liable to retire by rotation. Except Mr. Chandran, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 10

Mr. Bhaskar Bhat, aged 59 years, joined the Board as Director with effect from January 01, 2013. He is a B.Tech (Mechanical Engineering) from IIT Madras (1976) and has completed his Post Graduate Diploma in Management from IIM Ahmedabad (1978). Most of his working experience has been in Sales & Marketing. After starting his professional career as a Management Trainee at Godrej & Boyce, Mr. Bhat joined the Tata Watch Project which was initiated at Tata Press Limited. Since 1983 he has been associated with the Tata Watch Project which later became Titan Watches Limited and is now Titan Company Limited. Mr. Bhat has been the Managing Director of Titan Company Limited since April 2002.

Mr. Bhat received the Distinguished Alumnus Award in IIT Madras and IIM Ahmedabad in 2008 and 2011 respectively. He was conferred the Qimpro Gold Standard Award for Business in February 2010. He was ranked 4th in the “The Best Performing CEOs in India” study conducted by the Business Today, INSEAD and Harvard Business Review in February 2012.

Mr. Bhat is a member of the Governing Council at the T.A.Pai Management Institute, Manipal, the SDM Institute of Management and Development, Mysore and is the Chairman of the Board of Governors of the National Institute of Technology, Uttarakhand.

The names of the companies in which he holds other directorship are given in Directors Report. The membership / chairmanship of committees (only Audit and Shareholder / Investor Grievance Committees) in other public limited companies – Member of Shareholders’ Grievance Committee of Titan Company Limited.

Mr. Bhat has been an Independent Director under listing agreement on the Board of the Company since 2013. With the enactment of the Companies Act, 2013 (‘Act’) it is now incumbent upon every listed company to appoint ‘Independent Directors’ as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Mr. Bhat fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Bhat is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhat as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bhat as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Mr. Bhat shall not be liable to retire by rotation. Except Mr. Bhat, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

By Order of the Board

Bangalore
May 05, 2014

S. Karthik
Company Secretary

Bosch Limited

(CIN: L85110KA1951PLC000761)

Regd. Office: Hosur Road, Adugodi, Bangalore - 560 030.

Tel +91 80 2299 2315, Fax +91 80 2299 2181

website: www.boschindia.com

e-mail: investor@in.bosch.com

PROXY FORM

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: or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company, to be held on the 5th day of June, 2014 at 10.30 a.m at Trinity Hall, Vivanta By Taj, 41/3, Mahatma Gandhi Road, Bangalore - 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against

ORDINARY BUSINESS

1	Adoption of Financial Statements for the year ended December 31, 2013.		
2.	Approval of Dividend for the year 2013.		
3.	Appointment of Mr. V.K. Viswanathan as a Director.		
4.	Appointment of Messrs. Price Waterhouse & Co. Bangalore, Chartered Accountants, as Auditors and fix their remuneration.		

SPECIAL BUSINESS

5	Appointment of Mr. Peter Tyroller as a Director.		
6.	Approval of the terms of appointment of Mr. Franz Hauber as a Wholetime Director.		
7.	Appointment of Mr. B. Steinruecke as an Independent Director.		
8.	Appointment of Mrs. Renu. S. Karnad as an Independent Director.		
9.	Appointment of Mr. Prasad Chandran as an Independent Director.		
10.	Appointment of Mr. Bhaskar Bhat as an Independent Director.		

Signed this..... day of2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp
not less
than ₹
0.15

Note :

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 62nd 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 details of member(s) in above box before submission.



Social engagement
for a sustainable future

Bosch Limited
Annual Report 2013



BOSCH
Invented for life

The Bosch Vision

Creating value - sharing values

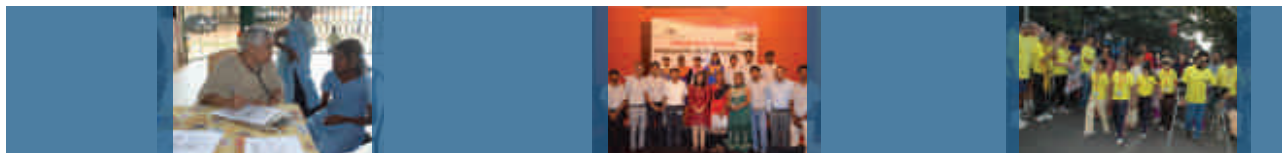
As a leading technology and services company, we take advantage of our global opportunities for a strong and meaningful development. Our ambition is to enhance the quality of life with solutions that are both innovative and beneficial. We focus on our core competencies in automotive and industrial technologies as well as in products and services for professional and private use.

We strive for sustained economic success and a leading market position in all that we do. Entrepreneurial freedom and financial independence allow our actions to be guided by a long-term perspective. In the spirit of our founder, we particularly demonstrate social and environmental responsibility – wherever we do business.

Our customers choose us for our innovative strength and efficiency, for our reliability and quality of work. Our organizational structures, processes, and leadership tools are clear and effective, and support the requirements of our various businesses. We act according to common principles. We are strongly determined to jointly achieve the goals we have agreed upon.

As associates worldwide, we feel a special bond in the values we live by – day for day. The diversity of our cultures is a source of additional strength. We experience our task as challenging, we are dedicated to our work, and we are proud to be part of Bosch.

Contents



Cover Page

At Bosch our corporate policy is underlined by the principle of social commitment. Our social engagement program has always aimed to make a difference to the communities and in the lives of the people it touches. Our CSR mandate extends beyond the boundaries of the company. It is reflected by the long-term commitment we make to the holistic development of individuals and societies by focusing on critical areas such as education, young academic talent, and charitable projects.

Social engagement is the theme of this year's Bosch Limited Annual Report. It will give you a picture of the company's initiatives, the various projects and activities undertaken, their impact, and the future direction.

These initiatives reinforce us as a community-conscious, socially-responsible and value-based organization. Committed to making the world a better place to live in.

4	About Bosch Group
5	About Bosch Limited
6	Board of Directors, Committees, etc.
8	A sustainable future
36	Report of the Directors
53	Financials at a glance
55	Annexure to the Report of the Directors
58	Report and Certificate on Corporate Governance
65	Management Discussion and Analysis Report
72	Business Responsibility Report
85	Independent Auditors' Report to the Members
88	Balance Sheet
89	Statement of Profit and Loss
90	Cash Flow Statement
91	Notes to the Financial Statements
122	Subsidiary Company
130	Shareholder Information
134	National Network

About Bosch Group

Bosch Headquarters
in Stuttgart, Germany.



The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, its roughly 281,000 associates generated sales of 46.4 billion euros in 2013 (Note: due to a change in the legal rules governing consolidation, the 2013 figures can only be compared to a limited extent with the 2012 figures). Its operations are divided into four business sectors: Automotive Technology, Industrial Technology, Consumer Goods, and Energy and Building Technology. The Bosch Group comprises Robert Bosch GmbH and its more than 360 subsidiaries and regional companies in some 50 countries. If its sales and service partners are included, Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. In 2013, Bosch applied for some 5,000 patents worldwide. The Bosch Group's products and services are designed to fascinate, and

to improve the quality of life by providing solutions which are both innovative and beneficial. In this way, the company offers technology worldwide 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. 92% 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.

About Bosch Limited



Bosch Limited
Corporate Office in
Bangalore, India.

Bosch has been present in India for more than 80 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% stake in Bosch Limited. The Company is headquartered in Bangalore. Its manufacturing facilities are located at Bangalore, Naganathapura, Nashik, Jaipur and Goa. These plants are TS 16949 and ISO 14004 certified. Bosch Limited has its 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, auto electricals, special purpose machines, packaging machines, electric power tools, security systems, and industrial and consumer energy products & solutions. It earned revenue of over ₹ 8,600 crores in 2013. The company has developed excellent R&D facility and a strong customer base. Its market leadership is testimony to the high quality and technology of its

products. It has a strong presence in the Indian automotive services sector, with networks spanning across 1,200 towns and cities with around 3,050 service outlets which ensure widespread availability of both products and services. Apart from this, the company has a strong automotive training network that spans over 14 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 Ltd., a 100% subsidiary of Robert Bosch GmbH, Bosch Rexroth India Ltd., (by acquiring majority stake in Rexroth), Bosch Chassis Systems India Ltd., (by acquiring majority stake in Kalyani Brakes Ltd.), Bosch Automotive Electronics India Private Ltd., a 100% subsidiary of Bosch Group, and Bosch Electrical Drives India Private Ltd., a joint venture company, based at Oragadam near Chennai. Over the years, Bosch in India has grown to include 10 manufacturing sites and seven development centers, employing over 26,000 associates. In India, it generated consolidated revenue of nearly ₹13,200 crores in 2013.

Board of Directors, Committees, etc.



Dr. Albert Hieronimus
Chairman
(up to June 30, 2013)



V.K. Viswanathan
Chairman
(from July 01, 2013)



Dr. Bernd Bohr
Director
(up to June 30, 2013)



Peter Tyroller
Director
(from July 01, 2013)



Bernhard Steinruecke
Director



B. Muthuraman
Director
(up to June 30, 2013)



Renu S. Karnad
Director



Prasad Chandran
Director



Bhaskar Bhat
Director



Dr. Steffen Berns
Managing Director



Soumitra Bhattacharya
Joint Managing Director



Franz Hauber
Alternate Director to
Mr. Peter Tyroller
(from January 01, 2014)

Company Secretary

A. Vijay Shankar (up to June 30, 2013)
S. Karthik (from July 01, 2013)

Auditors

M/s. Price Waterhouse & Co., Bangalore

Bankers

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

Registered Office

Hosur Road
Adugodi
Bangalore - 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
4th Cross, Sampige Road
Malleswaram
Bangalore - 560 003

Audit Committee

Renu S. Karnad, *Chairperson*
Dr. Albert Hieronimus (up to June 30, 2013)
V. K. Viswanathan (from July 01, 2013)
Bernhard Steinruecke
B. Muthuraman (up to June 30, 2013)
Prasad Chandran
Bhaskar Bhat (from July 01, 2013)

Shareholders'/Investors' Grievance Committee

Bernhard Steinruecke, *Chairman*
Dr. Albert Hieronimus (up to June 30, 2013)
V. K. Viswanathan (from July 01, 2013)
Renu S. Karnad
Prasad Chandran
Dr. Steffen Berns (from January 01, 2013)

Remuneration Committee

Dr. Albert Hieronimus (up to June 30, 2013)
V. K. Viswanathan (from July 01, 2013)
B. Muthuraman (up to June 30, 2013)
Bernhard Steinruecke
Prasad Chandran
Bhaskar Bhat (from July 01, 2013)

Investment Committee

B. Muthuraman (up to June 30, 2013)
Renu S. Karnad
Bhaskar Bhat (from July 01, 2013)
Dr. Steffen Berns
Soumitra Bhattacharya

Property Committee

Dr. Albert Hieronimus (up to June 30, 2013)
V. K. Viswanathan (from July 01, 2013)
Renu S. Karnad
Dr. Steffen Berns
Soumitra Bhattacharya

Share Transfer Committee

V. K. Viswanathan (from July 01, 2013)
B. Muthuraman (up to June 30, 2013)
Bernhard Steinruecke
Prasad Chandran
Bhaskar Bhat (from July 01, 2013)
Dr. Steffen Berns

Corporate Social Responsibility Committee

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

Social engagement for a sustainable future

To ensure a sustainable future, organizations and individuals must give back to nature and to society what they take from it.

Read on:

- ▶ The Philosophy: Sustainability, corporate responsibility, and social welfare
- ▶ The Inspiration: Robert Bosch – humanist and philanthropist
 - Robert Bosch Stiftung: carrying on the charitable and social endeavors of the company's founder
- ▶ In India, since inception – Bosch Limited's sustained social engagement
- ▶ Thrust areas at Bosch Limited
 - Health and Hygiene
 - Vocational Training
 - Community Development
- ▶ Enabling lives and livelihood: Bosch India Foundation
- ▶ The Reach: Local projects in plant neighborhoods
 - Bangalore
 - Nashik
 - Jaipur
 - Naganathapura
- ▶ The Impact: Lighting lives
 - A Perspective: Making a difference with social engagement
 - Stakeholders in dialogue
- ▶ The Reaffirmation: Bosch Limited CSR Committee



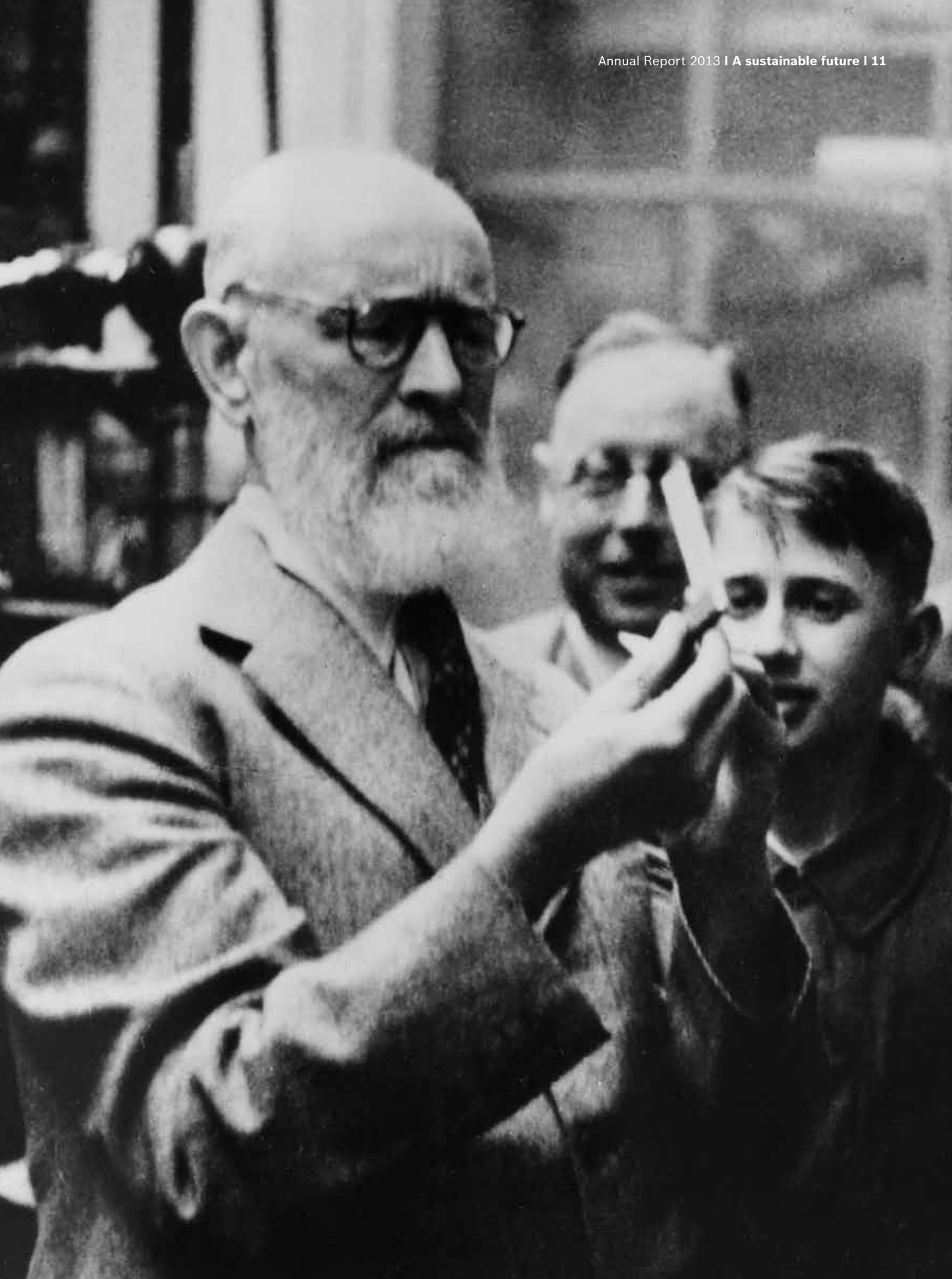


The Philosophy: Sustainability, corporate responsibility and social welfare

Working towards a sustainable future has been the company's guiding force ever since it was founded by Robert Bosch. Since then, concepts pertaining to sustainability, responsibility and social welfare have intrinsically been woven into the corporate ethos of the organization. By choosing to focus its corporate social responsibility (CSR) activities on principle areas such as Health & Hygiene, Vocational Training and Community Development, Bosch Limited is reinforcing its commitment towards creating a sustainable impact. Interrelated, these focus areas reinforce each other in practice.

Invented for life. It's not just the Bosch slogan, it's a commitment. A pledge that our actions in the present and the future are socially sustainable and impactful. Since the company's inception, and true to the vision of its founder – Robert Bosch, the Group has constantly been engaged in activities that create a sustainable impact. Through the development of sophisticated technologies and solutions, which are directed towards improvement of life, conservation of resources and the environment, and upliftment of the less privileged, Bosch has worked ceaselessly towards creating a multiplier effect.

Right: Robert Bosch – the man and the entrepreneur, with an apprentice





The Inspiration:

Robert Bosch – humanist and philanthropist

For a Group present in roughly 150 countries – if its sales and service partners are to be included – what kind of a company do we define ourselves as?

A company that views continuity as a major source of strength. A company which orients itself to not just financial independence but also strongly to values. A company that even today relies on the

century-old convictions of its founder to find possible answers to the complexities of today and the future.

As every future needs a past, our rich legacy provides that groundwork. It bestows upon us the flexibility to be modern, future-oriented, innovative, and an agile organization that seeks to combine the pursuit of technological and economic progress with due consideration for social and environmental factors.

Since 1964, Bosch's majority shareholder has been Robert Bosch Stiftung* GmbH, a charitable foundation. The Stiftung carries on the charitable and social endeavors of the company's founder in contemporary form. It sees itself as a foundation that pursues its objectives, both with programs and institutions of its own and by supporting suitable projects and initiatives proposed by others, for tackling the problems faced by society.

Robert Bosch Stiftung – carrying on the charitable and social endeavors of the company's founder

Maybe that is what sets Bosch apart. Today, the Robert Bosch Stiftung, a charitable foundation, holds a 92 percent stake in the share capital of Robert Bosch GmbH. The share dividend received by the foundation is used exclusively for charitable purposes, i.e. to support general medical care, international understanding, social work, training and education, apart from being strongly rooted in the wisdom of its founder.

Taking responsibility for society and future generations is a long tradition at Bosch. Robert Bosch himself was a pioneer.

Engineer, inventor, entrepreneur, democrat – founder Robert Bosch was all that. But, at the same time, he was a humanist and a philanthropist. As a man of strong ethical beliefs and progressive ideals, Robert Bosch's idea of a company was one which followed "an honest and fair approach to doing business" and which went beyond making products and profits to creating social capital; in other words, a responsible company which put society first.

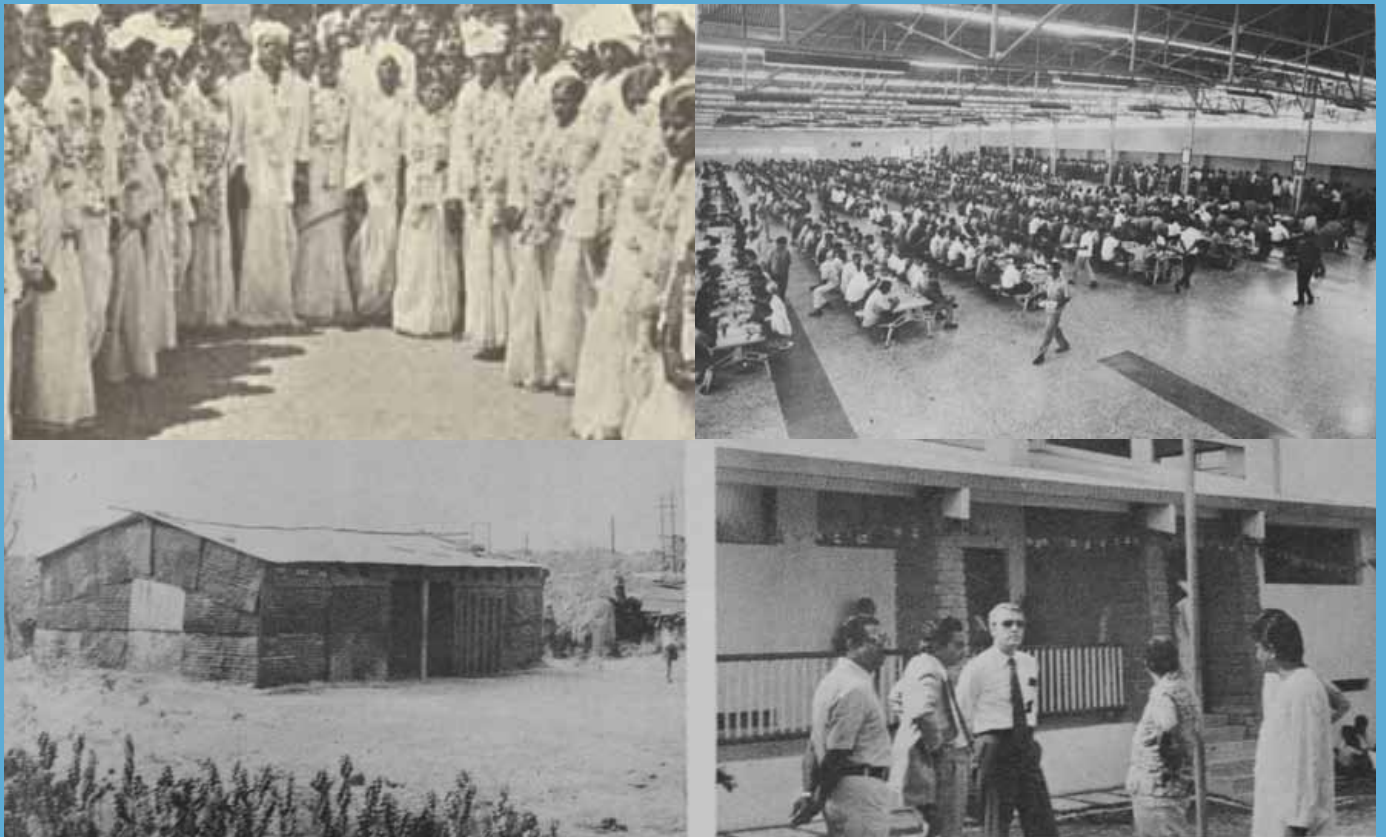
Robert Bosch practiced responsibility towards his company's associates and the society at large. He introduced the eight-hour working day, being one of the first entrepreneurs in Germany to do so, and initiated a host of social benefits for his associates and their families. Since he wanted "to make his growing wealth bear fruit for public welfare in the widest sense," he made numerous donations towards education, housing, war-relief and hospitals. From then on, social responsibility became a tradition at Bosch.

Inspired by this ideal of the founder, 'Responsibility' constitutes one of the core values of the Bosch Group.

Stimulated by the far reaching work of its parent company, how is responsibility practiced at Bosch Limited today? Through the provision and assurance of equal opportunities, employment of specially-abled people and making a difference in the lives of the underprivileged through sustainable CSR programs in the areas of Health & Hygiene, Vocational Training and Community Development. For us, sustainable social engagement means that our company's strategy takes into account not just economic but also ecological and social factors.

Left: View of a patient's room at the Robert Bosch Hospital, 1940. Robert Bosch (right) is standing on the balcony.

* Trust



True to its corporate slogan, 'Invented for life', ever since Bosch stepped into India, it has touched the lives of people – be it the associates, the community around or customers – in many meaningful ways.

In India, since inception – Bosch Limited's sustained social engagement

Fuelling India's growth

Back in 1951, a German company which put integrity ahead of profits with a tradition of social responsibility and a young, post-independent India, struggling to stand on its own, held great promise. Bring the two together and it is not surprising that both find common ground to achieve mutually beneficial goals. That is what happened when Bosch decided to set up office in India.

India presented its own set of interrelated socio-economic challenges: poverty, illiteracy, overpopulation, unemployment, poor health & hygiene, and lack of infrastructure. Bosch was farsighted to understand the growing needs of this country and decided to invest and support the development, despite economic and war issues that prevailed during that period.

From catering to the local business requirement back in the 50s, Bosch (then called Mico) worked towards the upliftment of communities and for the development of areas, including those near its locations, with much dedication and commitment. Through its various units and functions, Bosch in India undertook a number of social initiatives that addressed issues of pressing concern. These activities were not meant to provide just short-term relief; they were consciously aimed at providing sustainable help – solutions which brought about abiding improvement in the lives of the indigent individuals and communities.



Drawing from the approach of its parent company in Germany, over the past 60 years Bosch in India has created a space for itself in the society not just as a technology and innovation pioneer, but also as a company that 'cares.' The company has always been committed to the progress and nurturing of its associates and society at large. To that end, the introduction of several associate and community welfare programs at Bosch India, underlines the company's commitment to sustainable impact, thus resulting in a long-term multiplier effect.

Developing Adugodl into a business hub

At Adugodl, Bangalore, where Bosch established its first factory in 1953, there were no proper roads. So the company's first social activity was to replace the existing cart track with a motorable road, which helped to link Adugodl to the city. The establishment of several other industries in Adugodl highlighted the area's need for a well-equipped medical facility. So, Bosch built a modern dispensary in 1970. The first of its kind in Bangalore, and built in a record time of four months, it drew special praise from the then Chief Minister, who remarked that the building was so well-designed that patients would feel half-cured just entering it! It was an example of the kind and quality of commitment in which Bosch believed.

Partnering with Nashik authorities to build an industrial center

In 1972, while setting up its second manufacturing base in Nashik, Bosch launched numerous educational and health programs for the underprivileged. The company also provided a binocular microscope and a blood refrigerator to the Medical Welfare Trust, a leading charitable institution in Nashik. This equipment enabled the Trust to store blood in 75 bottles for three weeks compared to its earlier capacity of 10-12 bottles for four to five days only.



Chief Minister Hails MICO's Gesture to The Community

The Adugodl Dispensary, the building for which was donated by MICO, has proved to be a boon to local residents. Since the inauguration of the Dispensary

some time ago, thousands of patients have been treated. On an average, 175 patients per day come to the Dispensary for treatment.

Mr. Veerendra Patil, Chief Minister of Mysore, inaugurates the Adugodl Dispensary building donated by MICO. In the front row (from left) are: Mr. M.S. Shankar Rao, Administrator, Corporation of Bangalore, Mr. Y. Ramakrishna, Health Minister of Mysore, Mr. G. Schoeffler, Technical Director, and Mr. D. N. Vatcha, Commercial Director.

The Dispensary, with a plinth area of 152 square metres, is equipped to provide a wide range of out-patient services. It has spacious examination, dispensing and dressing rooms. Speaking at the inauguration, Mr. Veerendra Patil, Chief Minister,

Continued on Page 3

A 1970s news clipping from the company archives

Addressing and sensitizing people about civic problems for a healthier tomorrow

A persistent civic problem in Indian cities, which also has serious health and environmental implications, has been waste disposal. So, to deal with the waste generated at its location, Bosch implemented a vermicomposting project in 1994 in its residential apartment area as well as in its canteen in Bangalore to recycle waste into compost which could be used as an organic fertilizer.

Burgeoning vehicular traffic is yet another serious civic problem that most cities, such as Bangalore, face

today. Besides polluting the environment, it has made commuting difficult and has increased the number of road accidents. For its part, besides initiating a sensitization campaign that coincided with the Road Safety Week, Bosch donated an ambulance van in February 2001 to Comprehensive Trauma Consortium (CTC), a social organization that provides pre-hospital trauma care to accident victims in Bangalore.

Nashik Run – India's biggest social run

In 2003, the Nashik plant partnered with neighboring corporates to initiate what was to become one of the country's biggest social runs. Its purpose was to raise more funds for helping the city's underprivileged. The Nashik Run Charitable Trust was formed and the inaugural race was held in 2003. Since then, the social run has grown steadily in size and popularity to become an established calendared sports event. While the funds raised have been used to carry out long-term social projects in and around Nashik, the Run has also helped to spread the message of adopting a 'healthier lifestyle.'

Securing our youth for a brighter tomorrow

A harsh reality facing a large proportion of our country's children is the dual problem of hunger and lack of education. In Bangalore, Bosch decided to extend its support to the highly-successful and nationwide program 'Akshay Patra,' which provides healthy and hygienic mid-day meals to the city's poor school children. The program has helped reduce the dropout rate by improving the physical and mental health of the children.

Apart from children, another vulnerable section of our society is the differently-abled, particularly those

belonging to the economically weaker section. In order to give this section a better opportunity, Bosch works towards making them financially self-sufficient by providing employment in collaboration with organizations such as Ability in Disability Foundation (AID), which works towards the empowerment of the differently-abled.

Such endeavors continue, even today, and with great fervor.



Thrust areas at Bosch Limited

In India, the company's social engagement program is focused on three thrust areas: Health & Hygiene, Vocational Training and Community Development.



Health & Hygiene

When individuals and communities are in good health and practice hygiene, they are happier, more productive, and live a dignified life. Issues relating to poor sanitation, lack of clean water, and poor hygiene and health are closely interconnected. Such concerns are usually the cause of thousands of preventable deaths in developing countries such as India. A sizeable portion of the country's population in both rural and urban India lack access to clean water, sanitation and basic health care facilities. As in the case of issues like poverty and illiteracy, these issues require massive intervention from the government; however, individuals and organizations can make an important difference, even if it is on a small scale, by making dedicated effort towards these causes.

The magnitude of these problems certainly did not deter Bosch from attempting to bring about sustainable improvement in the area of Health and Hygiene. This was done through a number of projects and programs that aimed to provide amenities for better sanitation and clean drinking water, identify health problems, and facilitate in

the provision of medical aid. The initiatives were either fully or wholly supported by the company, and were carried out by motivated 'Boschlers' as individuals or in groups.



Vocational Training

Sometimes, some statistics are startling. The increasing proportion of the youth, in the country's burgeoning population, is certainly a demographic dividend for the country; however, such optimism comes with due caveats. By 2025, an estimated 70 percent of Indians will be in the working age group. Casting a shadow over this confidence is the lingering doubt concerning this group's employability. Circumstances such as these, time and again, bring to light the increasing need for quality vocational training that guarantees employability.

On the one hand, domestic economic growth has created employment demand and job opportunities, while on the other, a shortage of skills is making more people unemployable. In addition to unemployment, India's education system is also characterized by a high 'school dropout rate,' of about 57 percent.

Ensuring the employability of unprivileged school dropout youth is an important thrust area for Bosch Limited. After a research on needs assessment (of both industry as well as learners), an end-to-end solutions model was developed to include training content development (for both soft and functional skills) application-oriented towards delivery methodology, continuous evaluation, internship, employment and financial sustainability for higher scalability.

At Bosch, we specifically select school dropouts who are not in education, employment or training (NEET), and thus have a very slim chance of being sustainably employed and part of the mainstream. By imparting industry relevant short-term skills, through the development of training programs, the focus is to help



Train the Trainer Program for capacity building. Front row, fifth from right, Mr. J P Rai, Director General, National Skill Development Authority and third from right, Mr. Dilip Chenoy, CEO, National Skills Development Corporation. Others in the picture: Members of Bosch Senior Management and participants.

the needy learners get suitable employment and thereby get them back into the mainstream.

The duration of the course is two months, comprising of four weekly modules on soft skills, two weeks on job-specific skills and an internship. Through minor adjustments, the course content becomes suitable for entry-level employment in high employment-potential sectors like automotive dealerships, services industry, retail and telecom.

Through the National Skills Development Corporation (NSDC) partners, the module has been tried and tested in eight cities across the country and has resulted in 100 percent employment.



In 2013, around 275 unprivileged school dropout youths have been successfully trained and employed in various sectors like Automotive Dealerships, Power Tools, and Electrical and Car Service.

Working towards a long-term sustainable and scalable module, Bosch has tied up with Canara Bank for sanctioning loans to the unprivileged students, to be repaid in easy installments.

As a start in 2013, 275 school dropout youth have been successfully trained & employed. Plans are in place to scale it up to 2000 youth in 2014 and progressively build capacity to 10,000 beneficiaries per year, in the next three years.

Train the Trainer

A major challenge facing any well-designed skill program, whether conducted by the public or the private sector, has been the availability of trained and motivated trainers who are competent enough to impart desired skills to the socially-backward youth.

To address this challenge of developing a pool of 'trained and motivated trainers,' a special five-day 'Train the Trainer' program has been designed. We have currently trained around 56 trainers in three different training programs in 2013.

Acknowledging the success of the program and its far-reaching scalability, the Confederation of Indian Industry (CII), Karnataka, came forward to collaborate with Bosch on the 'Train the Trainer' program. Following this, a program was organized in Bangalore in November 2013 during which 15 trainers were trained. Currently, across Karnataka several training batches have been scheduled.

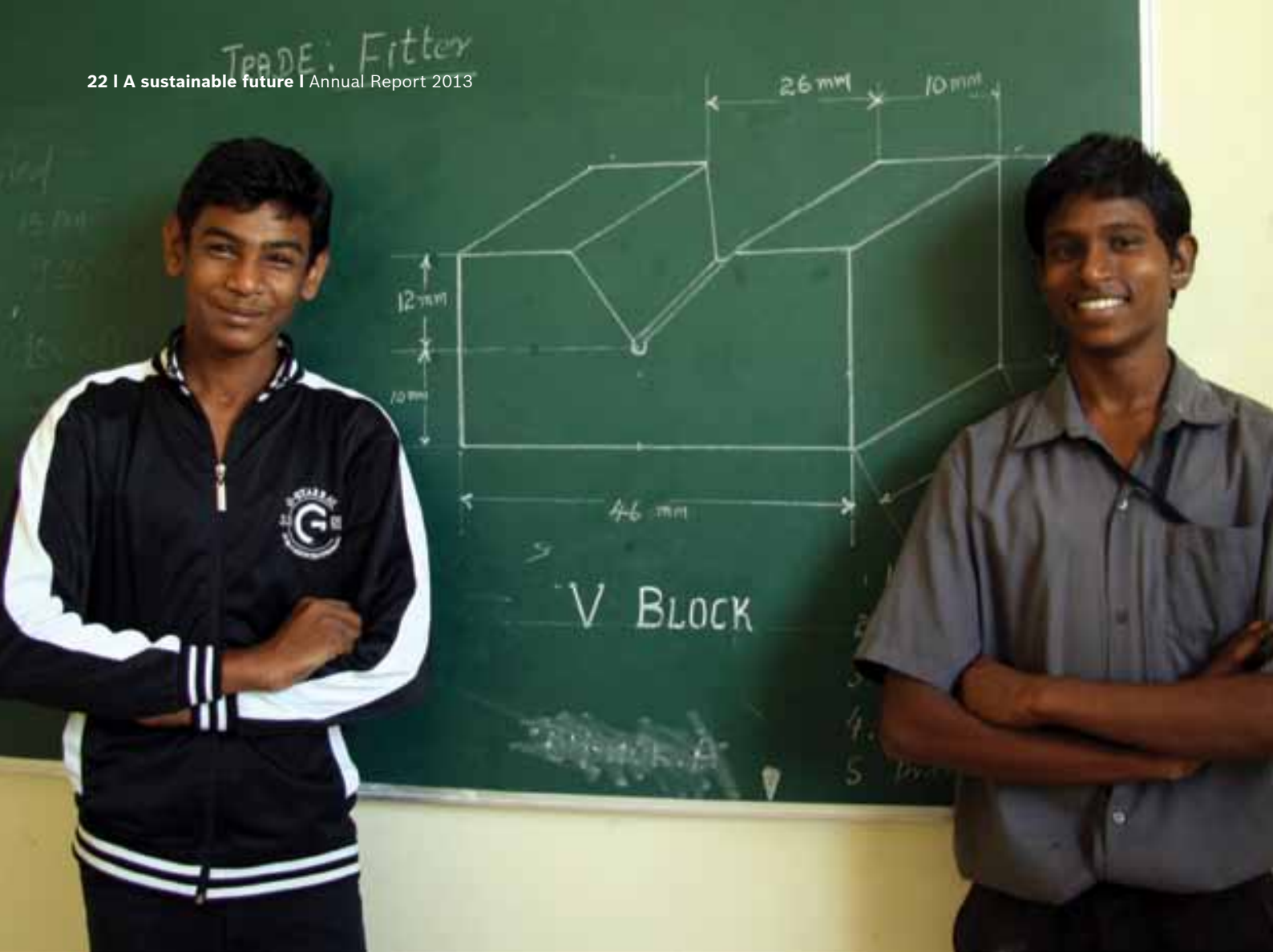


Since 1993, Bosch has been outsourcing assembling work to Ability in Disability (AID), ensuring a decent livelihood to young challenged people

Community Development

Community development is the process of building stronger, healthier, progressive and more resilient local communities through the development and transformation of their socio-economic life. It seeks to empower individuals and groups by providing them with skills they need to affect change in their own communities. In a developing country like India, community development is the requisite for inclusive growth and development.

Bosch in India has been taking the lead in facilitating community development in more ways than one. This has involved projects like adoption of schools, health care centers, anganwadis, and entire villages, renovation of buildings or facilities, livestock and agricultural development, self-help group formation and clean-up campaigns, among others. These projects aim to resolve specific issues that communities face, apart from making them competent and self-supporting.



Enabling Lives and Livelihood: Bosch India Foundation

To facilitate Bosch India's social engagement, five Bosch subsidiaries – Bosch Limited (RBIN), Bosch Chassis Systems India Ltd. (RBIC), Bosch Rexroth India Ltd. (DCIN), Robert Bosch Engineering & Business Solutions Ltd. (RBEI), and Robert Bosch Automotive Electronics India (RBAI) – set up the Bosch India Foundation (BIF) in 2008.

The foundation works in two areas: health care and vocational skills training. BIF's strategic goals and objectives are to provide livelihood training to individuals and affordable solutions to communities. It aims to help communities stand on their feet by mobilizing, consolidating and redeploying resources.

Programs

Vocational Skills Training:

In a country where over 40 percent of children drop out from school and are left to fend for themselves without any marketable skills, 81 vocational skills training programs in 32 trades was provided by Bosch India Foundation in partnership with NGOs leading to sustainable employment for these youths. The training focuses on both technical and soft skills and are tailored taking into consideration the opportunities and potential of the market in each location, as well as the requirements of the target group.



In 2013, in partnership with NGOs, over 1,900 youth were trained for placements in technical trades, such as fitter, automobile mechanic, mobile repair, plumbing, motor rewinding, compressor repair, welding, electronic hardware, etc. About 2,000 rural youth who distress-migrated to cities and suburbs were also equipped with the construction trade skills of masonry, carpentry, painting and electrician.

Of special mention is the training of 179 specially-challenged youth and the promotion of rural trades of sericulture, agriculture, dairy farming, and tractor repair by Bosch India Foundation.

In the course of the last five years, Bosch India Foundation has supported the training and placement of over 14,000 youth. In 2013, Bosch India Foundation vocational skills training held across India was able to train 6,408 youth.

Health Care:

In the area of healthcare, Bosch India Foundation supports projects where intervention produces a sustainable change that transforms people, and makes it possible for them to be productive members of society. Examples of this would be the surgical rectification of cleft palate and lip of about 236 people. Further, through

a two months' residential program 66 spinal cord injury patients belonging to underprivileged background from the state of Karnataka was rehabilitated. Overall in 2013, through the intervention of the Foundation 528 lives were enabled through five healthcare programs, while over 2,800 have been enabled over the last five years.

Impact

Through its many programs in 2013, the Foundation enabled the lives and livelihoods of 6,936 people through 85 projects in 17 locations across India.

“The future of India lies in its villages,” said Mahatma Gandhi. To increase social sustainability, Bosch India Foundation will focus on the holistic and integrated development of rural areas from 2014 onwards. The foundation will start this activity along with like-minded NGOs, in rural localities closest to Bosch plants. With this move, Bosch India Foundation will aim at increasing the sustainability and multiplier effect of its programs.



A 'Lab-in-a-Box' class in progress

The Reach: Local projects in plant neighborhoods

Wherever Bosch sets up location in India, it engages proactively in neighboring and local communities to provide sustainable solutions for the most important problems faced by them. Here are some examples of the projects undertaken by Bosch Limited at various locations together with their impact on the beneficiaries.

Bangalore

Collaboration with Agastya International Foundation:

It is considered to be one of the largest not-for-profit organizations, and specializes in teaching science to school students in a very creative manner. The mission of the foundation is a clear departure from the conventional techniques of textbook-based learning, with teaching limited to verbal instruction in classrooms. With an emphasis on transforming learning attitudes from 'yes' to 'why,' 'looking' to 'observing,' 'passiveness' to 'exploring,' and 'textbook-bound' to 'hands-on,' India's children are moving from 'fear' to 'confidence.'

Bosch entered into a memorandum of understanding (MoU) with the NGO to operate a 'Mobile Science Lab' to cater to 40 government schools in the vicinity of the Bosch Aduodi plant. With 20 more schools now covered, the 'Lab-in-a-Box' (LIB) program has reached out to around 10,000 children.

To conduct this program, the permission of education authorities was sought. Based on their consent, the program was conducted in identified schools, with teachers being given special training on the methodology of using models and experiments.

Bosch has also supported the rural education initiative – 'Project Vasantha', by providing 30 solar lamps to villages where availability of electricity is rare.

War on Waste: The 'Garden City' of India – Bangalore – is struggling to retain that epithet. The city's waste management system is woefully inadequate to cope with its exponential growth. It is a civic issue that cannot be tackled only by municipal authorities; it is the responsibility of every citizen to keep the city clean.

To contribute towards ensuring a cleaner environment, Bosch Limited initiated a 'War on Waste' program in

March 2013 for improved waste management in the Aduodi neighborhood. Its objectives were to advocate best practices of waste segregation at source, and to use scientific methods of waste disposal in the area. The project started with the adoption of three pilot areas in the vicinity. It has involved implementing waste segregation practices in the surrounding areas of the Bangalore plant, for which a mechanical composting machine has been installed. To elicit the active participation of citizens in the battle against waste, street plays and door-to-door campaigns were conducted by Bosch volunteers and school children.

As a result, about 70 percent of the residences in the covered area are now giving segregated waste, and the wet waste is converted to manure in Kasa Rasa, a unit of the NGO Saahas with which Bosch has a tie-up. Now, about 1,000 kg less waste per day goes to the BBMP landfills!

Ability in Disability (AID): AID is a registered society working towards the empowerment and development of the differently-abled by providing them gainful employment, thus ensuring their livelihood. Bosch has been associated with AID since 1993. It has been outsourcing assembling work to the society, thereby ensuring a decent livelihood and a dignified life to the young challenged people.

Supporting local traffic police: A key stakeholder in society whose needs are often overlooked are the local traffic police. Though in a very small way, the Bangalore plant took up this opportunity and supported the local traffic police by providing clothing for protection from rain and cold, and a crèche for the care of their kindergarten children.



Nashik

In the area of Health & Hygiene, Bosch activities have included conducting a general health and blood donation camp, malnutrition and dental health camp, and hygiene awareness camps in tribal schools. Provision of solar lamps and planting of fruit-bearing trees have been undertaken on the environment front. Community development initiatives include: livestock development, an 'Annual Agri Plan' for paddy-yield improvement and better agricultural practices – in coordination with International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), anganwadi renovation and improvement, school renovation, and self-help group formation. Vocational training and income-generating programs have been also initiated.

The Nashik plant adopted Dubewadi and three nearby villages; primarily focusing on the company's social engagement thrust areas. These villages suffered from water scarcity in spite of heavy rains, poor education facilities, health problems, limited income sources and unproductive agricultural practices.



Jaipur

Clean and potable water for health and hygiene is a concern in water-scarce Rajasthan. As is skin and dental diseases, due to the presence of excess fluoride in the water. So, the Jaipur plant of Bosch decided to address this critical issue by setting up a Reverse Osmosis (RO) plant at Goner village, under the Clean Water Project.

The implementation of the project involved conducting a baseline survey in the village covering 300 families to understand requirements, using a tripartite model with Bosch, an NGO and the village panchayat. An RO plant of 1,000 l/h capacity was installed and water is now sold at a minimum cost. An RO plant has also been set up in Vatika village in August 2013. These plants now support more than 2,000 families with clean drinking water.

The uniqueness of this project arises from the fact that it is self-sustaining – all expenditure is met by revenue generated by the plant, and water is sold at no-profit basis to benefit more people. Its success has attracted NGOs to provide other infrastructure to the villages, like solar power.



The Reverse Osmosis (RO) plants set up by Bosch in Jaipur provide clean drinking water to more than 2,000 families

Naganathapura

Bosch Naganathapura plant is known for its sustained social efforts. It supports the education requirement of students belonging to Primary Government Schools, such as Government Lower Primary School, Parappana Agrahara, Shri Thimmayya Reddy Government Higher Primary School, HPS Doddanagamangala and Government Higher Primary School, Doddanagamangala. Activities at these schools include provision of uniforms, furniture, education kits, computers and the like to children, renovation of school buildings and holding environment sessions. A recent project aims to provide underprivileged government school children access to basic health facilities like physician consultation and checking of Body Mass Index, among others, with referral support for further treatment/surgeries.

Other activities include: providing fire brigade and ambulance services to villages; assisting in the marriage of the disabled; and conducting health camps for senior

citizens. The plant also donates used but working computers, to the central prison and the police station at Parappana Agrahara.



The Impact: Lighting lives

A Perspective: Making a difference with social engagement

Mr. Soumitra Bhattacharya – Joint Managing Director and Chief Financial Officer of Bosch Limited, also a member of the Bosch Limited CSR Committee, shares his views.

As a 127-year-old organization with a unique ownership structure, Bosch can proudly state that social responsibility has been in its DNA. True to the spirit of its founder and the path he defined for the company, Bosch in India adopted this meaningful and structured global mindset since inception. As an employee-friendly company, Bosch took great care of its associates. This same attitude and mindset spilled outside. Going beyond the call of duty and helping people has been a way of life for many 'Boschlers' in India.

About social engagement at Bosch Limited and the difference it aims to bring about in society:

Our understanding of social engagement does not stem from the distribution of cheques and donation. The defining characteristic of Bosch social engagement is sustainability. Whether it is our customers, suppliers or society, we follow holistic methods and offer comprehensive solutions. In this regard, we consciously have been directing our efforts to certain focus areas that would help us maximize the impact and reach of our programs, thus creating a long-term multiplier effect. To this end, our programs have clearly-defined boundaries and realistic expectations.

In India, the challenges we face in the realm of education and training are enormous; however, the shortage of people with employable skills is particularly alarming for us as a nation. To address this specific issue, Bosch has developed a sustainable vocational training program, where we focus on school dropouts. Our two months' training program ensures their job readiness. The program has been acknowledged by NSDC and the governments of India and Karnataka.



“

We are on a journey, much more can and will be done.

”

To facilitate this further, banks have come forward to provide funds to these children for their training without collateral. Hence, what we have is an end-to-end and self-financing scheme, where Bosch is giving front-end expenses, sweat equity, and the Bosch brand quality. We have tie-ups with other companies to ensure employability.

The Child Health Development Program (CHDP) is our key initiative in the Health & Hygiene domain. It is interesting to note how this project has grown manifold in three years. We started this project with a few 100 kids in Bangalore, and today it has grown to cover over 10,000 children. As iterated above, all our programs work towards the holistic development of the individual and society as a whole. In order for our programs to be sustainable and meet the defined targets, we offer solutions that are comprehensive. Currently, we have around 15 partners in this program, including NGOs and hospitals, many of whom have come forward saying that because Bosch is doing this they are willing to offer free services. Taking this further is the unique 'Lab-in-a-Box' concept that has been introduced in 20 schools, which aims to teach science in a fun and creative way.

At Bosch Limited, we demonstrate a particularly high level of social engagement that is limited to not just within the boundaries of the company. As in the past, taking keen interest in the development of our neighborhood will continue to be one of our key focus areas. Be it the adoption of the three villages at Nashik, the setting up of an RO Plant at Jaipur, or the execution of the 'War on Waste' program at Bangalore, our commitment to society has been, continues to be, and will remain, undeterred.

Message to 'Boschlers' on volunteering:

Our associates are involved in a whole range of voluntary activities in their local communities. Today, we have hundreds of 'Boschlers' in India who have selflessly carried out social work, donated blood, and held blood camps for 30 years. Their active commitment prepares us for future challenges, while also ensuring that Bosch is reputed for being a responsible company that has in place sustainable business practices.

We wholeheartedly acknowledge their efforts. Though we don't believe in issuing token gifts, as it negates the objective of such efforts, we have created forums and platforms where individuals come together and share their experiences and celebrate the impact.

As a member of the Bosch Limited CSR Board Committee, I believe we are on a journey, and much

more can and will be done. This vision of the board and our collective efforts are directed towards creating a sustainable impact and multiplier effect. And, most importantly, it has to be done not by head but by heart. We encourage 'Boschlers' to be part of this fulfilling journey. We would support them in all possible ways to realize their social endeavors.



Actions speak louder than words, and for our esteemed readers, through the subsequent case studies, we would like to bring to light the company's efforts in the social engagement sphere. The real impact can best be fathomed by the actual difference it has brought about in the lives impacted by our initiatives.

Stakeholders in dialogue

Case Study One:

Health & Hygiene: Child Health Development Program (CHDP) Education: 'Lab-in-a-Box' Program

The problem:

A number of underprivileged school children in India end up as school dropouts due to illness and health problems due to the unavailability of toilets, drinking water, and midday meals.

The solution:

A two-pronged approach: health checkups and treatment of illness/diseases, and provision of clean washrooms, potable water, and nutritious midday meals in schools to prevent the occurrence of sickness and to attract children to school.

The work:

Bosch adopted the Munichinappa Government School, Adugodi, in 2010. A comprehensive medical screening of about 240 students of class one to seven for a period of three years – by eight general physicians, two ophthalmologists and 10 dentists – revealed that only seven percent of the students were healthy, while 93 percent had one or more ailments.

Bosch then provided medicines, diagnostic checks, surgeries and dental treatments, and accessories like spectacles and hearing aids. It also provided clean washrooms, drinking water facility, midday meals, as well as hygiene awareness sessions in the school.

The impact: 93 percent of the children returned to better health, which improved school attendance and reduced the dropout rate. Till 2013, about 10,000 children have been covered under the Child Health Development Program (CHDP).

Dr. Madhusudan, a BBMP doctor, shares his experience:

Bosch CHDP provided a good opportunity to poor children who could not afford hospitals to get screened for health problems. It helped diagnose serious congenital conditions, such as heart problems, which were unknown to both the child and guardians, and helped parents who couldn't afford the treatment. Everything in this program was free: from diagnosis, to medicines and the treatment.

On difficulties or resistance from parents: Parents who are daily-wage workers are very reluctant to get their children treated in hospitals after our diagnosis, because they wouldn't earn on those particular number of days.

On sustenance of CHDP: We make sure that the ailing child's health is fully restored, and that they continue to live healthily in the future. We monitor the health of the child every six months.

The program also includes nutrition and hygiene. There is an animation video which teaches children in a fun manner how to brush teeth, wash hands and cut nails. Nutritional supplements are also provided.



‘Lab-in-a-Box’ Program

Running successfully since January 2014, the unique ‘Lab-in-a-Box’ (LIB) program from Bosch continues to change the way children learn. Tying up with ‘Agastya Foundation’ on this project, the classroom experience has become more fun, useful and lively for 60 government schools in Bangalore.

Sharing his thoughts on this unique program, Ramji Raghavan – Founder and Chairman of Agastya International Foundation – says:

“

Over 20 teachers have been trained to make their classrooms more hands-on and creative. It is extremely encouraging to see the active participation of Bosch volunteers. We are thankful to Bosch for supporting the initiative and hope to continue the partnership in sparking curiosity and creativity in the minds of underprivileged children and teachers.

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Case Study Two: Vocational Training

The problem: While economic growth in India has created employment demand and more job opportunities, a shortage of relevant skills has made a large number of youth unemployable.

The solution: Provide vocational training to the underprivileged youth for the development of their hard and soft skills, thus making them self-sufficient.

Akhila (left) and Mani Kumar (right), who work at the Bosch Do-It-Yourself (DIY) Square at Adugodi, share their story on how this short-term training helped them:

Akhila: We received a 15 days' training at the Bosch Power Tools department plus a two months' training in soft skills, which included communication skills, personality development and self-grooming, self-presentation and customer service.

Mani Kumar: It helped us get a job immediately, and that too at Bosch! Also, earlier we did not know a word in English or how to speak in a professional environment. Today, we can confidently converse with our customers in English!

Their experience so far:

Akhila: I was at home without work. My father's manager informed him of this training, and he encouraged me to pursue this course. I had a lot of apprehensions when I joined, but once into it, I started enjoying it. They taught us everything very well. Now I have a job, and my family is very proud of me. I love this work. I will continue to work even after marriage.

Mani Kumar: When I heard of this training course, I immediately enrolled for it. It proved to be very helpful. Post completion, I also got a job at Bosch. Before this, I couldn't imagine working for such a big company. It's like a dream come true for me.



Case Study Three: Individual Social Responsibility – Manasi

The problem: Existence of a large number of underprivileged and marginalized women and children in India, who get few or no opportunities to develop and be a part of mainstream society.

The solution: Provide help, support, encouragement, and motivation individually or in association with social organizations to empower such women and children. And who could do that better than women? Indeed, women are good care-givers and are more sensitive to the feelings and needs of others.

The work: On Women's Day, 2004, eight Bosch lady associates got together and formed 'Manasi' – a Bosch Ladies' Social Service Initiative with the vision to improve the quality of life of the less privileged in the neighborhood of Bosch Adugodi plant. Empowering women and children, Manasi's work touches issues like education, environment, employment, and health & hygiene. The group works extensively in slums, with orphanages, government schools and hospitals. It also supports other social engagement programs of Bosch to maximize its reach and impact.

The impact: Over the years, Manasi has supported 50 orphans, educated around 800 poor students, and implemented national immunization programs in three hospitals, apart from raising awareness about tobacco, alcohol, AIDS, and general health in 20,000 people.

Usha (extreme right), a Bosch associate, also one of the founding members of Manasi, shares her experiences and journey:



In 2004, on Women's Day, while everyone was celebrating, we thought: why not start something to help others? So, eight of us, like-minded colleagues, from different Bosch departments, formed a trust. We also received additional support from Bosch Management.

Our first project was the adoption of an orphanage in 2008. It was in an appalling condition, with no kitchen and just one toilet. We collected funds for them and extended our full support. Now the children are well-placed, and some of them are still in touch with us! We also work with a number of other organizations. One such is the Rural Education and Development Society (REDS). We gave the children books, good toys and TV to keep them off the streets.

When the village of Kairwadgi was flooded, Bosch constructed 149 houses through the support of the Art of Living Foundation. Manasi team visits the village every year and distributes basic necessities to school going children and women of the village.

We try to make sustainable difference and encourage more women and 'Boschlars' to join this noble cause.

The Reaffirmation: Bosch Ltd. CSR Committee

Corporate Social Responsibility by Bosch has impacted communities and individuals positively over the years. For some years, the need had been felt to take the Company’s social engagement program to the next level. To realize this vision, a steering committee has been formed, comprising of six senior Bosch executives from business divisions, plant and corporate functions, who strongly believe in the cause. The committee members regularly meet, at least once every month, and invest their personal time in the form of sweat equity, to guide and support the CSR teams at various locations/plants. These steps intend to take the company’s social engagement initiatives to a higher level of performance that enables integrated and sustainable social impact. The committee will also help create self-sustaining scalable programs that have a multiplier effect, while it also facilitates in the execution of Bosch Limited’s long-term societal engagement and creating national storylines.

Objective To improve the sustainability and scalability of Bosch social projects, and to create synergy among all projects as the key to building stronger and enhanced social engagement	Role To facilitate the conceptualization and execution of social projects, and the provision of budgetary support for the same. To encourage active involvement and volunteering by ‘Boschlers’, and to provide them with training, guidance and support.
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The guiding principles

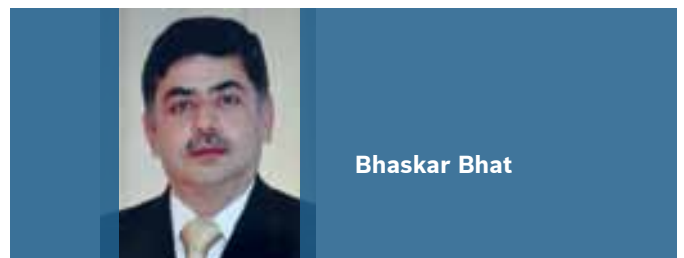
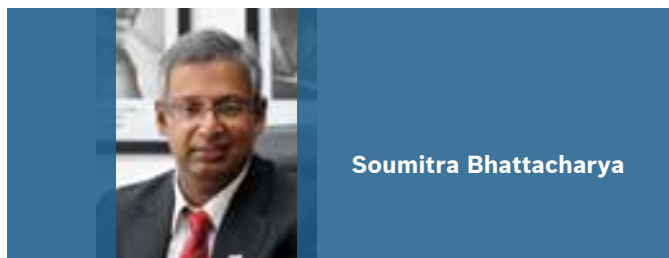
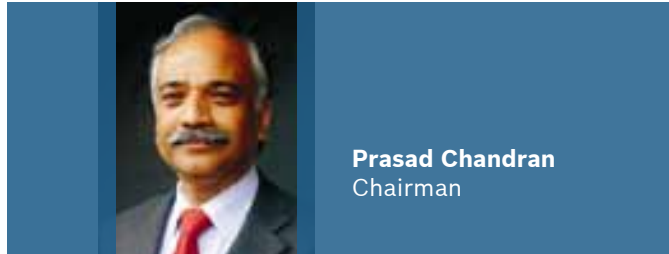
Creating storylines – The entire Bosch social engagement program is designed to create clear storylines as per the needs of society, to create long-lasting impact and make a difference for the better.	Bosch value-addition – Employable skills projects will make use of the company’s competence to enrich the course curriculum and make them job-oriented, while Bosch volunteers add value and uniqueness to the programs by sharing their knowledge, experience, and expertise in specific domains.	Sustainability – Short-term projects financed by one-time monetary support do not create permanent change in a country like India. Therefore, each project will be evaluated for long-term sustainability before committing resources, and its progress will be regularly reviewed.
Scalability – While designing social intervention, the possibility of upscaling it in the mid- and long-term will be considered to create the scope for touching a larger number of lives.	Promote volunteering – Active volunteers from Bosch India will be trained on the ‘concept of volunteerism’ and on project-specific skills. Opportunities will be provided for getting embedded in selected projects for three to six months (at the grassroots level), so as to obtain first-hand insights on the issues and their requirements.	

The Way Ahead: Towards a sustainable future

Social responsibility has had a longstanding tradition at Bosch. With the consolidation of the social engagement initiatives under Bosch Ltd. CSR committee, we are embarking on a journey of shared mindset, responsibility, and approach. This tradition will continue to serve as the guiding light with redefined focus by addressing causes that need immediate attention, while continuing to realize the Bosch slogan – Invented for life.

The future will certainly see us taking our social engagement to the next level of commitment and impact.

CSR Committee of Bosch Limited



CSR Steering Committee of Bosch Limited



Report of the Directors

The Directors have pleasure in presenting their SIXTY SECOND Annual Report together with the Audited Statement of Accounts for the year ended December 31, 2013.

Financial Results

The following are the financial results:

(₹ Million)

	2013	2012
Net Sales (excluding recovery of duties and taxes)	85,405	84,172
<i>Of which Export Sales</i>	10,578	9,402
Profit before tax	12,566	13,462
Less: Provision for tax	4,070	4,163
Add: Deferred tax and tax adjustments relating to earlier years	351	284
Profit after tax	8,847	9,583
Appropriations:		
Dividend:		
- Dividend recommended at ₹ 55 per share (previous year: ₹ 60 per share)	1,727	1,884
Tax on Dividend	308	306
General Reserve	885	958
Balance carried forward	5,927	6,435
Total	8,847	9,583

Net sales for the year 2013 grew by 1.5%. The Profit Before Tax (PBT) in 2013 as a percentage of net sales was at 14.7% as compared to 16.0% in 2012. The Profit After Tax (PAT) as a percentage of net sales was 10.4% in 2013 as against 11.4% in 2012.

Material costs as a percentage to sales decreased from 56.5% in 2012 to 55.9% in 2013.

Overall, the Profit Before Interest, Depreciation and Taxes for the year shows a decrease of 6.6% over the previous year.

Investments

Capital investment during 2013 was lower than previous year at ₹ 5,113 Mio. as against ₹ 7,262 Mio. in 2012.

Dividend

The Board of Directors recommends a dividend of ₹ 55 per equity share for the year 2013 as against a dividend of ₹ 60 per equity share in 2012. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

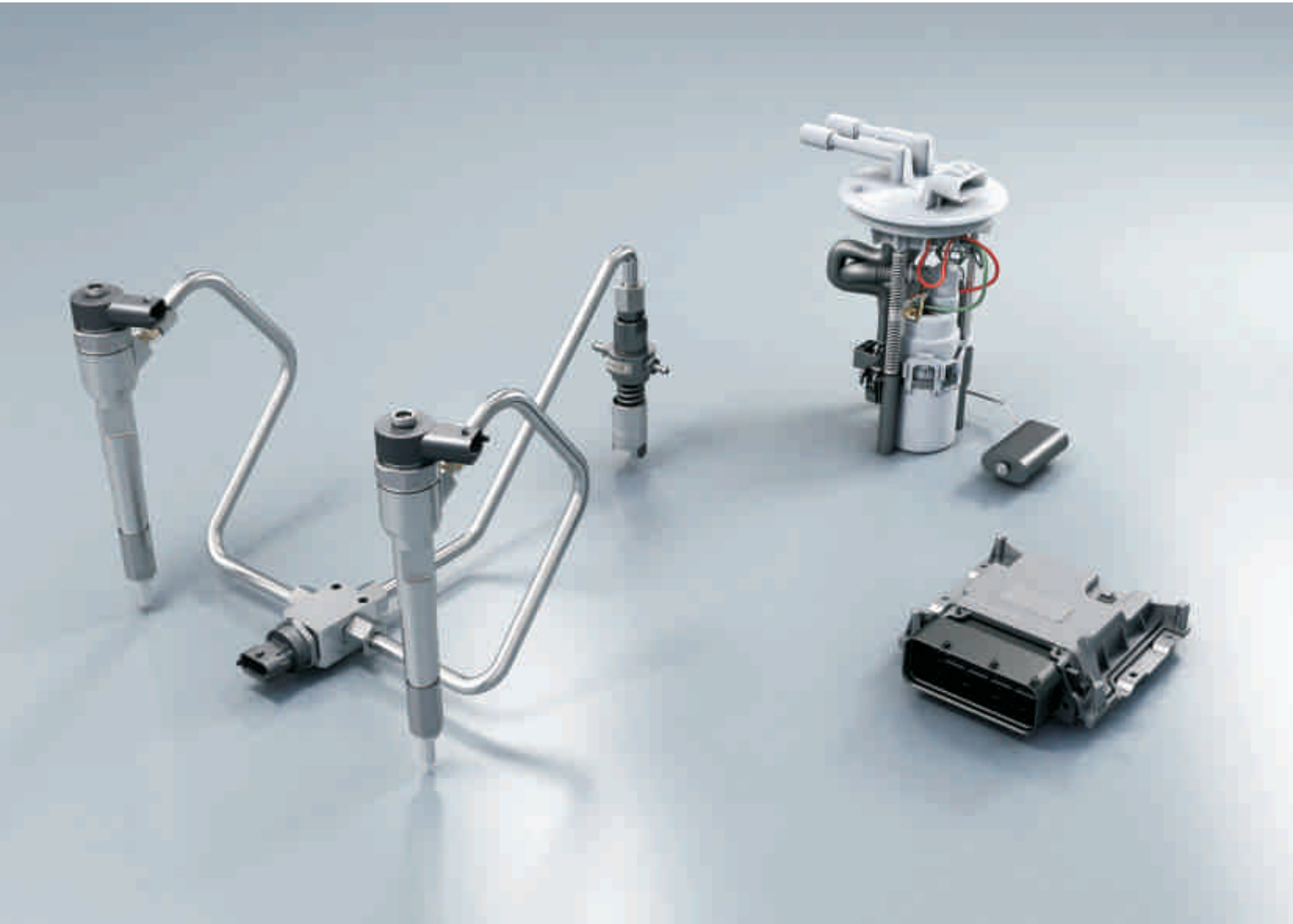
Business Situation

The global economy remained stable in 2013, with a modest recovery from the advanced economies especially in the United States of America and a relatively subdued domestic performance of the emerging and developing economies.

The situation in India was no different, with the domestic market suffering from weak consumer offtake and poor industrial production growth. However, the biggest challenge for India was the weakening rupee, which had to be stabilized to curb the capital outflows. The high inflation and interest rates did not boost the consumer sentiment in the market and thus did not lead to a favorable business environment in 2013 either.

The automotive segment in 2013, which constitutes a major share of our business, continued to lose ground from an already weak growth year in 2012. The domestic sales reflected a decline from 2012, while the export market continued to excel mainly due to good volumes from the three-wheeler segment. The overall production volumes declined by 3% over 2012.

Segment-wise, the tractor industry recorded a positive growth of 15% mainly driven by a good monsoon season and state specific sops. Despite



Third Generation CRS1-14 Unit Pump, with solenoid injector, fuel distributor block and feed pump control capable of 1450bar pressure, having locally developed Engine Control Unit embedded with customized software functions.

many new model launches in the passenger car segment, the production volumes reduced to 5%. Within the passenger car segment, diesel share was at 46% in 2013, 2% points down from 2012. Production volumes of utility vehicles grew by only 1% over 2012. Commercial vehicles registered a negative growth of 13%. Heavy commercial vehicles were the worst affected with a negative growth of 29%. Light

commercial vehicles which started the year on a positive note, ended up with a reduction of 4%. Three-wheeler production volumes registered a moderate 2% growth on account of the demand from export market.

Within this unrelenting tough market that prevailed in 2013, the Company performed moderately better ending up with an overall growth of 1.5%. The non-



Catering to the unique requirements of the emerging markets, our Gasoline Systems division offers proven Engine Management System components that help in meeting the stringent emission norms and improving fuel economy.

automotive business continued to grow by 19.1% in 2013 mainly on account of good performances in Power Tools, Packaging, Machine building and the Energy divisions. Sales from automotive segment could not match up to the growth of 2012 and ended up almost flat. Exports aided by the rupee depreciation grew at 12.5% over 2012.

Automotive Technology

Diesel Systems business which maintained its market share declined further by 5.0% in the year 2013 due to the slowdown witnessed by the automotive market throughout the year.

As a clear testimony to the Company's strong

innovation culture and its focus on providing value to customers, a CO₂ program has been initiated which will benefit passenger car customers with fuel consumption reduction. The price sensitive and technology intensive low priced vehicle segment portfolio was strengthened further during the year under review with the launch of the Generation 3 Common Rail Systems. The development of a robust and cost effective selective catalytic reduction system was started, which will help in achieving future emission norms and improve fuel efficiency in commercial vehicles.

The launch of A5000 inline type fuel injection pump along with an electronic governor provides off -



With 100 years of international experience in the development and manufacturing of Generators & Starter Motors, our innovative & high performance products make a decisive contribution towards reductions in fuel consumption and CO₂ output.





◀ **Customer Contact Program** - Mall activations are conducted across the country to promote Bosch AA products

Bosch Car Service Carnival ▶ - Free Car Service campaign to create awareness on BCS concept



highway genset manufacturers a robust system solution for the upcoming Stage II emission norms of Central Pollution Control Board.

Despite challenging conditions in the automotive passenger car market, Gasoline Systems division achieved a 4.9% growth over 2012. New technology initiatives at Gasoline Systems for profitable growth include two wheeler Engine Management Systems and Alternate Fuel Systems. Gasoline Systems business has further improved its customer base.

Continuing the journey of transformation, Starter Motors and Generators business registered a 16.3% growth in 2013, despite difficult market conditions.

The New Base Line Generator is an ongoing success which enabled new customer acquisitions along with a good export volume. The business was further strengthened by extending to a second location for the manufacturing of the new Starters.

The Automotive Aftermarket division recorded a growth of 2.5% over 2012.

The existing product range was expanded with new product lines such as batteries, fork oils for two-wheelers and premium / spot lamps for cars.

The division expanded its width and depth of distribution by appointing more than 250 new first



Overcoming challenges and defining paths have always been traits synonymous with Bosch, and the setting up of the Bosch Car Service at an elevation of 3,650 meters at Leh, a town in the shadow of the Great Himalayas is one such achievement that has helped take the Bosch brand to greater and newer heights.

trade level customers. A “highlight” of the year was opening of Bosch Car Service Center in Leh at an altitude of 11,562 feet.

A new workshop module named Optimal Diesel Partner for diesel service was launched during the year. In the endeavor to constantly improve the supply chain, new and modern warehouses at Bhubaneswar and Indore for independent Aftermarket and at Pune for OE Spares were set up.

The division has been accredited with ISO 9001:2008 by TUV Nord (India) for design, development, manufacture and service of automotive diagnostic equipments and product marketing, sourcing, supply and warehousing of Bosch Automotive products. Significant progress was made in integration of automotive service solution business acquired from SPX India in the year 2012. Takeover of SPX Service Solutions opened up avenues of becoming a complete solution provider of diagnostic services in the Indian market. Good synergies are established with the current business offerings.

Industrial Technology Packaging Technology

Despite an economic slowdown, Bosch Packaging Technology division recorded a strong growth of 19.2% in net sales in 2013. Especially business unit Confectionery and Food has grown significantly by offering a wide range of products and services.

Confectionery & Food unit saw a big transformation in 2013 from a packaging machine supplier to system solution provider. Focus in the year 2013 was on the development of new products for product line Vertical Form Fill Seal Machine (VFFS). Product line Horizontal Form Fill Seal Machine (HFFS) also picked up very well in the market.

Packaging industry has great potential and is expected to see a double digit growth in the coming years.

Industrial Equipment

The Industrial Equipment division registered an overall growth of 62.4% in the internal and external



Indigenously developed, the vertical-form-fill-seal packaging machine SVI 4000 is used for packing products like rice, grains, pulses, seeds and non-food products.



The Bosch Do-It-Yourself (DIY) Square in Bangalore is the first of its kind touch-feel-try center with opportunity for live DIY experience in a fun way.

market segments. The division acquired orders from new customers in the four-wheeler and two-wheeler automotive segment. The division also continued to export assembly lines to Bosch companies across Europe and Asia, during the year 2013.

Consumer Goods Power Tools

The Power Tools division achieved a steady growth of 9.9% in a trying and challenging business environment reinforcing another year of solid growth. For the first time, a unique concept event called 'Construction Monster' was held in Delhi, Chennai and Mumbai. The event showcased the complete range of construction tools and solutions from Company to the large and medium construction companies. The year also witnessed the launch of Home and Car Washer range.

India's first Do-It-Yourself store, aptly named 'DIY

Square' was launched in Bangalore. The store showcases Company's latest offering of products for the Home, Hobby and Garden segment with opportunity for live DIY experience in a fun way. The division had a spectacular success at the India International Trade Fair (IITF) exhibition, Delhi, with its Home, Hobby & Garden concept attracting more than 2 lakh visitors. The division went online through third party e-retailers which will be one of the key drivers in future.

Energy and Building Technology Security Technology

Security Technology business, excluding onetime project business, grew by 3.4%. The Business Unit (BU) Public Address and Conference Systems (PACo) performed very well recording a growth of 14%. Impressive performances were also registered by BUs of Fire at 17% and Critical Communication Systems at 26% over the previous year. Projects in both public and private sector were successfully executed - covering key verticals such as





◀ Inform, impress, and inspire with the latest Bosch DCN multimedia Conference System.

Our IP cameras use ▶ sophisticated sensors, lenses and processing circuitry to reproduce what the eye could see.



transportation, government, industry, commercial and places of worship. The highlight project was Adlabs Imagica which uses products from all the business lines of Security Technology. It is one of the largest theme parks in the country.

During the year 2013, the division organized 'Technology Day' events in key cities across India to showcase its latest technology and product range. Additionally, participation in product introduction days and trade shows like Palm Expo and Broadcast India helped in strengthening the brand presence and product exposure to the target audience. Key products like HD starlight cameras, DCN multimedia and Plena Matrix digital sound system which are technology trend setters were introduced in the market and were well received.

Bosch Security Training Academy continued to impart technology/product training to the concerned target audience across India, including certain Certification Programs in select domains. Bosch Security Systems (CCTV) won the Readers' Choice

Award – awarded by EFY Group in 2013.

Solar Energy

The division was successful with a healthy order book in both kW and MW scale projects. The division made its foray into the residential sector, by becoming an empanelled solution provider with Agency for Non Conventional Energy and Rural Technology (ANERT), Govt. of Kerala, for the supply of 1 kW solar power packs for homes. Another key highlight of the year 2013 was the empanelment for mini and micro grid rural electrification by Solar Energy Corporation of India (SECI), which is a milestone in itself. The Company proposes to enter into the promising energy efficiency sector of India, Asia and Middle East in 2014 and in this regard the Company has been accredited by Bureau of Energy Efficiency (BEE) as a Grade-1 ESCO (Energy Services Company), which adds to its long lasting credibility and eminence. An extensive network of channel partners and dealers has been developed which will help to leverage substantial growth in 2014 and beyond.



In 2011 Bosch Ltd. marked its entry into the energy business and has since been offering quality and innovative products and solutions.



Bosch, Thermotechnology division in India offers products and systems which include solar water heaters, heat pumps, boilers and HVAC (Heating, Ventilation, and Air Conditioning) systems.



Thermotechnology

Bosch Thermotechnology division booked revenue across Solar Thermal Systems and Commercial and Industrial Boilers. The export markets for Commercial & Industrial Boilers in Bangladesh and Sri Lanka yielded good results with encouraging customer response. With efforts being made towards customization of products for the Indian market, the Company is investing for future growth opportunities in this area. On the production front, the Kumbalgodu facility commenced the series production of solar flat plate collectors.

Competition and challenges in our business sectors

The year 2013 was seen as challenging year for the Indian economy in general and in particular for the automotive industry. The weak consumer demand and suppressed liquidity in the market triggered by the slowdown and weak market sentiments placed additional pressure on all the manufacturing companies. High inflation and adverse foreign exchange increased the cost pressures and continued to challenge the businesses across all domains.

However, the Company continuously strived to capture every opportunity with its efficient processes and systems. The Company also placed itself with the ever changing demands and requirements from the market. The Company has always considered its people as its most valuable asset and this has always been its core strength. Though the business growth in the year 2013 has

been tepid, the year 2014 is expected to revive the growth momentum, while continuing to be demanding. Amidst these challenging times, the Company remains bullish about the future growth prospects of the country and will continue to invest to meet the growing demands of the market.

To improve the competitiveness and to be fit for future in the medium term, focused activities are being carried out on growth, profitability and personnel related areas.

Plants

Bangalore (Karnataka)

The Bangalore Plant faced a big challenge due to steep drop in customer demand which led to huge pressure on cost and flexibility. The Plant was able to mitigate the situation by closures, discontinuation of temporary manpower, budgetary control, inventory reduction and manpower redeployment.

On the employee welfare front, the Plant conducted several cardiac, cancer detections and dental camps in conjunction with the associated hospitals from Bangalore for the benefit of its employees and their dependants.

The Plant participated in the Excellence Awards for Innovation and Creative Automation at the Chennai Trade Centre and won an award under the theme 'Sustaining good performance with grassroots Innovation'. The Plant also won the runners-up award in 'Supplier Quality Improvement Contest (SQIC)' held by one of the Company's prestigious customer viz., Kirloskar Oil Engines Ltd.

Nashik (Maharashtra)

The cascading effect of the sluggish demand in the automobile sector was also noticed in the Nashik Plant. The Plant took rigorous cost reduction measures like budget control, postponement of investments etc., to mitigate the cost impacts. The weak market demand, lead to correction in stocks through block closures. The Plant accelerated its value engineering projects for sustainable cost advantage.

In the year 2013, the Nashik Plant initiated standard operating procedures of high technology plasma process called 'C' coating. This diamond-like carbon coating helps to increase the wear resistance of parts along with high hardness grade. This high investment technology is being used by Nashik Plant to cater to the demand for various products by other Company's Plants.

In the year 2013, the Nashik Plant won the most coveted 'CII-EXIM Bank Award' for Business Excellence which signifies the exemplary effort of excellent processes in the Plant.

Jaipur (Rajasthan)

Jaipur Plant crossed a milestone by producing its 5 millionth distributor pump in 2013. The production of the distributor pump (VE pump) was started in the year 1990.

In the year 2013, the Plant was successful in transferring and commissioning of an assembly line from the Feuerbach Plant in Germany to enhance flexibility in production.

The focus in 2013 for the Plant was 'Quality' and customer satisfaction. Various quality initiatives were undertaken by the Plant towards reduction of 0 -km & Field complaints.

2013 was a very challenging year for the Plant due to the downturn of the heavy commercial vehicle market. The market shrunk by ~ 29% impacting the volumes manufactured at the Plant which fell by ~15%. Various pull back measures were initiated to remain cost competitive and sustain profitability.

During the year, a Reverse Osmosis water plant was added as a part of clean water initiative in nearby Vatika village catering to more than 1500 families.

2013 has also been a year of many awards and accolades for the Plant. The Plant was honoured with "PRIZE" In CII-EXIM Bank Awards for Business Excellence 2013. Awards were also won from Rajasthan State Industrial Development and Investment Corporation (RIICO) for overall best performance, 1st Runner Up in innovative practices and 2nd Runner Up in most efficient water use, recycling and recharge category.

Naganathapura (Karnataka)

Naganathapura witnessed a strong growth of 13 % over previous year inspite of the weak domestic market driven strongly by Starter Motors and Generators, Spark Plugs and Gasoline Systemsdivisions. The dip in the domestic market was countered by increased market share , while increasing export business significantly.

Along with significant improvements in productivity and quality, the Plant was able to equally contribute through improvements in facility maintenance and Health/Safety/Environment aspects, while driving many key initiatives with high associate involvement. The Plant was awarded the "Uttama Suraksha Puraskara" by National Safety Council (NSC) - Karnataka for its focus on higher levels of safety within the Plant which manifested itself in a significant reduction in safety linked incidents inside the Plant.

In 2013, the Plant continued to drive corporate social responsibility activities with focus on health & hygiene and road safety.

Verna (Goa)

The Verna Plant, which is the production unit for the packaging division provided a solid base for growth in 2013. Aided by the pro-active measures to tackle the economic slowdown, the Plant made good progress during the year.

Development initiatives towards products suited to the Indian market gained momentum. Some of the initiatives were - positioning the Plant as a solution provider rather than just a machine manufacturer; stabilizing the Horizontal Machine portfolio; partnering with customers right from the product development stage thus enabling the Company to develop highly specific requirements such as a stainless steel version of confectionery machines, dual mixed product in the same pouch etc., and localizing the critically manufactured parts leading to cost and lead-time benefits.

The year 2013 also saw the Verna Plant acting as a facilitator and providing assistance to Don Bosco Konkani Development Society in introducing Bosch India Foundation's skill training program. This society works for the poor and under privileged children, youth and women in Goa, Karnataka and Maharashtra in the areas of education, skill training and income generation.

Kumbalgodu (Karnataka)

The new Solar Thermal Collector production facility was set up during the latter half of 2012 at Kumbalgodu which is approximately 25 kms from Bangalore. Products like solar flat plate collectors, a renewable energy product used to heat water for domestic and industrial applications are manufactured at the Plant. The Plant is equipped with state-of-the-art machines to produce screwless, single piece collector frames and full sheet absorbers for better efficiency.

The Plant commenced commercial production in January 2013. The variants include both standard systems and customised solution for large scale applications.

Bommasandra (Karnataka)

The Company has set up a new conversion / manufacturing plant at Bommasandra, Bangalore, in second quarter of the year 2013 for production of flexible abrasives under the Power Tools division of the Company. This facility is being used for conversion of coated abrasives into finished products viz., wide belts, narrow belts, rolls, velcro discs and hand sanding discs.

These finished products are mainly used in wood industries as well as metal and automobile industries.

This indigenous facility would enable the Company to bring down delivery time and cater to customer demands in a cost effective manner. The Company is optimistic that this facility will help to enhance its market share in the coated abrasive segment of Bosch Power Tools accessories. The commercial production at the Plant commenced in June 2013.

Industrial Relations

Industrial Relations at all Plants and other establishments generally continued to be cordial throughout the year 2013, except in the Bangalore Plant, where the Union and workmen went on tool down strikes on two occasions for 3 to 6 days. First, on an issue connected with introduction of scientific cycle time based working method. Second, for initiating disciplinary action against an office bearer of the Union for his misbehavior/misconduct. In spite of the above, various bipartite and tripartite settlements were signed by different Plants in cordial atmosphere on issues that concerned the management and the workmen. On the expiry of the Long Term Settlements in three of the Company's Plants (Bangalore, Naganathapura and Nashik) on 31.12.2012 and in the Jaipur Plant on 31.05.2013, the Unions have submitted their Charter of Demands for the consideration of the respective Plant managements. Managements of the respective Plants have also submitted counter proposals to the concerned Unions. Intense negotiations are being carried out on the Charter of Demands and the management proposals for arriving at amicable settlements.

Information Technology (IT)

The Company has implemented a new system viz., SAP-HR. With this system, the Company has now a global personnel administration system with country-specific development for payroll and time management. This HR system supports not only the daily administrative business of the personnel departments but also allows the employees and

managers to access relevant data through a self-service portal.

As a B2B initiative, the Company has participated in SIAM-ACMA EDI standards definition in 2013 and is part of pilot rollout for specific transactions with select OEM customers as per SIAM-ACMA roadmap.

Order management functionality, which was being used, has been replaced with new features in existing SAP system in December 2013. This reduces the number of systems used by end user and is first-of-its-kind change over in the Bosch world. It is in line with corporate information strategy of legacy system migration.

As part of Windows XP phase-out by Microsoft by March 2014, the Company has initiated a project for replacement of workstations. Upgrade is in progress for WIN 7 migration.

In 2013, the Company was able to considerably bring down the virus incident rate. This was possible with the concerted efforts from ISP community to address the root causes and improved awareness amongst the end users. Additionally, local administrative rights on workstations have been revoked centrally to avert the threat from malwares.

With continued focus on IT enabled business process maturity, a new and improved model has been adopted in alignment with the Business Excellence model, from seven dimensions to nine dimensions to enhance focus on process improvements and risks. Current year assessment included the assessors from Business Excellence team as well as to bring in the business perspective.

Bosch Connect is the IT platform for cooperation and communication, which aims to generate value-addition by increased productivity, development of ideas and intensive knowledge sharing amongst the workforce. With Bosch Connect, the Company is ready to be a globally connected company. In 2013, many activities including access permission for users

and reverse mentoring sessions to senior management were carried out.

Change Initiatives

Continuous Improvement Process (CIP)

The CIP movement is now running since two decades and has attained a matured level. The focus in 2013 was to enhance the involvement of our associates and to bring in a culture of self assessments. The CIP assessment methodology was extended to various departments and plants using the Value Stream Design in Indirect Areas (VSDiA) which plays a vital role for holistic improvement and sustenance of business processes in indirect areas.

Associate involvement in the shop floor has been further improved by strengthening the Shop-Floor CIP (SFC) activities, encouraging internal competition among various CIP implementation teams, integration of suggestion scheme ideas and reducing the lead time in processing of suggestions by employees.

Bosch Production System (BPS)

BPS maturity assessment has been playing an important role in further implementation of BPS in manufacturing areas. Considerable overall improvement in various important parameters of BPS viz., maturity score, leveling compliance, overall equipment effectiveness, milk-run coverage, pull to suppliers, total inventory etc., have been refined in comparison to 2012.

Manufacturing lines planned for relocation have been subjected to Lean Line Design analysis for further improvements before being shifted, apart from making improvements related to logistics and shop floor layout. Further refinement of BPS maturity level, increasing System CIP cycles, leveling compliance, pull implementation, strengthening review mechanism of BPS implementation etc., have been identified as focus points for 2014.

Diesel Systems Business Excellence (DBE)

The Diesel Systems Business Excellence integrates various functions in the Corporate and Plants



Training at the Bosch Vocational Center in Bangalore, which was set up in 1961. Each year, 60 young people start a three or four year apprenticeship at Bosch in India. Bosch trains more people than it actually needs in India, and in this way fulfills its social responsibility to provide vocational training for young people.

aligning them to the journey of achieving the Diesel Systems, India vision and mission. All the Diesel Systems' manufacturing plants in India viz., Bangalore, Nashik and Jaipur; and the business unit as a whole have aligned their business according to the European Foundation for Quality Management (EFQM) model. Additionally, Business Excellence has served as the basis for further development of business unit's effectiveness in a holistic manner.

Business units and Plants carry out regular assessments as health checks in the endeavor to continuously improve the systems / processes in their journey towards Business Excellence. Key performance indicators are measured to enable the achievement of required business results as cause and effect balancing all the key stakeholders. Diesel Systems, India is striving towards institutionalizing a culture of 'Living Business Excellence' as 'Business Excellence at work' by incorporating the same in its vision and mission. Strategic measures/targets are developed, deployed and reviewed across plants and connected corporate functions through a structured strategy management process. In 2013, this was extended to other business units of the Company making significant progress.

Diesel Systems, India has attained a good level of

maturity in this exciting journey. Diesel Systems, India as a business unit was assessed for the first time in 2012 and it achieved a milestone equivalent to the EFQM 'Recognized for Excellence' (R4E) level. Bangalore Plant won the coveted 'CII - Exim Bank award for Business Excellence' in 2009 and Nashik Plant won the same in 2013. Jaipur Plant was also recognized with the 'CII-EXIM Bank Prize for Business Excellence' in 2013.

Bosch Vocational Centre (BVC)

Bosch Vocational Centre is one of its kind in the country running Trade Apprenticeship Program, similar to German Vocational & Training Education (VET) System with a perfect mix of classroom theory, workshop practice and in-plant training.

The state-of-the-art facilities at Bosch Vocational Centre include CNC labs with machines and programming facilities, hydraulic labs with the latest trainer kits and teaching aids, mechatronics lab with PLC and robotics, computer training, cutting tool technology, metrology and plastics technology. This is apart from well-equipped classrooms, CAD lab for drawings, shop floor for training apprentices and the electrical and electronics lab to teach apprentices the basics of the trade.



Bosch Limited has been the recipient of several prestigious customer, government and media awards, such as being adjudged as the 'Star MNC of the year' by India's leading financial newspaper, Business Standard. Dr. Steffen Berns, Managing Director of Bosch Limited received the award from the Hon'ble President of India, Mr. Pranab Mukherjee.



Sustaining its excellent performance over the years, Bosch Vocational Centre has been declared as best establishment 46 times upto the year 2013. This laurel was received by BVC tenth time in a row. The gold medal tally by the apprentices reached 211 during the year.

Awards and Recognition

The Company won several awards, as recognition of its efforts. Few examples are:

- Automotive giant Mahindra & Mahindra Limited presented the Company with the Panchratna award 'Hira (Diamond)' for 'Business Partner of the Year' (2012-2013) at a supplier meet held in Copenhagen, Denmark on May 31, 2013.
- The Federations of Karnataka Chambers of Commerce & Industry (FKCCI) conferred the 'Star Exporter' award in 2013.
- The Company was named as the 'Star MNC of the year' by India's one of the leading financial newspaper Business Standard.
- 'Best Supplier 2013' was bestowed by Tata Motors Limited at the Annual Supplier Conference held at Macau.

Bosch India Foundation

Bosch India Foundation (BIF) is the trust of the Bosch

companies in India. Established in 2008, BIF touched the lives of 6936 youth in the focus areas of vocational skill development and healthcare through its many programs in 17 locations across India in 2013.

In the area of vocational training, with support from 33 implementing partner NGOs, the Foundation conducted over 80 skills training programs in 32 trades. Held over an average of three months, these short duration trainings aimed primarily to impart much needed soft and hard skills required to propel over 6400 drop-out youth onto career paths of their choice and aptitude, thus enabling economical upliftment of both youth and their families.

Through, 5 healthcare projects, the Foundation offered support to create sustainable and lasting change in the health conditions of 528 people. These projects included reducing maternal / infant mortality, rehabilitation of 66 spinal cord injury patients, rectification of severe orthopedic conditions of 20 underprivileged children and cleft lip and palate corrections of 236 very young rural children. Each of these interventions aimed at enabling the beneficiaries to live dignified and worthwhile lives in society through the changes gained in their health conditions.

Subsidiary Company

As the aggregate assets and income of MICO Trading Pvt. Ltd., as on December 31, 2013 is 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 year ended December 31, 2013, of MICO Trading Pvt. Ltd.

Directors

Mr. Peter Tyroller joined the Board as Additional Director with effect from July 01, 2013.

Mr. Tyroller, 57, completed his engineering studies at the University of Applied Sciences in Ulm, Germany (1984). This was followed by a second course of studies in Engineering Management from the University of Applied Sciences in Frankfurt (am Main). He began his professional career with Alfred Teves GmbH (ITT Automotive) in Frankfurt, Germany in 1985. He served as the Director of the Airbag Systems Unit of Robert Bosch GmbH and Managing Director of United Airbag Systems GmbH, both in Schwieberdingen, Germany. He has been the Managing Director of the Wiper Systems & Electrical Motors Division of Valeo Autoelectric GmbH & Co. KG, Bietigheim. He held the position as Executive Vice-President Sales, Gasoline Systems Division, Robert Bosch GmbH, Schwieberdingen in 2000 and later as President in 2003.

He has been the member of the Board of Management, Robert Bosch GmbH from 2006 with corporate responsibility in Marketing and Sales, Automotive Original Equipment Sales and divisional responsibility in Automotive Aftermarket and since July 01, 2013 he took over the responsibility of Asia Pacific. Mr. Tyroller has been the president of CLEPA, the European Association of Automotive Suppliers since January 2010.

With effect from January 01, 2014, the Board of

Directors of the Company appointed Mr. Franz Hauber, as Alternate Director to Mr. Peter Tyroller.

Mr. Franz Hauber, 54, is a Mechanical Engineering degree holder from Fachhochschule Konstanz. He has been associated with Bosch Group for the last 26 years.

Mr. Hauber started his career in Bosch Group as a development engineer in ABS Hydraulics in Stuttgart. During these 27 years of association, he has worked in several management positions mainly in manufacturing, quality, logistics, safety, project management, and corporate functions as well. He has varied experience in divisions like Chassis System Control, Diesel System and Gasoline System.

He joined the Company on January 01, 2013 as the Executive Vice President, Manufacturing & Quality.

Dr. Albert Hieronimus ceased to be the Chairman and Director of the Company from the close of office hours on June 30, 2013. Mr. V.K. Viswanathan, Non-Executive Director, was appointed as Chairman of the Board with effect from July 01, 2013.

Dr. Bernd Bohr and Mr. B. Muthuraman ceased to be directors of the Company from the close of office hours on June 30, 2013.

The Board of Directors places on record their deep appreciation for the outstanding contributions and services rendered by Dr. Hieronimus, Dr. Bohr and Mr. Muthuraman during their tenure as Directors of the Company.

Names of companies/firms in which Directors of the Company hold/held office as Director/Partner are given below:

Mr. V. K. Viswanathan

- BSH Household Appliances Mfg. Pvt. Ltd.
- FLSmith Pvt. Ltd.
- Indo-German Chamber of Commerce (Committee Member)
- Magma HDI General Insurance Co. Ltd.

- Bharti Airtel Ltd. (w.e.f. January 14, 2014).

Mr. Peter Tyroller (from 01.07.2013)

- Bosch Automotive Products (Suzhou) Co. Ltd.
- Robert Bosch Korea Ltd.
- Robert Bosch (South East Asia) Pte. Ltd.

Mr. Bernhard Steinruecke

- Indo-German Chamber of Commerce (Director General)
- FAG Bearings India Ltd.
- Zodiac Clothing Company Ltd.
- HDFC ERGO General Insurance Company Ltd.
- Apollo Munich Health Insurance Company Ltd.
- Nuremberg Messe India Pvt. Ltd

Mrs. Renu S Karnad

- HDFC Property Ventures Ltd. (Chairperson)
- Credila Financial Services Pvt. Ltd. (Chairperson)
- Housing Development Finance Corporation Ltd. (Managing Director)
- HDFC Asset Management Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- HDFC Standard Life Insurance Co. Ltd.
- Credit Information Bureau (India) Ltd.
- GRUH Finance Ltd.
- HDFC Bank Ltd.
- AKZO Nobel India Ltd.
- Indraprastha Medical Corporation Ltd.
- Feedback Infrastructure Services Pvt. Ltd
- G4S Corporate Services (India) Pvt. Ltd.
- Lafarge India Pvt. Ltd.
- EIH Ltd.
- HT Parekh Foundation
- WNS (Holdings) Ltd.
- HDFC PLC, Maldives
- United Spirits Ltd
- ABB Ltd.
- Hiref International LLC

Mr. Prasad Chandran

- Indo-German Chamber of Commerce. (Committee Member)
- Federation of Indian Chamber of Commerce. (Executive Committee Member)
- Bombay Chamber of Commerce and Industry.

(Managing Committee Member)

- The Energy and Resources Institute (Committee Member)

Mr. Bhaskar Bhat

- Tata Ceramics Ltd. (Chairman)
- Virgin Mobile India Pvt. Ltd. (Chairman)
- Titan Industries Ltd. (Managing Director)
- Titan International Middle East FZE.
- Titan Watches & Jly Intl. (Asia Pacific) Pte. Ltd.
- Titan International Marketing Ltd.
- Trent Ltd.
- Titan Time Products Ltd.
- TA Pai Management Institute, Manipal (Member of Governing Council)
- SDM Institute of Management, Mysore (Member of Governing Council)
- National Institute of Technology, Uttarkhand (Chairman, Board of Governance)
- Titan Foundation for Education (Chairman)
- Tata International Wolverine Brands Ltd.
- Favre Leuba AG, Switzerland (Director)

Dr. Steffen Berns

- Robert Bosch Engineering and Business Solutions Ltd. (Chairman)
- Bosch Automotive Electronics India Pvt. Ltd. (Chairman)
- MICO Trading Pvt. Ltd.
- Robert Bosch (Bangladesh) Ltd.

Mr. Soumitra Bhattacharya

- Bosch Electrical Drives India Pvt. Ltd.
- Automotive Component Manufacturers' Association of India (Chairman of Consumers Affairs and Anti-Counterfeiting Committee)
- Confederation of Indian Industry (Chairman, Karnataka State Council)
- MICO Trading Pvt. Ltd.
- Karnataka State Industrial and Infrastructure Development Corporation Ltd.

Mrs. Renu. S. Karnad and Mr. Prasad Chandran are liable to retire by rotation and offer themselves for re-election.

Mrs. Karnad, 61, holds a Bachelor Degree in Law

from the University of Bombay and Masters Degree in Economics from Delhi School of Economics. She joined HDFC Ltd. in 1978 in the legal and credit department and grew to become the head of lending business of HDFC Ltd. Presently, she is the Managing Director of HDFC Ltd.

In 1984, she was awarded Pravin Fellow – Woodrow Wilson School of International Affairs, Princeton University, Princeton, NJ.

Mrs. Karnad is an Independent Director of the Company (appointed on April 1, 2007). She is the Chairperson of the Audit Committee and member of Shareholders' and Investors' Grievance Committee of the Company. She does not hold any shares in the Company.

Mr. Prasad Chandran, 61, is a post-graduate in Chemistry and has a Masters degree in Business Administration. He has also received Advanced Management Education from Institutes in the US, UK and Japan. Mr. Chandran was a former president of Indo-German Chamber of Commerce (IGCC) and is presently serving as Committee Member. He is also the Managing Committee Member of the Bombay Chamber of Commerce and Industry and Member of the Executive Committee of Federation of Indian Chambers of Commerce & Industry (FICCI) and The Energy and Resources Institute (TERI). He is also an active participant in a number of trade industry delegations of the Government of India.

Mr. Chandran initiated the "Million Minds" Project which aims at improving governance and fighting corruption. Whilst implementing the BASF Global values and principles, he addressed policy issues on corruption to raise the standards of governance in India. The "Million Minds" project aims to sensitize stakeholders and creates voluntary action groups in different parts of the country. He is presently associated with a number of NGOs and is also an invited Board Trustee of the Public Concern for Governance Trust (PCGT) Mumbai.

Mr. Chandran was the Chairman & Managing Director of BASF India Limited. He was also the Chairman of BASF Group Companies in India and Head-South Asia.

Mr. Chandran is presently an Independent Director of the Company. He is the member of Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration Committee, Share Transfer Committee and Corporate Social Responsibility Committee of the Board. He does not hold any shares in the Company.

Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to the shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary of the Company.

Corporate Governance

A Report on Corporate Governance approved by the Board of Directors of the Company and a certificate from the Practicing Company Secretary is set out in the Annexure to the Directors' Report. The Company has fully complied with the Corporate Governance practices specified under the Companies Act, 1956, and the listing agreement with the Stock Exchanges.

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, Code of Business Conduct etc., effectively support the Corporate Governance processes.

A Management Discussion and Analysis Report also accompany this report.

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 is set out in the annexure to this Directors' Report.

Energy, Technology, Foreign Exchange, etc.

The report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) read with The Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure to the Directors' Report.

Auditors

M/s. Price Waterhouse & Co., Bangalore, (Regn. No.007567S) Chartered Accountants, the retiring auditors, are eligible for re-appointment.

Cost Auditors

Pursuant to MCA Cost Audit order no. 52/26/CAB-2010 dated 06.11.2012, M/s. Rao, Murthy & Associates, Cost Accountants, Bangalore (Regn. No.000065, PAN: AAAFR8892D) have been appointed as Cost Auditors of the Company for the financial year 2013.

Due date of filing cost audit report for financial year 2013 is June 29, 2014.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act,

1956, the Board of Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgments and estimates made 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 or loss of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Acknowledgements

The Directors express their gratitude to the Central Government and the State Governments of Karnataka, Maharashtra, Rajasthan, Goa and Tamil Nadu for the support given to the Company. The Directors also thank all customers, dealers, suppliers, financial institutions and banks, members and others connected with the business of the Company for their co-operation.

For and on behalf of the Board of Directors

Bangalore
February 27, 2014

V. K. Viswanathan
Chairman

Financials at a glance

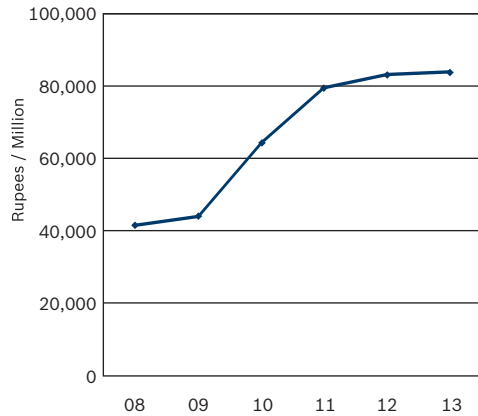
(₹ Million)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sales	85405	84172	79295	66305	47498	45416	42796	37837	29775	23277
<i>Of which</i> export sales	10578	9402	10344	8461	5855	6845	6730	6270	4231	3997
Profit before tax	12566	13462	15740	12028	7934	8566	8560	7983	5290	5635
Less: Provision for tax on income	3719	3879	4513	3439	2028	2227	2468	2503	1859	1887
Profit after tax	8847	9583	11227	8589	5906	6339	6092	5480	3431	3748
Profit before appropriation	8847	9583	11227	8589	5906	6339	6092	5480	3431	3748
Appropriations										
Capital redemption reserve	-	-	-	-	6	-	-	-	-	-
Capital reserve	-	-	-	0.6	35	-	-	-	-	-
Interim Dividend (%)	-	-	2669 (850)	-	-	-	-	385 (120)	-	-
Dividend (%)	1727 (550)	1884 (600)	1570 (500)	1256 (400)	942 (300)	801 (250)	801 (250)	128 (40)	385 (120)	321 (100)
Tax on dividend	308	306	255	209	160	136	136	76	57	42
Tax on interim (Special Dividend)	-	-	434	-	-	-	-	-	-	-
Tax on dividend written back	-	-	(4)	(3.6)	-	-	-	-	-	-
Dividend & tax on dividend written back relating to 2008	-	-	-	-	(15)	-	-	-	-	-
General Reserve	885	958	5000	3750	4500	5000	4800	4500	2500	2700
Balance carried forward	5927	6435	1303	3377	278	402	355	391	489	685
Total	8847	9583	11227	8589	5906	6339	6092	5480	3431	3748
Paid-up Capital	314	314	314	314	314	320	321	321	321	321
Reserves	62629	55419	46970	40666	33538	30634	25313	20099	15208	12218
Net Worth	62943	55733	47284	40980	33852	30955	25634	20420	15528	12539
Gross Block of Fixed Assets	43086	39414	33584	30238	28712	27286	23459	21027	18290	14894
Net Block of Fixed Assets	9381	8633	5917	4360	5133	6086	4871	4488	3838	1947
Additions to Gross Block	4581	6375	4423	1776	2121	4248	2943	3177	3881	1019
Earnings per share (EPS) (₹)	282	305	358	274	187*	198*	190	171	107	117

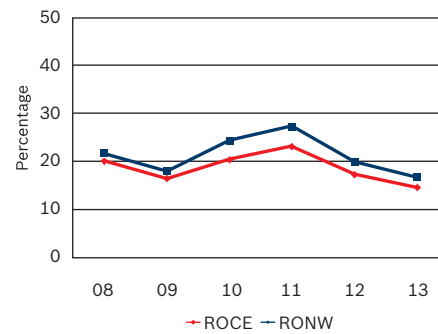
* Based on weighted average of the number of shares.

Previous years' figures have been recast/regrouped wherever necessary.

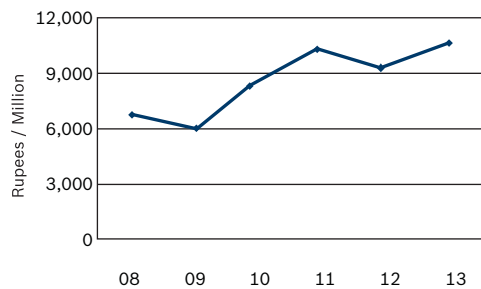
Net Sales



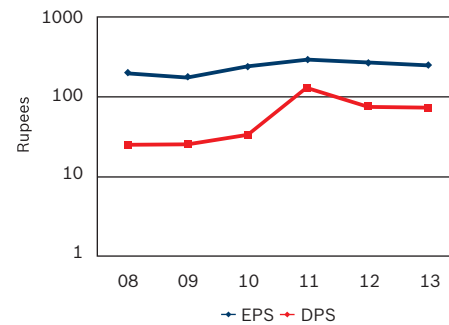
Return on Capital Employed (ROCE) Return on Net Worth (RONW)



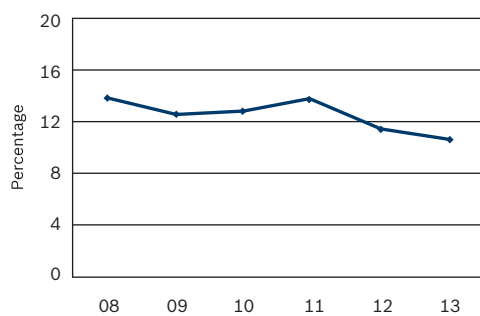
Exports



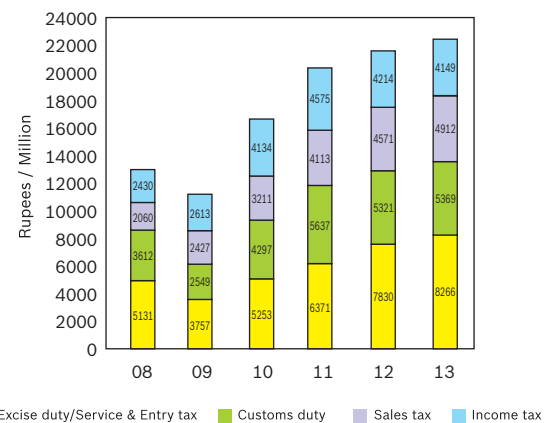
Earnings per Share (EPS) Dividend per Share (DPS)



Profit After Tax (PAT) as % of Sales



Contribution to Exchequer



Annexure to the Report of the Directors

[Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988]

A. Conservation of energy

Energy conservation initiatives receive highest priority across our locations. They are not only driven by cost reasons but also due to our strong commitment towards reducing carbon-di-oxide (CO₂) emissions. We have set specific CO₂ reduction targets for 2020. Five projects, integration of Variable Frequency Drive (VFD) for fixed speed screw compressor, elimination of Mazzalli impregnation machine, voltage optimization at substation transformers, optimum utilization of furnaces and interlocking of exhaust in Heat Treatment (HT) shop with furnace doors have yielded very good results.

a) Measures taken during the year

- Interlocking of ventilation blowers with test cell through integrated Building Management System (BMS)
- Optimum utilization of Furnaces [i.e. by switching off one Sealed Quench Furnace (SQF) & Tempering Furnace]
- Reduction of washing hot water temperature at Heat Treatment
- Reduction of compressed air leakage
- Voltage optimization at substation transformers
- Parameter optimization on Building Management System
- Conversion of less loaded motors from Delta to Star connection
- Interlocking of exhaust system to machines
- Atomization of ventilation system operation in Nozzle Holder assembly
- In house implementation of ECO (Energy conservation) mode on machines and equipments
- Interlocking of exhausts in Heat Treatment Shop with furnace doors
- Integration of Variable Frequency Drive (VFD) for fixed speed screw compressor
- Elimination of Mazzalli Impregnation Machine
- Replacement of hydraulic to hydro pneumatic press
- Optimal usage of hydraulic power pack in coil twisting
- Decentralization of power exhaust unit
- Electronic ballast for machine and inspection lights.

- Installation of ES-25 Energy Saver in Street Lights.
- Optimize running of air washers and chilling plant.
- Avoid idle running of Hydraulic Motors in Calibration benches.
- Use of additive in hydraulic & lubrication oil to reduce energy losses and oil consumption
- Control of air conditioners in office & shop floor and Air Conditioned Rooms.

b) Additional proposals being implemented

- Parameter optimization on machines and equipments
- Renewable energy - Natural lighting for canteen during day time
- Heat pump for continuous cleaning machine
- VFD for scrubber exhaust units
- Electronic ballast for all fluorescent lights

c) Impact of the above measures

During the past year 2013, the implementation of energy conservation measures has resulted in net electrical energy savings of 12.5 mio kWh annually.

B. Technology absorption

(a) Research and Development

1. Specific areas in which R&D was carried out.

Fuel Injection Equipment - Diesel Systems:

- The Low Price Vehicle segment portfolio is further strengthened with the development and validation of its third generation CRS1-14UP using feed pump control.
- SCR (Selective Catalytic Reduction) system for emerging markets, the DeNox6.5 is developed and validated for its commercial vehicle segment to meet upcoming Bharat Stage - IV norms.
- Cost effective Inline pump is developed for the genset market needs further extending the life of conventional products within local market.
- To reduce the carbon footprint with focus on passenger car segment, several CO₂ reduction measures are identified and initiated with close cooperation with our OEM's

Gasoline Systems:

- 2 Wheeler EMS and associated component development.

- Alternate fuel systems (CNG).
- Extension of EMS technology in light passenger vehicle (LPV) to Bharat stage-IV, Bharat stage-V and CNG – LPV applications

Starters and Generators:

- Design and development of new C6x starter for PC diesel / gasoline engine segment of Indian market.
- Development of B0 Generator for off highway, small LCVs and small cars applications.

Spark Plugs:

- Spark plug with higher grade ceramic.
- Electrode spark plug.

Glow Plug & Glow Control Units:

- Series production of new platform Glow plug with reduced tip diameter.
- Series production of Diameter 5 metal Glow plugs.
- Development of Glow plugs for emerging markets.

2. Benefits derived

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

- Reducing exhaust emissions.
- Improving fuel economy and consequent reduction in CO₂
- Optimum cost/benefit ratio for system solutions

Future plan of action

- Build up competence in engine management solutions for technologies beyond Bharat Stage-5 norms
- Projects on energy conservation to enable reduced carbon-di-oxide emissions thereby reducing the carbon foot print.
- Product portfolios extension relevant to the low price vehicle segment.
- Increase the depth of localisation.
- Increase in competencies across business sectors to take advantage of the potential in the Indian market through efficient processes and systems.
- Improve cost competitiveness across all areas and business divisions.

3. Expenditure on R&D

		₹ Million
a)	Capital	196
b)	Revenue	1409
c)	Total	1605
d)	Total R & D expenditure as a percentage of total turnover	1.85%

(b) Technology absorption, adaptation and innovation

1. Efforts made

In its efforts to stay updated with latest technology, the Company 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. Diesel system engineering and application has accounted for 58 patents in 2013 itself.

2. Benefits derived

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

3. Technology imported during the last 5 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:

Baseline Generators.	2008
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 201Hand 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

4. Technology absorption

The Bosch Group is a leading global supplier of

technology and services. The Company's membership in the Bosch Group gives it 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

		₹ Million
a)	Export activities:	
	Exports	10,578
b)	Total foreign exchange used and earned:	
	Foreign exchange used (including for capital assets)	30,813
	Foreign exchange earned	9,770

Report on Corporate 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, transparency, accountability and responsibility, openness and trust.

The governance of the Company to fulfill its legal, financial and ethical objectives is done in line with the guidelines, procedures, rules and processes in accordance with Bosch corporate guidelines and directives. Bosch values and Bosch code of business conduct provide the necessary framework in running our business with the highest standards of corporate governance and the Company has the well-informed and Independent Board for ensuring the same.

Board of Directors, Board Meetings etc.

The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 1956, the Articles of Association of the Company and the Listing Agreement with the Stock Exchanges. The Board was comprised of eight Directors both executive and non-executive Directors as on December 31, 2013. Dr. Albert Hieronimus was Non-Executive Director & Chairman up to June 30, 2013 and was succeeded by Mr. V.K. Viswanathan as Chairman from July 01, 2013. Mr. B. Muthuraman (up to June 30, 2013), Mr. Bernhard Steinruecke, Mrs. Renu S Karnad, Mr. Prasad Chandran and Mr. Bhaskar Bhat are the Independent Directors who constitute fifty percent (50%) of the total strength of the Board. Mr. Peter Tyroller was co-opted as Non-Independent Non-executive Director effective July 01, 2013. Dr. Bernd Bohr was Non-Executive Non-Independent Director up to June 30, 2013. Mr. Franz Hauber was appointed as Alternate Director to Mr. Peter Tyroller effective January 01, 2014.

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, banking, financial and business administration. The Board of Directors meets as often as required but not less than four times a year and once in a calendar quarter. Agenda/Board papers are made available to the Board of Directors well in advance to enable the Board to discharge its responsibilities effectively. The Board of Directors of the Company

receives a copy of minutes of all committee meetings. Four Board meetings were held during the year 2013 and the gap between any two meetings did not exceed four months. The dates on which the Board meetings were held during the year 2013 are: February 27, June 05, September 03 and December 04.

Particulars of the directorship of Board, membership and office of the Chairman of Board Committees across all companies (as on December 31, 2013) and attendance at the Board Meetings of the Company of the directors is given below:

Name of the Director	Directorships held *	Membership of Board Committees **	Chairman/ Chairperson of Board Committees **	Board meetings attended in 2013
Dr. Albert Hieronimus Non-Executive Director & Chairman (up to June 30, 2013)#	NA	NA	NA	2
Mr. V.K. Viswanathan Non-Executive Director & from July 01, 2013 as Chairman	2	3	-	4
Dr. Bernd Bohr Non-Executive Director (up to June 30, 2013)#	NA	NA	NA	1
Mr. Peter Tyroller Non-Executive Director (from July 01, 2013)	4@	-	-	-
Mr. Bernhard Steinruecke Independent Director	5	3	2	3
Mr. B. Muthuraman Independent Director (up to June 30, 2013)#	NA	NA	NA	2
Mrs. Renu S Karnad Independent Director	18@	4	3	2
Mr. Prasad Chandran Independent Director	1	2	-	4
Mr. Bhaskar Bhat Independent Director	10@	2	-	4
Dr. Steffen Berns Managing Director	4@@	1	-	4
Mr. Soumitra Bhattacharya, Joint Managing Director	3	-	-	4

* Excludes directorship in private companies, membership of associations / trusts etc.

Ceased to be a director from close of office hours as on June 30, 2013

** Includes only Audit and Shareholders'/Investors' Grievance Committees

@ Including directorships in three Foreign Body Corporates

@@ Including directorship in one Foreign Body Corporate

The Non-Wholetime directors do not hold any shares in the Company.

Directors furnish notice of disclosure of interest as specified in Section 299(1) of the Companies Act, 1956. The Company maintains Register of Contracts,

Companies and Firms in which Directors are interested as provided under Section 301(1) of the Companies Act, 1956.

Audit Committee

During the year 2013, the Audit Committee met on February 27, April 29, August 06, September 03, November 12 and December 04. The constitution and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of meetings attended
Mrs. Renu S. Karnad Chairperson	3
Dr. Albert Hieronimus (up to June 30, 2013)	1
Mr. V. K. Viswanathan (from July 01, 2013)	4
Mr. Bernhard Steinruecke	5
Mr. B. Muthuraman (up to June 30, 2013)	2
Mr. Prasad Chandran	6
Mr. Bhaskar Bhat (from July 01, 2013)	3

The terms of reference of the Audit Committee as per guidelines set out in the listing agreement with the stock exchanges read with section 292A of the Companies Act, 1956, is set out below:

- Chairman:**
Chairman of the Audit Committee shall be an Independent Director.
- Invitees:**
The Audit Committee may invite such executives of the Company as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any of the executives of the Company. The Managing Director, head of Internal Audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.
- Secretary:**
The Company Secretary shall act as Secretary of the Audit Committee.
- Frequency of meetings:**
The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.
- Quorum:**
The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is higher but there shall be a minimum of two independent members present.
- Powers:**
The Audit Committee shall have powers which shall include the following:
 - to investigate any activity within its terms of reference
 - to seek information from any employee
 - to obtain outside legal or other professional advice
 - to secure attendance of outsiders with relevant expertise, as the Committee considers necessary.
- Role:**
The role of the Audit Committee shall include the following:
 - 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.
 - Recommend to the Board the appointment, reappointment and replacement/removal of the statutory auditor and the fixation of audit fee.
 - Approval of payment to the statutory auditors for any other services rendered by them.
 - Review with the management the annual financial statements before submission to the Board for approval with particular reference to:
 - ▶ Matters required to be included in the Directors' Responsibility Statement to be included in Board's Report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
 - ▶ Any changes in accounting policies and practices and reasons for the same.
 - ▶ Major accounting entries involving estimates based on exercise of judgment by management.
 - ▶ Qualifications in draft audit report.
 - ▶ Significant adjustments made in the financial statements arising out of audit findings.
 - ▶ Compliance with listing and other legal requirements relating to financial statements.

- Disclosure of any related party transactions
 - e. Review with the management, performance of the statutory and internal auditors, adequacy of internal control systems.
 - f. Review with the management the quarterly financial statements before submission to the Board for approval.
 - g. Review the adequacy of internal audit function 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.
 - h. Discuss with the internal auditors any significant findings and follow up thereon.
 - i. Review 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.
 - j. Discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as hold post-audit discussions to ascertain any area of concern.
 - k. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - l. To review the functioning of the whistle blower mechanism, if any.
8. Review of information:
The Audit Committee shall review the following information:
- (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Share Transfer Committee

Mr. Bernhard Steinruecke, Mr. B. Muthuraman (up to

June 30,2013) Mr. Prasad Chandran, Mr. Bhaskar Bhat (from July 01, 2013) and Dr. Steffen Berns constitute the Share Transfer Committee.

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.

Shareholders'/Investors' Grievance Committee

During the year 2013, the Committee met on February 27, June 05, September 03 and December 04. The constitution and particulars of meetings attended by members of the Committee are given below:

Name of the Director	No. of meetings attended
Mr. Bernhard Steinruecke, Chairman	3
Dr. Albert Hieronimus (up to June 30,2013)	2
Mr. V. K. Viswanathan (from July 01,2013)	2
Mrs. Renu S Karnad	2
Mr. Prasad Chandran	4
Dr. Steffen Berns	4

The Committee reviews grievances received from the shareholders/investors and action taken thereon.

5 complaints/grievances were received and duly dealt to the satisfaction of the shareholders during the year under report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee was constituted at the Board level comprising of Mr. Prasad Chandran (Chairman), Mr. Bhaskar Bhat, Dr. Steffen Berns and Mr. Soumitra Bhattacharya as its members. The terms of reference of the Committee are in line with provisions of section 135 of the Companies Act, 2013.

General Meetings

The Annual General Meeting of the Company are generally held at Bangalore in June each year. During the years 2011, 2012 and 2013, Annual General Meetings were held on June 01, June 04 and June 05 respectively.

Dr. Albert Hieronimus, Mr. V.K. Viswanathan,

Dr. Bernd Bohr, Mr. B. Muthuraman, Mrs. Renu S Karnad, Mr. Prasad Chandran, Mr. Bhaskar Bhat, Dr. Steffen Berns and Mr. Soumitra Bhattacharya attended the last Annual General Meeting held on June 05, 2013.

Insider Trading and Code of Conduct for Directors and Senior Management

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

The Company observes a closed period for trading in securities of the Company by the Directors/ Officers and Designated Employees of the Company for a period of seven days prior to the close of the quarter/half year/year and up to 24 hours after the date on which the results for the respective quarter/half year/year is notified to the stock exchanges. The intimation of trading window closure is also sent to stock exchanges.

The Certificate by the Managing Director 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 year 2013.

Dr. Steffen Berns
Managing Director

Place: Bangalore
Date: February 14, 2014

CEO/CFO Certificate

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer (Jt. Managing Director) dated February 14, 2014 on the financial statements and other matters of the Company for the financial year ended December 31, 2013 was placed before the Board at its meeting held on February 27, 2014.

Risk Management

The Company has a framework for Risk Management based on Bosch guidelines across all functions for systematic management of Business Risks. Towards this the Company has identified categories of risk under strategic risks, operative risks, information

technology risks, financial risks and global risks to which this framework is applied. Company initiates mitigation actions on identified high priority risks for all functions. The Company's internal audit team conducts regular audit of risk management for its effectiveness.

Subsidiary Company

The Company does not have any material non-listed Indian subsidiary. The Company's only subsidiary MICO Trading Pvt. Ltd., has not commenced its business yet. As the aggregate assets and income of the said subsidiary as on December 31, 2013 is not material, no consolidated financial statements has been prepared. However, the Annual Report of the subsidiary company is forming part of this Annual Report. 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.

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 National Stock Exchange of India Limited. The Company has the Remuneration Committee comprising Non-executive and Independent Directors. The Company has adopted a Whistleblower Policy.

Remuneration Committee/Remuneration of Directors.

In September 1993, the Board of Directors setup a Remuneration Committee to decide the compensation payable to the Executive Directors. Mr. B. Muthuraman (up to June 30, 2013), Mr. Bernhard Steinruecke, Mr. Prasad Chandran and Mr. Bhaskar Bhat (from July 01, 2013) being Independent Directors and Dr. Albert Hieronimus (up to June 30, 2013) and Mr. V. K. Viswanathan (from July 01, 2013) constitute the Remuneration Committee. During the year 2013, the Committee met on February 27 and September 03. Dr. Hieronimus, Mr. Muthuraman, Mr. Steinruecke and Mr. Chandran attended the meeting held on February 27, 2013. Mr. Viswanathan, Mr. Steinruecke, Mr. Chandran and Mr. Bhat attended the meeting held on September 03, 2013.

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 determines the variable bonus from year to year. It can amount up to 160% of the base salary for Dr. Steffen Berns and for Mr. Soumitra Bhattacharya. 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 expenses incurred at the time of joining and similarly on their return. Mr. Bhattacharya also receives reimbursement of medical expenses, personal accident insurance cover and contribution to provident fund, gratuity and superannuation etc.

Details of remuneration paid to Wholetime Directors during the year are given below:

Particulars	Dr. Steffen Berns Managing Director	Mr. Soumitra Bhattacharya Joint Managing Director
	Amount (₹)	Amount (₹)
Salary	23,368,344	7,599,996
Commission / Bonus	14,748,121	5,323,280
Contribution to Provident & other funds	1,195,825	1,749,997
Other perquisites (incl. book depreciation on assets used by the Directors)	1,642,221	1,129,369
Total	40,954,511	15,802,642

The Board of Directors decides the remuneration of the Non-Wholetime Directors. The remuneration consists of a sitting fee of Rs.10,000 for Board/ Committee Meetings held on the same day and Rs.5,000 for each Committee Meeting held on any other day and a commission based on the profits of the Company, limited to an amount not exceeding Rs.6,000,000 for all Non-Wholetime Directors for or in respect of any one financial year of the Company. The amount of commission is commensurate with the activities of the Company, the responsibilities of Non-Wholetime/Independent Directors under the listing agreement with the stock exchanges and under the Companies Act, 1956, and the responsibilities as member/chairman of the Board

and member/chairman of committee/s of Board and all other relevant factors.

Details of remuneration paid to Non-Wholetime Directors for 2013 is given below:

Particulars	Commission ₹	Sitting Fee ₹	Total ₹
Dr. Albert Hieronimus* (up to June 30, 2013)	417,500	20,000	437,500
Mr. V. K. Viswanathan**	208,750	15,000	223,750
Mr. B. Muthuraman* (up to June 30, 2013)	367,500	25,000	392,500
Mr. Bernhard Steinruecke	660,000	40,000	700,000
Mrs. Renu S Karnad	635,000	30,000	665,000
Mr. Prasad Chandran	735,000	55,000	790,000
Mr. Bhaskar Bhat	705,000	45,000	750,000

* Commission has been computed proportionately for a period of 6 months up to June 30, 2013.

** Commission and sitting fees has been computed for 3 months from October 01, 2013 to December 31, 2013. Mr. V. K. Viswanathan was a Management Consultant till September 30, 2013 and he did not draw any remuneration as a director other than consultancy fees.

Code of Conduct and Whistle Blower Policy

The Company has adopted a Code of Conduct for the Directors and Senior Management personnel. The code can be accessed in the Company website at www.boschindia.com. The code also incorporates a Whistle Blower Policy. The Whistle Blower Policy as well as the Code of Business Conduct afford to all the employees a right to draw their supervisor's attention to circumstances that appear to indicate a violation of Code of Business Conduct. Such reporting may also be made anonymously or by speaking to the compliance officer over dedicated hotline or by email to the dedicated email address to the compliance officer.

Reconciliation of share capital

In the year 2013, 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 (CDS) 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 CDS. 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

- (i) There are no materially significant transactions with the related party viz., Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- (ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to capital markets.

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 Line / Business Standard in English-all editions and Udayavani / Kannada Prabha in Kannada) and/or hosted on the website of the Company and also notified to the stock exchanges as required under the Listing Agreement.

The balance sheet, statement of profit & loss, directors' report, auditors' report, cash flow statements, corporate governance report, business responsibility report and quarterly/half yearly financial statements are also displayed in the Company's website - <http://www.boschindia.com> under the section 'Shareholder Information'.

The Executive Management of the Company participated in the conference call organized by financial intermediaries post publication of audited/ unaudited, quarterly/ half yearly/ annual financial results of the Company. The transcript of the con-call is also hosted in the website of the Company <http://www.boschindia.com>.

The Ministry of Corporate Affairs ('MCA') has launched "Green Initiative in Corporate Governance" allowing paperless communication to shareholders. Consequently, companies can send Annual Report and other communication electronically.

Accordingly, your Company sends Annual reports and other communication by e-mail to those shareholders who have registered their e-mail ID for this purpose and hard copies in other cases.

Your Company urges you to support the Green Initiative by registering / updating your email addresses with the Depository Participants (electronic holdings) or the Registrar and Transfer Agents (physical holdings) for receiving soft copies of various communication including the Annual Reports.

Shareholder information

A detailed supplement containing information of importance to shareholders is given in this Annual Report.

Bangalore
February 27, 2014

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
Members
Bosch limited
Hosur Road, Adugodi
Bangalore 560 030

We have examined all relevant records of Bosch Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the listing agreement with BSE Limited (BSE) and National Stock Exchange of India Ltd., (NSE) for the period from January 01, 2013 to December 31, 2013. We have obtained all information and explanation which to the best of our 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. Our 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 our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement.

We further state that it is neither an audit nor an expression of opinion on the financial statement of the Company.

For K.V. Venkata Rangan & Co.,
Company Secretaries ·

K.V. Venkata Rangan
Practicing Company Secretary
Membership No.934; CP No.404

Place: Bangalore

Date: February 27, 2014

Management Discussion and Analysis Report

A. Economic Overview

Global Economy

Global economic activity showed signs of stabilization in 2013. Global Gross Domestic Product (GDP) growth was 3% in 2013 compared to 3.1% in 2012 as per the International Monetary Fund (IMF). Advanced economies saw an uneven recovery with overall growth coming in at 1.3% in 2013.

In emerging market economies, domestic demand remained subdued while demand from advanced economies helped their exports. As per the IMF, emerging markets and developing economies grew at 4.7% in 2013 compared to 4.9% in 2012.

The improvement in growth and employment prospects in the United States of America lead to announcement by the US Federal Reserve that it would begin tapering its Quantitative Easing (QE) measures. The volatility associated with these measures resulted in capital outflows from emerging market economies in 2013.

Indian Economy

In 2013, like most emerging market economies, India faced capital outflows and intense exchange rate pressures. Stabilization of the economy by restoring exchange rate stability became an overriding task.

In response to steps like disincentivising gold imports, as also improvement in global trade, India's Current Account Deficit is expected to decline from 4.9% of GDP in Q1 to below 2.5% of GDP by end of the financial year 2013-14. The external sector risk was also mitigated by taking measures to attract foreign inflows which helped in recouping the foreign exchange reserves.

The Reserve Bank of India (RBI) increased interest rates in order to target persisting high inflation. The shift in focus from Wholesale Price Index (WPI) inflation to Consumer Price Index (CPI) inflation also kept interest rate outlook on the higher side.

In India, growth prospects depend on a rebound in agricultural output and improved export performance. However, industrial growth remained stagnant while the service sector showed a mixed picture.

B. Industry Structure and Development

In 2013, 87% sales of the Company were from automotive business and 13% from non-automotive business.

Below is the industry structure and development brief with respect to both the business segments.

Automotive:

After witnessing a marginal growth in 2012, India's auto industry closed in 2013 with negative growth on account of continued economic slowdown. Combination of factors like weak consumer market sentiments, adverse macroeconomic factors (GDP/IIP), high interest rates and increasing fuel prices affected the Indian automobile industry to a large extent, resulting in a slide of sales volume in the calendar year 2013. Export market grew by 6% due to good volumes in the three wheelers. India's automotive production volumes witnessed a negative growth of 3% in 2013 compared to 2012.

Tractor industry flourished amidst industry slowdown and witnessed 15% growth. This growth was driven by good monsoon, increased Minimum Support Price (MSP), state specific sops coupled with continued food demand, farm mechanization and interest rate subvention schemes for farmers by government.

Passenger car production volume growth was negative. Despite the discounts by Original Equipment Manufacturers (OEMs) during festive seasons and new model launches, the production volume saw negative growth of 7%. This was mainly due to weak market sentiments, high interest rates and increased fuel prices which resulted as increase in ownership cost.

Utility vehicle (UV) production volume saw a meager growth of 1% in 2013 after witnessing high double digit growth in the past four years. UV growth was impacted by the continued weak consumer sentiments, duty hikes and diesel price hikes.

Heavy Commercial Vehicle (HCV) production volumes declined by 29% in 2013 in comparison to 2012. Reduction in demand was due to high interest rates, low industrial production, slowdown in execution of infrastructure projects and problems faced within the mining sector.

Production of Light Commercial Vehicle (LCV) declined by 4% in 2013 as consumption growth remains muted.

Three-wheeler production volumes grew by 2% mainly on account of demand from export market.

Vehicle Production Growth rates:

Production Segments	+/(-) PY					
	2008	2009	2010	2011	2012	2013
HCV	-15%	-20%	70%	13%	-12%	-29%
LCV	-4%	13%	44%	30%	5%	-4%
Car	9%	18%	29%	8%	2%	-7%
UV's	-3%	18%	35%	13%	32%	1%
Tractor	2%	10%	31%	24%	-7%	15%
3 Wheeler	-6%	12%	37%	15%	-5%	2%
Total	1%	13%	34%	14%	2%	-3%

Non-Automotive:

Power Tools market growth slowed down to an estimated 5% in 2013 compared to the 10% growth in 2012. This was mainly on account of liquidity issues in construction sector which led to a drop in 2013.

Security Technology market in India is growing at an Compounded Annual Growth Rate (CAGR) of 11%.

C. Operational Highlights

The Company saw a sales growth of 1.5% over the previous year 2012. The overall economic slowdown in the domestic market impacted the Company especially in the automotive business. However, export growth was assisted by the weakening of the rupee apart from volumes remaining stable throughout the year. Domestic sales grew by 0.2% and export sales grew by 12.5%.

In the challenging environment, the Company was still able to achieve 14.7% profit before tax (PBT) on sales. However, this is 1.3% lower than 2012.

Diesel Systems business declined by 5% due to drop in third party domestic sales, primarily driven by the Commercial Vehicle(CV) and passenger car segment. VE pumps and new generation products did not perform as per expectations. The tractor market boosted the conventional product sales and aided overall performance. Diesel systems business will continue to ride heavily on new generation common rail systems (CRS) for future growth in all segments.

Gasoline business grew by 5%. This is mainly on account of growth in exports which compensated volume reduction by major customers in domestic market.

Starter Motors and Generators business witnessed a growth of 16.3% in 2013. Export business of the division grew by 45.5%. Growth was driven by the significant increase of the export of New Baseline Generators (NBL) which compensated drop in CV segment.

The Automotive Aftermarket business grew by 2.5% due to overall consumer trends. The focus was to improve the supply chain through expansion of distribution network and upgradation of warehouse

management system.

Packaging Technology business grew by 19.2%. Growth was primarily due to domestic sales which increased by 29% from previous year due to launch of new products in the market. There was an increase in service income due to the expansion of Software Pool and Assembly Pool services in 2013.

Security Technology business, excluding onetime project business, grew by 3.4%. Good performance of the Public Address and Conference Systems (PACo), Critical Communication Systems and Fire Alarm business contributed to this growth.

Despite weak consumer trends, the Power Tools business grew at 10% in 2013. Growth was achieved through newer avenues of sales like online retailing, Do-It-Yourself (DIY) square and "Under One Roof" brand shop.

Newer businesses like Solar Energy and Thermo Technology started gaining market share and showed impressive growth.

Industrial Equipment division recorded a healthy growth of 62.4% driven by internal as well as external orders for the assembly lines.

D. Results of operation**1. Sale of products**

The sale of products for the year 2013 grew by 1.5% over the previous year 2012 and stood at Mio INR 85,405 as against sales of Mio INR 84,172 in 2012.

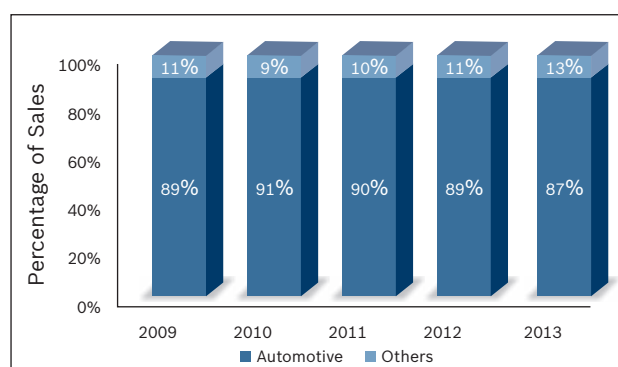
1.1 Segment results

The Company predominantly operates in manufacturing and trading of automotive products.

Company also has its presence in non-automotive areas (consisting of Industrial Technology, Consumer goods, Energy and Building Technology). Hence the primary segment of the Company is classified as 'Automotive and other' while the 'Revenue from various geographical location of customers (domestic and export)' is classified as secondary segment.

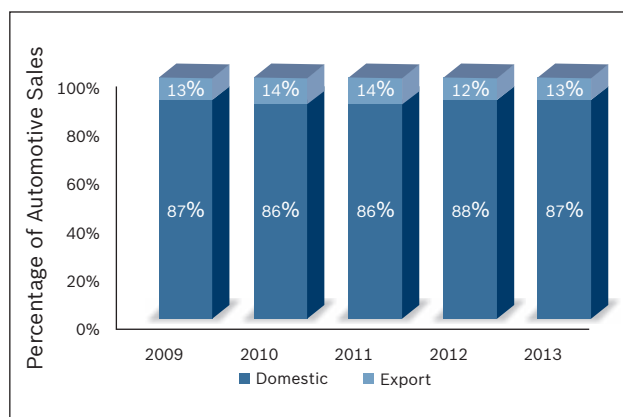
1.1.1 Primary Segment

The share of automotive products decreased from 89% in the previous year to 87% for the year 2013.



Automotive Products

The automotive segment saw a negative growth in sales by 0.7% over previous year 2012 and stood at Mio INR 74,403 for the current year 2013.



In the automotive segment 87% of the sales were derived from domestic sales. The share of export sales from the total sales of the segment was 13% for the current year 2013.

Non-Automotive

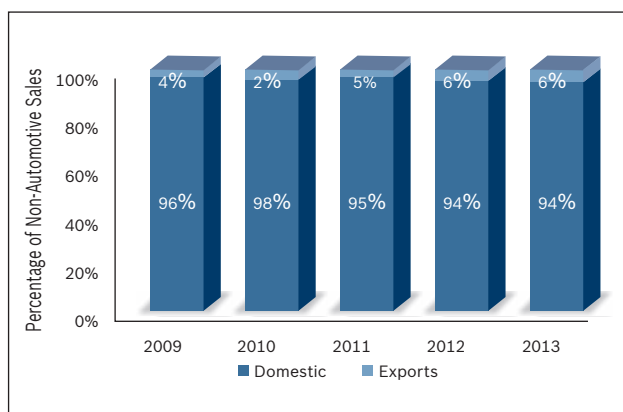
Industrial Technology:

This segment grew at 38.5% and its total sales stood at Mio INR 1,650 in 2013.

Consumer Goods and Energy and Building Technology:

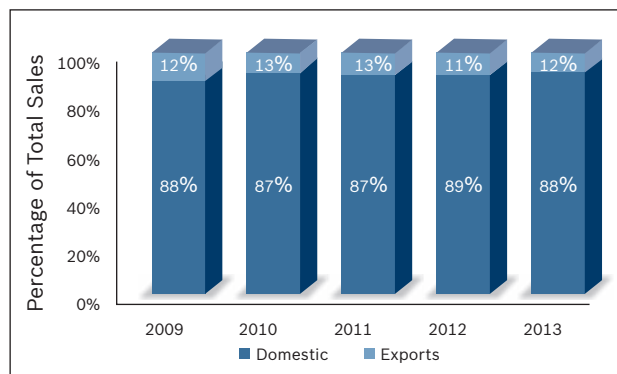
This segment registered a growth of 16.3% in sales and stood at Mio INR 9,352 as against Mio INR 8,043 of 2012.

The Non-Automotive segment was predominantly driven by domestic sales with a share of 94%, and exports contributed 6%.



1.1.2 Secondary Segment

Below is the breakup of export and domestic sales:



The export sales for the Company increased by 12.5% over 2012 and was 12% of the total sales in 2013. Major exports were to Germany, France and China.

Total share of domestic sales in total sales reduced by 1% and stood at 88%.

2. Sale of Services and Other Operating Revenue

Sale of services declined marginally by 4.4% with a total of Mio INR 1,006 in 2013 due to reduction in research and development income.

Other operating revenue has increased by 31% and stood at Mio INR 1,790 in 2013. This has been mainly on account of provisions written back which are no longer required and miscellaneous incomes.

3. Other Income

For the year other income reduced by 4.5% over previous year.

Income from interest including non-trade investments and deposits in banks increased by 12% to Mio INR 2,372 from Mio INR 2,120 from 2012. This contributed to 67% of the other income.

Income from profit on sale of investments reduced by 17% to Mio INR 686 and dividend from long-term investments reduced to Mio INR 57 from Mio INR 223.

4. Cost of materials consumed

The cost of materials consumed as a percentage of sales for the year 2013 reduced to 55.3% as against 55.8% of 2012. There is a slight decrease in cost because of localization project implemented during the year which compensated currency depreciation.

5. Personnel cost

Personnel cost as a percentage of sales for the year 2013 stood at 14% which has increased by 1.7%

points as against 12.3% in 2012. The inflation impact on the wage cost contributed significantly to this increase. Sales per employee (average) has improved by 5% from Mio INR 7.0 in the previous year 2012 to Mio INR 7.35 for the current year 2013.

6. Depreciation and Amortisation

The depreciation charge for the current year is Mio INR 3,842 as against a charge of Mio INR 3,670 in 2012 majorly due to current year's high asset base and addition of higher R&D assets as compared to previous year.

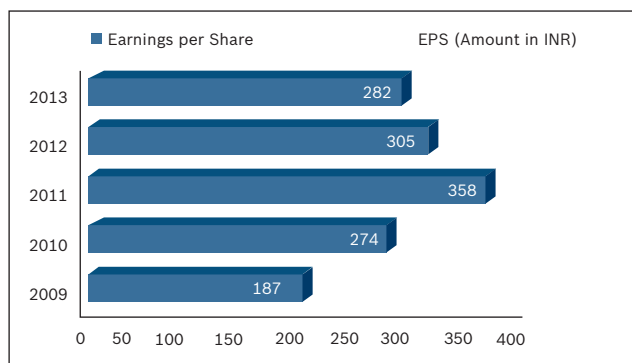
7. Profit

The profit after tax for the year 2013 is Mio INR 8,847 as compared to profit after tax of Mio INR 9,583 in 2012. This has come down by 8% compared to 2012.

The effective tax percentage for the current year 2013 has increased slightly compared to previous year 2012.

8. Earnings per Share (EPS)

The EPS (Basic and Diluted) of the Company for the year 2013 decreased by 7.7% to INR 282 per share from INR 305 per share from the previous year.



E. Financial Condition

1. 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 at December 31, 2013 was 31,398,900 shares of Mio INR 314.

2. Reserves and Surplus - Profit and Loss account

The balance retained in profit and loss account as on December 31, 2013 is Mio INR 20,334 which

includes retained profit for the year 2013 Mio INR 6,812 after a proposed dividend of INR 55 per share.

3. Shareholders funds

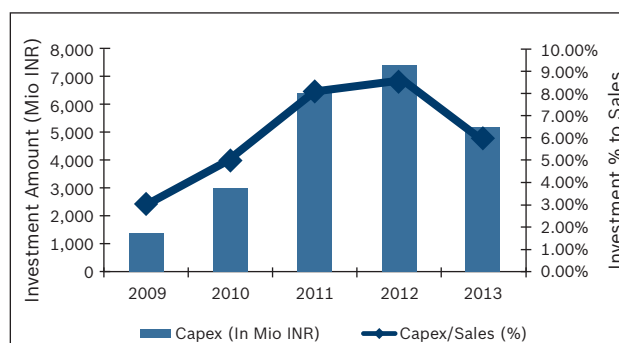
The total shareholder funds increased to Mio INR 62,943 as on December 31, 2013 from Mio INR 55,733 as of the previous year 2012 end representing a growth of 13%.

4. Fixed Assets – Capital Expenditure

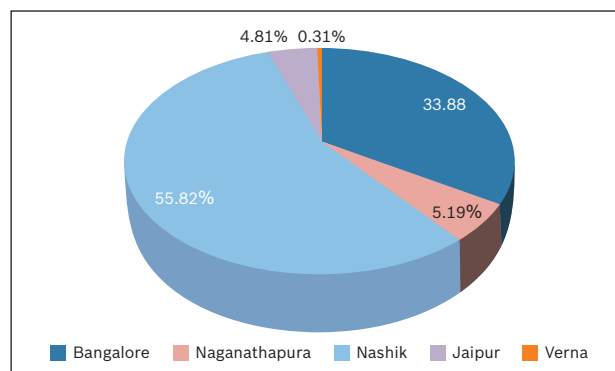
The gross fixed asset value as on December 31, 2013 was Mio INR 43,086 (tangible: Mio INR 43,019 and intangible Mio INR 67) as compared to Mio INR 39,414 (tangible: Mio INR 39,347 and intangible Mio INR 67) of previous year.

The Company incurred a capital expenditure of Mio INR 5,113 during the year 2013, on top of Mio INR 7,339 spent in previous year 2012.

The following graph shows the trend of capital expenditure and the trend of percentage of capital expenditure to sales.



The total capex stood at 6% of sales as against 8.7% in 2012. Major investments were made towards development of manufacturing facility in Bidadi and capacity increase of existing products at various locations. Location-wise Capex is as follows:



5. Investments

The surplus funds of the Company which 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 December 31, 2013 amounted to Mio INR 21,849 as against Mio INR 14,942 for the previous year 2012.

6. Working Capital

6.1 Inventories

Inventory as on December 31, 2013 increased by 10% to Mio INR 12,072 from Mio INR 10,957 as on December 31, 2012. The inventory has increased in 2013 as compared to 2012 due to expected increase in demand in the coming months.

6.2 Trade Receivables

Trade receivables as on December 31, 2013 amounted to Mio INR 10,735 as against Mio INR 10,270 in 2012. Major increase in trade receivables was seen in Power Tools and Security Systems Divisions. The increase in receivables was mainly on account of slow recovery from end users and high interest rates leading to delayed realization.

6.3 Cash and Bank Balances

The total cash and bank balances as on December 31, 2013 was Mio INR 14,415 as compared to Mio INR 14,872 for the previous year.

The cash and bank balance includes Cash and Cash equivalent of Mio INR 1,539 as on December 31, 2013 as compared to Mio INR 1,810 in 2012.

6.4 Key Ratios

Ratio	2013	2012
Return On Capital Employed (%)	16.7 %	21.0 %
Inventory Turnover ratio (In Days)	49	49
Trade Receivable Turnover ratio (In Days)	41	38
Current ratio	2.74	3.00
Number of Days In Working Capital (Days)	90	80
No. of Employee (Average)	11,617	12,185

Note

- 1) Average is the simple average of opening and closing balance.
- 2) Previous year's numbers are re-classified to comply with changes in revised Schedule VI of the Companies Act, 1956

F. Human Resource Development

The year 2013 has been a year of change and renewal for Bosch Ltd.

Bosch Ltd has witnessed changes in senior leadership in 2013. In the midst of these changes and renewals, the abiding themes have been focus on relocation of key business divisions in the Company and focus on wage settlements for direct manpower and restructuring through redeployment of people.

Company's focus on developing and encouraging the younger generation for future leadership was re-emphasized at the National Competition for Young Managers – 2013 conducted by the All India Management Association (AIMA). Company bagged the national level championship and the Young Manager's Award for the year 2013.

Introduction of work life balance policy in the year 2013 with options of sabbatical leave, work from home and part-time working is a major step towards our constant endeavors to make the Company a better place to work for.

The share of women at acquisition stood at 27% in 2013 which increased by 4 percentage points in last two years. Attrition continues to be well below market levels due to the measures taken by the Company. The Company has personnel capacity of 11,352 employees at the close of the year 2013.

The Company continues its efforts of providing high level of global orientation and working experience to a large number of managers by deputing chosen associates on international assignments, participation in international workshops/seminars/forums, identifying and developing high potential managers through Management Development Programs (MDP).

Efforts towards identified universities via activities like Inscribe, internships continue to attract Gen-Y which forms a major (45%) share of population in the Company. To expand the horizon of reach to colleagues and stake holders, Bosch HR has initiated regular activities in social media.

Industrial Relations generally remained cordial. For further details, Please refer Director's Report (Page No. 45).

G. Internal Control System

The Company has an effective and reliable internal control system which is complimented by the Code of Business Conduct binding all its employees to achieve high standards in Corporate Governance. The internal control system is designed to ensure quality and reliability of underlying processes in achieving operational efficiency, reliability of financial data and safeguarding of assets.

The internal controls are designed to ensure the governance of the Bosch global standards and processes in key control areas of sales, purchasing, materials management, human resources and authorization management.

The efficacy of internal checks and control systems are validated by self audits, verified during internal audits and reviewed by the Audit Committee. The scope of internal audit is oriented towards mitigating or eliminating risks in business processes.

The Audit Committee reviews the internal audit plan, significant audit findings and sustainability of measures for corrective actions. The internal Audit Plan is also aimed at addressing concerns, if any, of Statutory Auditors of the Company.

H. Opportunities and Threats

The Company is building up to leverage the development in the non-automotive sector with prime focus on Energy and Consumer goods business.

The increasing gap between demand and generation / supply of electricity will continue to create additional demand for auxiliary power units powered by diesel as well as other sources of energy. Also, the change in awareness in the use of renewable source of energy provides scope for new businesses e.g. Solar Energy, Thermo Technology, etc. The consumer goods segment is being channelized through the new unique sales concept - Bosch Brand Shop - where all the products are made available “under one roof”.

The technology change in the off-highway and tractor segment will create opportunities for the Company to increase automotive content and retain our market share. However, the passenger vehicle and the commercial vehicle segments will witness moderate growth. Increased demand for safe personal mobility and increased consumer spending capability are key drivers that should boost sales in the passenger car

segment. The portfolio expansion in the 2W domain will assist the Company to gain market shares in this segment to propel us towards growth.

The market linked external factors (macroeconomic) are the biggest threat for the business in general, apart from the key risks which are identified in the section I.

I. Risks and Concerns

The Company follows a specific defined Risk Management Process which is integrated with operations for identification, categorization and prioritization of various risks like: operational, financial and strategic business risks.

Across the organization, there are teams responsible for the above mentioned process and reporting risks to senior management.

The Risk Management Committee headed by Chief Risk Officer reviews the effectiveness of the same from time to time.

Following are the major risks that we foresee:-

1. Slowdown in economy:

Economy continues to be affected by delay in policy reforms, decision making, political uncertainty as well as high interest rates and moderate GDP growth which affect the growth and profitability of the Company.

2. IR risks:

The IR issues faced by the automotive industry in India could very well affect the Company. This includes possible risks leading from stoppage of production to uncertain result of settlement negotiations leading to unpredictable cost structure.

3. Currency depreciation:

Risks arising from the potential change in the exchange rate of foreign currency in relation to INR, primarily fluctuations in EURO and USD, have affected the profitability in 2013 and continue to be a potential risk. The management is taking appropriate short-term action as hedging and mid-term actions such as localization and increase in exports to maintain balanced position of foreign currency exchange.

4. Manufacturing input costs and inflation:

There has been an increase in input prices primarily due to inflation and depreciation of rupee. Consequently,

prices of commodity items used in manufacturing have increased and become increasingly volatile.

Moreover, an inflationary environment warrants an increase in salaries and wage rates to retain the skilled resource.

Such increase in cost cannot be absorbed by the market or passed on to customers through increased prices. Also, this could have a negative impact on the already subdued demand. Cost reduction measures are being taken to mitigate these negative effects.

5. Competition:

The Company operates in a highly competitive environment and customers have started adopting de-risking strategies to maintain more than one source for a product.

On the other hand, Company faces risks on account of non-competitive prices due to dependence on single source or few suppliers.

This exerts pressure on both the top and bottom lines. The senior management team along with respective business unit teams does competitor analysis to discuss competitor moves and related insights.

6. Regulatory risks:

The change in tax laws, import-export policies, government policies and regulatory requirements might affect Company's business.

7. Credit and default risk:

Prevailing liquidity tightness and subdued ultimate customer demand could lead to rise in receivables. However, Company is closely monitoring these risks and is continuously taking appropriate action.

Risk mitigation measures:

Following are the few measures or initiatives taken up by the management to mitigate the 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 segment.
- d) Retain and motivate talent by focused employee development programs.
- e) Process improvement projects in both manufacturing and administration areas to sustain growth for future so as to increase business competence.

J. Outlook

Leading indicators like business confidence indicate a moderate improvement in the economic conditions in India on account of agricultural demand and growth in exports. However, weak domestic demand, political uncertainty and high inflation appear to be among the several factors restraining growing optimism. The outlook for GDP growth in India is around 5 - 6% for the financial year 2014-15.

For 2014, we expect a gradual recovery to set in as the projects cleared by the Cabinet Committee for Investment (CCI) translate into investments along with improvement in global growth outlook and softening of inflation. The pick-up in demand, however, depends critically on the successful resolution of bottlenecks in infrastructure and energy-intensive industrial projects.

The automotive industry will continue with the trends set in the previous year. Moderate growth is expected towards the later half of 2014. Consumer trend will see a slight improvement in second half of 2014 although the construction index will continue to have a challenging phase.

Disclaimer

The information and opinion expressed in this section of the Annual report consists of certain 'forward looking statements' which the management believes are true to the best of its information at the time of its preparation. The Company shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other person without the express prior written permission of the Company.

Business Responsibility Report

Section A: General information about the Company

Bosch Limited, established in 1951, is the flagship Company of Bosch Group in India. The Company is a major auto component manufacturer in India with a turnover of INR 85,405 Mio. in 2013 with a strength of 11,354 employees as on December 31, 2013. Robert Bosch GmbH (RB), Germany, the parent company, holds 71.18% in the share capital of the Company. Headquartered out of Bangalore, the Company has its manufacturing facilities in Bangalore, Naganathapura, Nashik, Jaipur, Goa, Kumbalgotu and Bommasandra. With a presence across automotive technology, industrial technology, consumer goods, energy and building technology, the Company manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, auto electricals, special purpose machines, packaging machines, electric power tools, security systems, solar energy and thermo technology.

Particulars of other general information about the Company

1. Corporate Identity Number (CIN): L85110KA1951PLC000761
2. Registered address: P.B. No. 3000, Hosur Road, Adugodi, Bangalore-560 030.
3. Website: www.boschindia.com
4. E-mail ID: investor@in.bosch.com
5. Financial year reported: December 31, 2013
6. Sector(s) that the Company is engaged in: Automotive Component and Accessories
7. 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)
8. Total number of locations where business activity is undertaken by the Company
 - i) International Location: -Nil-
 - ii) National Locations: 7 Plant locations and Sales Offices at 23 locations.
9. Markets served by the Company: Local/State/National/International.

Section B: Financial details of the Company

1. Paid-up capital (INR): 313,989,000
2. Total turnover (INR): 85,405 Mio.
3. Total profit after taxes (INR): 8,847 Mio.
4. Total spending on Corporate Social Responsibility as percentage of profit after tax: 0.282%.
5. List of activities in which expenditure in 4 above has been incurred:
 - a) Health and hygiene projects in and around various locations of the Company;
 - b) Vocational training to young, underprivileged school drop out students and Training the Trainers;
 - c) Community development projects like war on waste, clean and safe drinking water to villagers, educational and medical support to the needy, air campaign awareness programmes etc.

Section C: Other details

The Company has a subsidiary viz., MICO Trading Pvt. Ltd., having its registered office at P.B. No. 3000, Hosur Road, Adugodi, Bangalore - 560 030. The said subsidiary has not commenced business. Hence, there is no participation by the said subsidiary in business responsibility initiatives.

The Company encourages its suppliers, dealers and other stakeholders to support various initiatives taken by the Company towards its business responsibility.

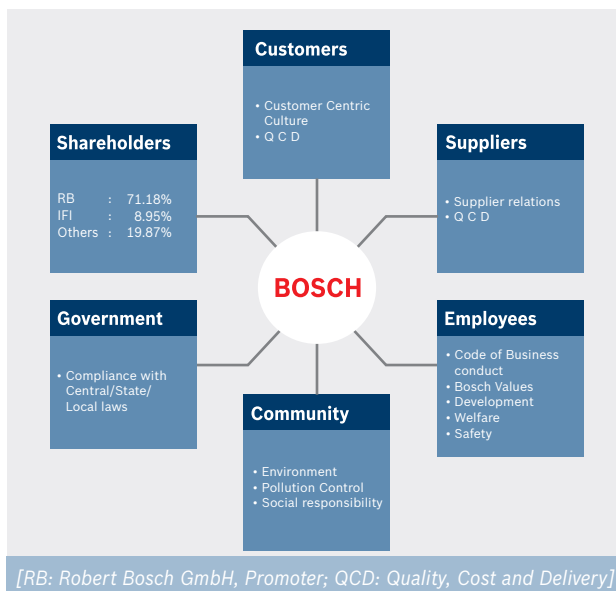
Section D: Business Responsibility information

The Managing /Joint Managing Directors of the Company are responsible for the day-to-day administration and operations of the Company. The particulars of the Company Directors are given at page 6 of the Annual Report. The Company has a Steering Committee comprising of senior executive from Plants/Business divisions to administer various CSR initiatives and other sustainability issues of the Company guided by Bosch values and Bosch principles of social responsibility. Mr. Soumitra Bhattacharya, Joint Managing Director of the Company, is responsible for implementation of various CSR initiatives for the Company. A Board

level CSR committee has also been constituted to monitor and implement the Company's CSR activities. Particulars of the composition of the committee are given in the Corporate Governance Report.

The Company's responsibility towards environment and society is guided by Bosch values, Bosch principles of social responsibility, work safety and environment protection. The Company's principles of social responsibility include – human rights, equal opportunities, integration of differently abled people, free choice of jobs, rights of children, relations with associate representatives and their institutions, fair working conditions, occupational health and safety, clean and safe environment with social engagement.

The Company is committed to good Corporate Governance practices aimed at increasing value for all stakeholders.

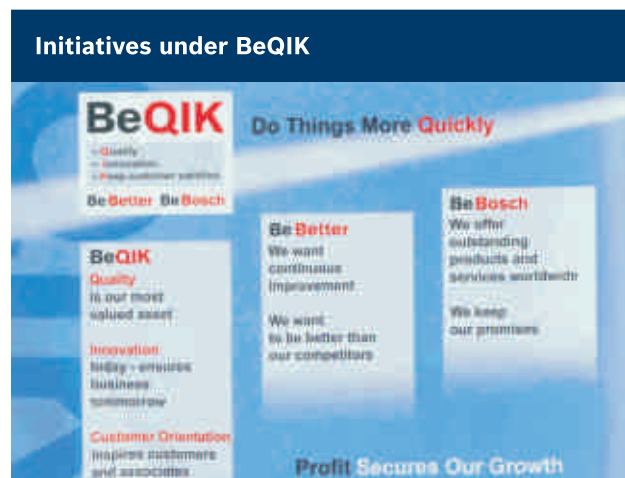


Shareholders:

The Company is committed to enhancing long term shareholder value and delivering quick and efficient services to the shareholders. Buyback of shares carried out by the Company in May 2000, January 2001, February 2002 and December 2008 to October 2009 and sub-division of shares in July 2004 are the steps taken in this direction.

Customers:

Customers are the primary focus of Company's business activity. Quality, Cost and Delivery are the key driving forces for achieving customer delight. The **BeQIK** initiative gives impetus to the efforts of the Company in achieving world-class quality, innovation and continuous improvement to enhance customer satisfaction.



Government

The Government as a stakeholder earns revenue through income tax, service tax, customs duty, sales tax, excise duty, etc. These contributions to the exchequer was ~₹ 20,696 Mio. in the year 2011, ~₹ 21,936 Mio. in the year 2012, and ~₹ 22,697 Mio. in the year 2013 excluding tax deducted at source on salaries paid to employees, payments to contractors and to other service providers.

Section E: Principle-wise performance

Ethics, Transparency and Accountability. (Principle-1)

The Company as a constituent of the Bosch Group has always been a value driven Company. Many of these values go back to Robert Bosch, the founder. 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.

Employees who understand the Bosch values are able to take better and faster decisions, develop greater initiative and take on greater accountability for their own actions. In the end this gives them greater empowerment and makes the Company better.

These values are:

1. Future and Result Focus
2. Responsibility
3. Initiative and Determination
4. Openness and Trust
5. Fairness
6. Reliability, Credibility, and Legality
7. Cultural Diversity

The Company views mutual fairness as a condition of its corporate success when dealing with each other and with its business partners.

Associates, business partners, and investors are informed in a timely and open manner of important developments within the Company.

The Company respects the principle of strict legality in all acts, measures, contracts, and other transactions of the Bosch Group. This also applies to the payment of taxes due, obtaining necessary official permits and observing third party rights. All associates are personally responsible for compliance with the law in their field of work.

To facilitate associates' compliance with these obligations, their essence has been summarized in a Code of Business Conduct. The Code of Business Conduct governs the relationship between the Company and its associates. A code of conduct has also been evolved for the Board members and senior management.

The principles enshrined in the code also extend to our Group Companies in India. The policy relating to ethics, bribery and corruption extends to our Group Companies in India, its employees and engaged representatives, who include dealers, distributors, agents, sub-contractors and power of attorney holders appointed by such companies.

The Company has a whistle blower policy that affords to all employers to draw their supervisor's attention to circumstances that appear to indicate a violation of code of business conduct.

The goods and services provided by the Company are safe and contribute to sustainability throughout their life cycle. (Principle-2)

The Company places its products and services in the interest of the safety of the people, the economic use of resources and environmental sustainability. The Bosch slogan 'Invented for life' is not only the expression of a quality standard, but also an obligation for the Company to develop innovative and beneficial technology that contributes to the conservation of resources and minimizes impact on the environment. The Company employs efficient manufacturing processes while designing products for the market. More than 50% of Bosch's research and development goes into products that conserve natural resources and protect the environment.

The Company is committed to develop diesel fuel injection products and provide services to meet the stringent emission norms of the future. These demands are met by the Company's product 'Common Rail fuel injection system' which is more fuel efficient and capable of meeting future emission norms. From Gasoline Systems, the Company offers a wide range of product portfolio such as sensors, fuel injection, fuel supply module, air management etc., for building fuel efficient and low carbon engine management systems.

Through wide network of over 900 diesel service centres established by the Company's Automotive Aftermarket division, vehicle owners are guided to reduce the consumption of diesel and gasoline thus mitigating CO₂ emissions.

Suppliers:

Suppliers are our partners in progress. The Company aims at a long term partnership with suppliers and recognizes the mutuality of interest. The Bosch principle of Quality, Cost and Delivery equally applies to our suppliers.

The Company has the procedure in place for sustainable sourcing of inputs. The fundamental principles relating to the requirements that suppliers

are expected to meet are based on the principles of the UN Global Compact. The key principle being human rights and environment, the Company expects its suppliers to meet these principles of environment which provides guidelines on adopting precautionary approach to environmental challenges, promoting greater environmental responsibility and develop environment - friendly technologies. The Company has a list of banned/prohibited chemicals which are checked in all the incoming raw materials and ensures required compliance in this regard.

The Company does business with suppliers who meet the following requirements:

- i) Compliance with the statutory regulations relating to the workforce, environmental protection, and occupational safety.
- ii) Ability to introduce an environmental management system in compliance to ISO 14001.
- iii) Compliance with the basic principles of the UN Global Compact.
- iv) Compliance with international human rights, right to collective bargaining, abolition of forced and child labour, elimination of discrimination relating to appointments and employment, responsibility for the environment, and prevention of corruption.

Key additional condition for preferred suppliers is that the external certification of the environmental management system is compliant to ISO 14001. If suppliers act unlawfully, the Company reserves the right to withdraw from existing contract or to terminate them without notice, unless the supplier in question has taken appropriate measures to avoid any future infringements. All suppliers are subject to a basic check as part of the Integrated Supplier Assessments (ISAs).

As one of the leading technology and service providers, the Company has been fulfilling its responsibility to protect environment and climate. The Environmental Management System (EMS) at the Company's production Plants is a good example. The Company has methodically expanded these systems so that more than 80% of the locations are now certified

in line with international environmental standard ISO 14001. Company also seeks alternatives to rare materials and makes consistent attempt to integrate them into material cycle. Environment, Health and Safety (EHS) policy provides insight to the commitment by top management towards reducing waste, re-use and recycle wastes.

The Company's remanufacturing activities in the automotive sector via the Bosch eXchange program is one example of how the Company does the resource recycle. It is based on an intelligent return system for old components which no longer work. By taking back and remanufacturing used parts, the Company reduces its resource footprint and material expense - enabling it to pass these advantages on to its customers. In the same lines, the Company has adopted an approach of re-manufacturing discarded products. With this approach the Company is able to conserve the natural resources like raw material, energy and other operating costs.

Employees well being and related issues (Principle-3) Equal opportunity

The Company upholds and affirms equal opportunity at the time of recruitment as well as during the course of employment among our associates, regardless of the color of their skin, race, gender, age, nationality, social origin or sexual preference.



Women associates at Bangalore plant

The Company has integrated multiple cultures and is focusing on enhancing gender diversity within the organization. Significant efforts and measures have been taken to integrate more women in the organization and to create an inclusive environment for them. As a sustained effort in this direction the Company launched a programme called 'Backstage@ Bosch'. This programme is designed exclusively for female technical graduates from select technical

universities who were invited to the Company to spend a day inside the campus and interact with few managers in line function to enable them to get a feel of the organisation and insights into its work culture. This has also helped to add value to the Company's branding efforts.

Work-life balance:

Introduction of Work Life Policy in the year 2013 with options of sabbatical leave, work from home and part time working is a major step towards our constant endeavors to make the Company a better place to work for. Attrition continues to be well below market levels due to the measures taken by the Company.

Employee development

The Company continues its efforts of providing a high level of global orientation and working experience to a large number of managers by deputing chosen associates on international assignments, participation in international workshops, seminars, forums, and identifying and developing high potential managers through management development programs.



Taking the lead, a new generation comes forward

The efforts also focused towards identified universities through various activities like Inscribe and BackStage@ Bosch to attract Gen-Y, who form a major chunk of employee population in the Company.

To expand the horizon of the Company's reach to its employees and other stake holders, efforts were

initiated on social media such as FaceBook and Twitter via job advertisements and campaigns on human resource topics through regular posts and tweets.

Company's focus on developing and encouraging young generation for future leadership was again emphasized by the awards received at National Competition for Young Managers – 2013 conducted by All India Management Association (AIMA). The Company bagged the national level championship and the Young Manager's Award for the year 2013. This award has been won for the third consecutive year.

Understanding and living the corporate culture

The 'House of Orientation' sets out how the Company sees future development, the principles of approach and the capabilities that the Company has and wants to exploit for its continued success. It also contains information on the standards and values that motivate us in our daily striving for success and improvement. 'House of Orientation' helps all associates to understand and live Company's corporate culture – a culture that offers orientation, reinforces cohesiveness and creates identification.

'The House of Orientation' comprises the following modules:

- The **vision** is the overriding ideal for the Company's future. It points the way forward for a strong and meaningful development of the Bosch Group.
- As a guideline for everyday action, the **mission** gives concrete guidance on how to secure long-term profit and growth.
- Our **values** create a common basis for successful global cooperation. This vital Bosch culture enables the company to continue to evolve in an international market environment.
- The Bosch Group has clear **core competencies** that cross departmental boundaries. Utilizing this potential systematically across all business sectors and regions of the world will enhance our competitiveness.
- The **Bosch Business System** promotes the continuous improvement of all internal processes and their practical implementation.

The 'House of Orientation' helps all associates of the Bosch Group to better understand the changes in the Company, to play their part in shaping those changes, and in this way to ensure Company's long-term competitiveness.

The year witnessed initiation of the biggest change initiative through the introduction of Bosch Human Resource System 3.0 which brings in transparent, standardized and more efficient global processes.

The Company has 11,354 employees (excluding contract labour) as on December 31, 2013. Of which permanent women employees are 380 and the contract labours account for 2,991. The management of the Company recognizes employee association and around 80% of the permanent employees of the Company are members of this association. During the last year safety & skill upgradation training were given to 68% of permanent employees, 80% of permanent women employees and 60% of casual / temporary/contractual employees. The Company has not received any complaints relating to child labour, forced labour, involuntary labour and sexual harassment during the financial year 2013.

Company's responsiveness towards its stakeholders, especially those who are disadvantaged, vulnerable and marginalized. (Principle-4)

It is the responsibility of individuals as well as organizations to give back to nature and to society what they take from it. With sustainability in its DNA and with responsibility as one of its integral values, the Company has been working for social improvement since its inception.

The principle of social commitment, both for its employees and for the underprivileged sections of society, underlies the corporate policy of Company. The Company has been contributing to the society at large in various sections under major thrust areas, viz., health and hygiene; vocational training and neighbourhood projects as per local needs.

In the years to come, the Company intends to take social engagement to a higher and deeper level, to be able to make a greater difference in the lives of the communities and the people it touches.

In continuation of its special initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders, the Company has engaged around 75 physically disabled persons through NGO 'Ability in Disability' who are working in various departments viz. Power Tools Packaging; Aftermarket spare parts etc.

Some of the initiatives undertaken by the respective Plants during the year 2013 are summarized below.

Bangalore Plant:

The Child Health Development Programme (CHDP), a story line project under our thrust area of Health & Hygiene is well appreciated and benefitted the underprivileged school children between 6 to 14 years of age. Around 10,000 children have been medically screened and the findings have been quite alarming. Around 98% have been diagnosed with various ailments in dental, eye, ENT, cardiac, etc. All these children have been given complete medical treatment including surgeries and dental treatment. The teachers have also been considered in this programme. The above programme is being executed with the support of the Company volunteers through an NGO SHARP.

Bosch Vocational Centre(BVC)

Bosch Vocational Centre and Bosch Training Centre of the Company helps provide vocational training to the under privileged. Training to the students of diesel mechanics, motor mechanics, carpentry trade etc. have been continuing with prescribed syllabus agreed between the Govt. ITI and Bosch. The skills and latest technology



German Federal President Joachim Gauck visited Bosch Vocational Center, Bangalore, a center of excellence for vocational training in India

training is imparted to the students, who have got 100% placements.

War on Waste (WoW)

From 'Garden City' to 'Garbage City', Bangalore's new epithet is not unfounded, considering that its waste management system is inadequate to cope with its exponential growth.



Volunteering for a cause: Bosch associates participate in 'War on waste' awareness campaign

As an environmentally-friendly and socially-conscious Company, the Company realized that this isn't just another civic issue to be tackled only by the civic authorities. To contribute towards ensuring a cleaner environment, the Company initiated a 'War on Waste' programme in March 2013 to implement proper practices of waste segregation at the source in the immediate vicinity of the Bangalore plant, for which a mechanical composting machine has been installed at the premises. This also involves an assessment of the surrounding areas and working with the Bruhat Bangalore Mahanagara Palike (BBMP) to implement norms more effectively. It calls for the active participation of citizens in the battle against waste, for which street plays and door-to-door campaigns by Company volunteers with participation from school children have been conducted to spread awareness among citizens.

Supporting local traffic police

The Bangalore plant started relationship-building initiatives with local traffic police, including the provision of clothing for protection from rain and cold and a crèche for the care of their kindergarten children. This enabled better work conditions and support to their families, thereby making their lives easier.



An endeavor to bring about changes that will help the society, even though in little ways - helping the local traffic police

Infrastructure support to schools

The Bangalore plant has supplemented the Government schools in its neighborhood, by renovating their buildings, upgrading sanitation facilities, apart from health checkups and created environment awareness.



Bosch Naganathapura plant supports needy students of the neighbouring Government schools with school uniforms

Apart from the above, a number of social groups and projects have been supporting a variety of social causes. Since 1993, the Company has engaged with Ability in Disability Foundation (AID), a registered society working towards the empowerment of the differently-abled by outsourcing assembling work to them and thus ensuring that they have a life of dignity and livelihood. 'Manasi', an initiative founded in 2004 by the women employees of the Bangalore plant, supports social programmes and projects run by the Company, and through voluntary organizations for the underprivileged in the areas of education, employment, health and hygiene, disability, building

self-confidence, and overall empowerment. The Plant also supports orphanages and old age homes by providing food from the Company canteen, a practice which has been followed since several years.

Nashik Plant:

The Nashik plant adopted Dubewadi village and undertook various projects related to the thrust areas of Corporate Social Responsibility. In the area of health and hygiene, activities included a general health camp, malnutrition and dental health camp, and a health checkup in a tribal school. In the environment front, provision of solar lamps and planting of fruit-bearing trees was undertaken. Community development initiatives included: livestock development, an '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.



In aid of a social cause: Nashik Run

The Plant was instrumental in forming the Nashik Run Charitable Trust in partnership with neighboring corporate offices. Since the inaugural race in 2003, the 'Nashik Run' has grown steadily in size and popularity to become one of the well-known sports events of the city. The funds raised through this event are used for the upliftment of the underprivileged in and around Nashik. Nashik Run, in its 12th year of operation has become the biggest annual 'Social Run' in the country with more than 20,000 participants every year. The work done by NGOs supported through 'Nashik Run' has created benchmarks in their respective fields of social work.

Jaipur Plant:

Water being scarce in Rajasthan, clean and potable water for health and hygiene was a concern. A clean

water project involving rain water harvesting was implemented. Another concern the skin and dental diseases due to the presence of excess fluoride in the water. A Reverse Osmosis (RO) plant was inaugurated in August 2013 at Vatika village, and has been handed over to a local NGO. The Jaipur plant



Reverse osmosis plant at Vatika village, Jaipur

also supported local engineering colleges by providing opportunities to their students to work on projects in the plant premises. Other projects involved toilet repair in Goner Girls School and tree plantation at the Company's colony.

Clean Air Campaign

Increasing air pollution is a serious concern in India in the context of health. The Company has recognised the dire need to address this issue at an early stage. In the year 2004, Bosch Limited had initiated the Clean Air for Bangalore campaign, a local initiative to minimise air pollution in the city. What started as a small project has now gained national attention with policy makers, vehicle manufacturers, environmentalists, corporate houses and other stakeholders have joined hands with the Company to fight for the cause of clean air. Awareness campaigns for students, drivers and to general public are carried out on a regular basis.

Company's policy on human rights. (Principle-5)

The Company respects and supports compliance with national and internationally recognized human rights of all relevant stakeholders and groups within and beyond the workplace in particular as regards those of our associates and business partners.

The Company's policy on human rights covers not only the Company but extends to its group

companies, joint ventures, suppliers, contractors, NGOs etc. The Company has not received any complaint from any stakeholder regarding violation of human rights.

Environment, Health and Safety (EHS) (Principle-6)

The Company has a Work Safety and Environment Policy which aims at providing safe work place to our employees and protect environment, comply with legal requirements and make products that are safe, and eco-friendly. The policy is reviewed for any changes arising due to changes in regulatory requirements, customer requirements and improvements in technology.

The Company's 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 the Company's internal requirements. Layered audits are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues addressed within due dates.

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.

Environment protection:

Innovative technologies are used to reduce the impact on the environment. In the entire chain of manufacturing, the thrust is on preserving natural resources. Processes are designed to minimize use of raw materials, water and energy. Based on technological developments, the processes are reviewed for optimization through continuous improvement process. Water and energy conservation projects yield substantial results, year on year.

By adopting clean technologies, the use of hazardous substances in the processes is minimized. Also, through

continuous improvement process, substance with low hazard intensity replaces those with higher hazard characteristics. Various projects are implemented to reduce the generation of wastes arising out of processes

ENVIRONMENT	
Vision	Mission
	With our innovative technologies, products and services, we reduce the impact upon the environment and generate profitable growth.
	We ensure environmental sound processes and technologies in our value chain.
	Our associates act environmentally responsible.
	We actively improve the environmental conditions.

and packaging activities. Effluents generated from processes are treated in automated treatment facilities. It is further subjected to tertiary treatments so as to make it suitable for recycling and reuse. The treated domestic effluent is reused for secondary purposes like gardening and toilet flushing.

Segregation of wastes is ensured at its place of generation. Process changes are also aimed at reducing generation of hazardous wastes. The thrust is on recycling and reuse of hazardous wastes. Those which cannot be reused are disposed in line with statutory requirements. Overall objective is to reduce wastes going into landfills.

By adopting various air pollution control measures, it is ensured that the emissions meet the stipulated standards. Monitoring and measurement plans are established to frequently check the effectiveness of control measures.

Environment protection models are based on the identified key aspects impacting environment. These are:

(i) Climate protection:

The Company is committed for its active participation in an endeavor to climate protection and its sustainability. As a global Company, it aims to reduce relative CO₂ emissions by 25% by 2020 (keeping 2007 figure as the baseline). To accomplish this goal, Company's divisions have defined clear climate

protection objectives and measures to improve energy efficiencies at various process stages. Solar power generation, solar hot water generation, steam generation from solar concentrators and turbo ventilators are some of the initiatives taken at our locations for harnessing renewable sources of energy.

More than 10,000 trees are nurtured across the Company's locations, which also contribute towards reducing 'Carbon footprint'.

(ii) Water conservation:

The Company's plants are working continuously to reduce and optimize water consumption. Water balance is established by carrying out water audits. Automated effluent treatment facilities treat the process effluent efficiently. Post tertiary treatment, treated process effluent is reused in processes and other secondary purposes. The treated domestic effluent is used for toilet flushing and gardening.

Rain water harvesting measures adopted at the Company plants help in recharging valuable ground water.

(iii) Waste Management:

Waste management is a critical part of Company's governance as it plays a vital role in protecting environment and people. Wastes are segregated based



Bosch Bangalore associates explaining importance of waste management on their characteristics and suitable reuse/disposal mechanisms worked out. Waste management strategy includes reduction in generation of wastes, recycling of wastes and maximizing the reuse.

The Company also conducts regular audits at the locations where the wastes are disposed to ensure it

is treated and disposed in a scientific manner with minimum impact on the environment.

An insight to the environment initiatives at the Company can be accessed at the hyperlink viz., <http://www.boschindia.com/content/language1/html/4430.htm>

Occupational health and safety:

Safety at the workplace and the physical well-being of our associates has top priority. The Company adheres to the relevant national standards and internal requirements for a safe, hygienic working environment and takes appropriate action within this framework.

Vision	Mission
 WE ACHIEVE EXCELLENCE IN HEALTH & SAFETY AND STRIVE FOR THE WELL-BEING OF OUR ASSOCIATES	We provide a healthy and safe work environment for all.
	We keep safety as a precondition of stable and managed processes, as well as for productivity improvement.
	We are the role model for health & safety in our communities.

At Company's locations, the focus is on accident prevention. Risk assessment is being carried out for all activities and required engineering and administrative controls are put in place. Responsibilities are defined at various levels in the organization. Layered audits are



Bosch Bangalore associates taking pledge on National Safety Day

carried out by different functional levels. Action plans are reviewed by the plant managements. "Near miss reporting" is one of the initiatives introduced to further enhance the maturity at locations.

Behavior based safety programs are being initiated on pilot scale to address the challenging issues related to behavior of individuals towards safety. This is one of the effective tools to ensure sustenance of deployed measures.

Lighting, noise, dust and ventilation are monitored in work places to ensure limits set by statutory requirements. Effective controls are ensured by provision of control equipments and use of personal protective equipments. Annual health checkups are carried out to monitor the health of the employees.

Business Continuity (Emergency/Fire)

Emergency preparedness and response is an effective tool for controlling identified emergency conditions at various locations. The Company's locations have adequate fire protection systems in line with national standards. Initiatives like flame detection system for

BUSINESS CONTINUITY (EMERGENCY/FIRE)

Vision	Mission
WE PROTECT PEOPLE AND ENSURE CUSTOMER DELIVERY, NO MATTER WHAT	We provide a safe work environment.
	We assure customers and communities to be absolutely confident in Bosch.
	We are best prepared to maintain our business.

endurance test cells and oil stores, water mist fire protection system for furnaces, gas suppression system for battery banks, early detection and gas suppression system for fire prone machines, and advanced fire tenders have greatly contributed towards control of fire incidences. As a part of business continuity management, locations have emergency preparedness measures in place for major risks.

Awards and Accolades:

Jaipur plant received the Certificate of Appreciation from United States Agency for International Development (USAID) and Confederation of Indian



Jaipur plant received Certificate of Appreciation from USAID and CII

Industry (CII) for 'Promoting water use efficiency across urban sector to address the climate change'.

Company's responsibility towards public and regulatory policy. (Principle-7)

The Company through the various Industry forums of which it is member, endeavors to promote growth and technological progress, governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles and other matters impacting environmental and society at large.

The Company is also member of various chambers and trade association such as Confederation of Indian Industry, Bangalore Chamber of Commerce, Automotive Component Manufacturers' Association of India, Bombay Chamber of Commerce and Industry etc. Select Company executives participate in the workshops and seminars conducted by these chambers and associations on matters of importance to the Company and its business.

Inclusive growth and equitable development. (Principle-8)

The Company has specified programs/modules/projects in pursuit of stakeholder engagement especially those who are disadvantaged, vulnerable and marginalized.

The Company captures the stakeholder expectations through an annual survey at Bangalore, Nashik and Jaipur plants. During this interaction, the Company invites the whole spectrum of stakeholders such as end beneficiaries, Government regulatory agencies, transport corporations, hospitals, NGO's and eminent personalities from the society. The social responsibility activities of the Company are presented to the audience and their feedback is obtained. The stakeholders have personal interaction with the senior management of the Company on such occasions. The Company captures the perception using a questionnaire and results are analyzed and improvement actions are prioritized. For example, based on such feedback in 2012, the Company has taken up various initiatives like the school health programme, vocational training, clean air campaign, community development of village, setting up RO

plants in few more locations etc. Similarly, the Company provided additional employment to disabled through the “Ability and Disability” organization at Bangalore Plant location. The society perception results are measured on a scale of 1 to 4 and have improved over the last few years.

Bosch India Foundation

Bosch India Foundation (BIF), the trust of five Bosch group companies in India, formed in 2008, continued its journey of serving the underprivileged and weaker sections of society through vocational skills training and healthcare projects, thus sustaining the philanthropic values of the Bosch Group in India. Over the last five years, the foundation through its activities made its presence felt in the community and with NGO partners promoting skill trainings for youth especially technical skills.

In 2013, through its many programs, the Foundation enabled the lives and livelihood of 6936 persons. Below is a glimpse into the activities of the two main focus areas.

Vocational Skills Training:

In a country where over 40% of children drop out from school and are left to fend for themselves without any marketable skills, the focus on vocational training that includes both hard and soft



In 2013, 81 BIF vocational skills training programs in 32 trades were conducted in partnership with NGOs across 17 locations in India, training over 6400 youth.

trade skill, brought in hope for employment and livelihood activities for many youth.

81 different short duration training programs with several batches a year were conducted in 17 locations of India through the partnership with 38 NGOs. These trainings in 32 trades allowed the youth

a choice of what suited them best, prepared them to deal with the finer nuances of the job market and enabled them to get entry level jobs, opening up more career paths which was never possible before.

Highlights of some of the projects the Foundation was involved in during 2013 are given below:

- Training conducted for 1987 youth in technical trades such as fitter, automobile mechanic, mobile repair, electricals, plumbing, motor rewinding, compressor repair, welding, electronic hardware etc.
- 1983 rural persons from underprivileged background were supported in skills related to the construction industry (masonry, carpentry, painting and electrical work).
- 1223 youth were trained in basic computers, DTP and/or Tally.
- Training and placements supported for 904 youth in service and sales related jobs.
- Supported the training of 179 specially challenged youth in computers and production.
- Promoted 4 rural trades of sericulture, agriculture, dairy farming, and tractor repair that enhanced the livelihood of about 132 beneficiaries.

Bosch India Foundation, in partnership with the NGOs from the various locations of beneficiary activities, thus trained about 6408 youth in 2013.

Health Care:

Healthcare takes precedence over almost most other needs in society, especially in an economically growing nation like India with as many families Below Poverty Line (BPL). Confronted with the many areas of dire need, Bosch India Foundation has chosen to work in a few areas where intense intervention produces a sustainable change that can help people become productive and independent members of society. Some of the programs supported by the Foundation in 2013 are given below:

- 206 young infants and mothers of high risk deliveries from tribal and underprivileged

background in HD Kote district given life-saving medical support.

- Rectification of cleft palate and lip of about 236 young, poor, rural children from Karnataka and Gujarat, enabling them to lead normal lives.
- Rehabilitation of 66 spinal cord injury patients from underprivileged background from Karnataka, through 2 months residential program.

Overall in 2013, 528 lives were enabled through 5 healthcare interventions of the Foundation.

Company's responsibility towards its customers and consumers (Principle-9)

The Company's founder Robert Bosch's statement that "quality is the most valued asset" has remained an unwavering guideline for Company's business policies. The customers put their trust in our ability to deliver high quality in all our activities. This trust is based on our strength in implementing necessary improvements in a fundamental and lasting way. The Company firmly believes in the Bosch quality principles as laid down in our quality manual for its responsibility towards its customers and consumers.

Over the years, customer perception of the Company has changed to a 'partner in progress' through sustained customer relationship improvement measures. This has enabled the Company to enhance

its relationship further with continuous improvements and increasing customer touch points at all levels of the organization. Continuous appreciation by means of customer recognitions and awards as well as sustained improvement in customer satisfaction over last few years is a testimony to our focus on improving customer relationships systematically.

The Company had no significant customer complaints or consumer cases that are pending at the end of financial year 2013. The Company apart from the mandated declarations, additional informations are given on the products/labels relating to the products and their usage. There are no cases filed by any stakeholder against the Company regarding unfair trade practices as at the end of the financial year 2013. The Company conducts periodical customer satisfaction survey at designated touch points covering various aspects of Company's interfaces. The Company is guided by Bosch Values of Openness, Trust and Fairness in the day to day interactions with its customers. There are several avenues for regular dialogue with customers on manufacturing, quality and delivery issues. Exceeding customer's expectations is the Company's foremost priority. Therefore, the perception and experiences of Company's customers are captured and monitored regularly. These are reviewed by top management for improvements, where necessary.

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 December 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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"). 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 December 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year 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;
 - (e) On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Subramanian Vivek
Partner

Place : Bangalore
Date : February 27, 2014

Membership Number: 100332

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Auditors' Report of even date to the members of Bosch Limited on the financial statements as of and for the year ended December 31, 2013.

- 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 the 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 portion of the fixed assets has been physically verified by the Management during the year 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 year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. 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. 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. 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 have been so entered.
- (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 year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except to the extent of ₹ 593 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 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, 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 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.
- (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, entry tax, customs duty and excise duty as at December 31, 2013 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	Excise duty, Service Tax, interest and penalty	68	-	1992-94, 2002-04, 2005-11	Up to Commissioner's Level
		15	11	1998-01, 2003-06	Customs, Excise, Service Tax Appellate Tribunal
		6	-	2002-04	High Court
		29	-	1985-88, 1994-95	Supreme Court
Customs Act, 1962	Customs duty and interest	59	-	1991-92, 2009-10, 2011-12	Up to Commissioner's Level
		6	4	2009-10	Customs, Excise, Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and interest	118	-	1979-80, 1983-84, 2008-09	Up to Commissioner's Level
		1	-	2003-04	Income Tax Appellate Tribunal
		47	-	1990-94, 1995-04	High Court
State and Central Sales Tax Acts	Sales tax, interest and penalty	86	22	1993-94, 1995-10	Up to Commissioner's Level
		39	22	1996-97, 1998-99, 2000-01, 2002-06, 2009-11	Sales Tax Tribunal
Entry Tax Act	Entry tax and interest	2	-	1993-94, 1999-01	Up to Commissioner's Level
		0	-	1991-93	High Court

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year 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 year. 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 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 during the year. 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 year and does not have any debentures outstanding as at the beginning of the year and at the year 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 year. 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 year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants
Subramanian Vivek
Partner
Membership Number: 100332

Place : Bangalore
Date : February 27, 2014

Balance Sheet

as at December 31, 2013

[₹ in Millions (Mio INR)]

Particulars	Note No.	2013	2012
Equity and Liabilities :			
Shareholders' funds			
Share capital	3	314	314
Reserves and surplus	4	62,629	55,419
Non-current liabilities			
Long-term borrowings	5	1,289	1,813
Other long-term liabilities	6	391	334
Long-term provisions	7	2,517	2,184
Current liabilities			
Short-term borrowings	8	27	37
Trade payables	9	10,646	9,287
Other current liabilities	10	6,667	4,569
Short-term provisions	11	4,732	5,065
Total		89,212	79,022
Assets :			
Non-current assets			
Fixed assets	12		
(i) Tangible assets		9,364	8,566
(ii) Intangible assets		17	67
(iii) Capital work-in-progress		4,568	4,083
Non-current investments	13	9,850	5,588
Deferred tax assets (net)	14	2,989	2,552
Long-term loans and advances	15	2,626	2,256
Current assets			
Current investments	16	12,001	9,698
Inventories	17	12,072	10,957
Trade receivables	18	10,735	10,270
Cash and bank balances	19	14,415	14,872
Short-term loans and advances	20	9,132	8,787
Other current assets	21	1,443	1,326
Total		89,212	79,022
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

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

Place : Bangalore

Date : February 27, 2014

S. Karthik
Company Secretary

For and on behalf of the Board

V.K. Viswanathan

Chairman

Peter Tyroller

Bernhard Steinruecke

Renu S Karnad

Prasad Chandran

Bhaskar Bhat

Steffen Berns

Soumitra Bhattacharya

Directors

Managing Director

Joint Managing Director

Statement of Profit and Loss

for the year ended December 31, 2013

[₹ in Millions (Mio INR)]

Particulars	Note No.	2013	2012
Revenue from operations :			
Gross sale of product	43	92,354	91,322
Less : Excise duty		(6,949)	(7,150)
Net sale of product		85,405	84,172
Sale of services	22	1,006	1,052
Other operating revenue	23	1,790	1,367
Other income	24	3,526	3,692
Total Revenue		91,727	90,283
Expenses :			
Cost of materials consumed	25	29,932	27,947
Purchase of stock-in-trade	26	19,220	19,077
Changes in inventory of finished goods, work-in-progress and stock-in-trade	27	(1,329)	560
Employee benefit expenses	28	11,912	10,371
Finance cost	29	29	55
Depreciation and amortisation expenses	30	3,842	3,670
Other expenses	31	15,555	15,141
Total Expenses		79,161	76,821
Profit before tax		12,566	13,462
Tax expense :			
Current tax			
(i) for the year		4,070	4,163
(ii) relating to earlier years		86	(8)
Deferred tax charge/ (credit)		(437)	(276)
Profit for the year		8,847	9,583
Earnings per share - Basic and Diluted of face value of ₹ 10/- each	38	282	305
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

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

Place : Bangalore

Date : February 27, 2014

S. Karthik

Company Secretary

For and on behalf of the Board

V.K. Viswanathan

Peter Tyroller

Bernhard Steinruecke

Renu S Karnad

Prasad Chandran

Bhaskar Bhat

Steffen Berns

Soumitra Bhattacharya

Chairman

Directors

Managing Director

Joint Managing Director

Cash Flow Statement

for the year ended December 31, 2013

[₹ in Millions (Mio INR)]

	2013	2012
A Cash flow from operating activities		
Profit before tax	12,566	13,462
Adjustments for :		
Depreciation and amortisation expenses	3,842	3,670
Unrealised exchange difference	374	(20)
(Profit) / Loss on sale of fixed assets	(22)	(13)
(Profit) / Loss on sale / redemption of non-trade investments (net)	(686)	(830)
Premium paid on investments amortised	15	16
Rental income from Investment property	(389)	(370)
Dividend income	(57)	(223)
Interest income	(2,372)	(2,120)
Interest expense	29	55
Operating profit before working capital changes	13,300	13,627
Adjusted for :		
(Increase) / decrease in inventories	(1,115)	995
(Increase) / decrease in trade receivables	(465)	(1,271)
(Increase) / decrease in other current assets	(30)	36
(Increase) / decrease in long-term loans and advances	57	(16)
(Increase) / decrease in short-term loans and advances	(257)	(344)
Increase / (decrease) in trade payables	1,525	(1,183)
Increase / (decrease) in current liabilities and provisions	1,424	100
Increase / (decrease) in non-current liabilities and provisions	413	399
Cash generated from operations	14,852	12,343
Direct taxes paid (net of refunds)	(4,258)	(3,631)
Net cash from operating activities	10,594	8,712
B Cash flow from investing activities		
Additions to tangible fixed assets	(5,293)	(6,167)
Additions to investment properties	(47)	-
Proceeds from sale of tangible fixed assets	42	29
Purchase of investments	(18,161)	(7,271)
Sale of investments	12,290	9,385
Inter corporate deposit repayment received	4,450	4,300
Inter corporate deposit given	(4,600)	(4,400)
Loan to related party given	(1,200)	(1,020)
Loan to related party repayment received	1,070	1,240
Fixed deposit investment (original maturity of more than 3 months)	(12,952)	(15,042)
Fixed deposit maturity (original maturity of more than 3 months)	13,142	8,600
Purchase consideration paid towards acquisition	-	(99)
Dividend received	51	46
Rental income from Investment property	389	370
Interest received	2,357	1,794
Net cash from / (used in) investing activities	(8,462)	(8,235)
C Cash flow from financing activities		
Repayment of long-term borrowings and current maturities of long-term debt	(463)	(623)
Proceeds from/ (repayment of) short-term borrowings (net)	(10)	(144)
Dividends paid	(1,884)	(1,570)
Tax on dividend distribution	(320)	(256)
Capital subsidy received [refer note 4(a)]	326	1,056
Interest paid	(52)	(25)
Net cash from / (used in) financing activities	(2,403)	(1,562)
Net cash flows during the year (A+B+C)	(271)	(1,085)
Unrealised exchange gain/(loss) on cash and cash equivalents	0	0
Cash and cash equivalents (Opening balance)	1,810	2,895
Cash and cash equivalents (Closing balance)	1,539	1,810
	2013	2012
Cash and cash equivalents comprises of :		
Cash on hand	0	0
Cheques on hand	348	406
Bank balances		
Current accounts	175	172
Deposit accounts (original maturity of less than 3 months)	1,016	1,232

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
Firm Registration Number: 007567S
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bangalore
Date : February 27, 2014

S. Karthik
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	Chairman
Peter Tyroller	
Bernhard Steinruecke	
Renu S Karnad	Directors
Prasad Chandran	
Bhaskar Bhat	
Steffen Berns	Managing Director
Soumitra Bhattacharya	Joint Managing Director

Notes to the Financial Statements for the year ended December 31, 2013

Note 1: Company Information

Bosch Limited (the "Company") is the flagship company of Robert Bosch Group in India. Headquartered out of Bangalore, the Company has its manufacturing facilities in Bangalore, Nashik, Naganathapura, Jaipur and Goa. 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, special purpose machines, packaging machines, electric power tools, security systems, solar energy and thermo technology. 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 are prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

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 :

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

Notes to the Financial Statements for the year ended December 31, 2013

<u>Tangible assets</u>		Useful life (in years)
Office equipment	:	8
Vehicles	:	5
<u>Intangible assets</u>		
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 Rs.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 and customs duty on raw materials in bonded warehouses 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 is 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. Termination benefits are recognised as an expense as and when incurred.
 - (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 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.
- (h) Foreign currency transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year 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 year end are recognised in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended December 31, 2013

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 year 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:

Capital expenditure on Research and Development is capitalized as fixed assets and depreciated in accordance with depreciation policy of the Company. Revenue 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 the 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 year ended December 31, 2013

Note 3: Share Capital

[₹ in Millions (Mio INR)]

	2013		2012	
	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)]

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	31,398,900	314	31,398,900	314
Balance at the end of the year	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)]

	2013		2012	
	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 shares in the Company:

	2013		2012	
	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:

	2013	2012
Number of equity shares bought back by the Company	652,971	652,560

Notes to the Financial Statements for the year ended December 31, 2013

Note 4: Reserves and Surplus

[₹ in Millions (Mio INR)]

	2013	2012
Capital Reserve		
Balance at the beginning of the year	1,099	43
Additions during the year [refer note (a) below]	398	1,056
Balance at the end of the year	1,497	1,099
Share Premium		
Balance at the beginning and at the end of the year	8	8
Capital Redemption Reserve		
Balance at the beginning and at the end of the year	67	67
General Reserve		
Balance at the beginning of the year	39,838	38,880
Add: Transfer from surplus in statement of profit and loss	885	958
Balance at the end of the year	40,723	39,838
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	14,407	7,972
Add: Profit for the year	8,847	9,583
Less: Appropriations		
Proposed final dividend on equity share [₹ 55 (2012: ₹ 60) per equity share]	(1,727)	(1,884)
Dividend distribution tax on proposed dividend [including relating to prior year Mio INR 14 (2012: NIL)]	(308)	(306)
Transfer to General reserve	(885)	(958)
Balance at the end of the year	20,334	14,407
	62,629	55,419

- (a) Addition to capital reserve represents subsidy received/accrued during the year under the Package Scheme of Incentives, 2001 from the Government of Maharashtra Mio INR 398 (2012: Mio INR 1,056).

Note 5 : Long-term Borrowings

[₹ in Millions (Mio INR)]

	2013	2012
Unsecured:		
Sales tax deferral loan [refer note (a) below]	1,289	1,813
	1,289	1,813

- (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 under various schemes starting January 2009 onwards.
Repayable in 10 half-yearly equal instalments starting January 2012.

Note 6 : Other Long-term Liabilities

[₹ in Millions (Mio INR)]

	2013	2012
Other liabilities (indirect taxes, retention money, etc.)	391	334
	391	334

Notes to the Financial Statements for the year ended December 31, 2013

Note 7 : Long-term Provisions

[₹ in Millions (Mio INR)]

	2013	2012
Provision for employee benefits	2,466	2,054
Trade demand and others [refer note 11(a)]	51	74
Warranty [refer note 11(a)]	-	56
	<u>2,517</u>	<u>2,184</u>

Note 8 : Short-term Borrowings

[₹ in Millions (Mio INR)]

	2013	2012
Secured:		
Cash credit from banks [refer note (a) below]	27	37
	<u>27</u>	<u>37</u>

(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)]

	2013	2012
Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	194	171
Other trade payables	10,452	9,116
	<u>10,646</u>	<u>9,287</u>

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

[₹ in Millions (Mio INR)]

	2013	2012
(i) The amount due and remaining unpaid as at the balance sheet date		
- Principal	153	152
- Interest thereon	41	19
(ii) The amount of principal and interest paid beyond due date during the year		
- Principal	332	45
- Interest thereon	-	-
(iii) Interest due on principal amounts paid beyond the due date during the year but without interest	4	0
(iv) Interest accrued and remaining unpaid as at balance sheet date	22	11
(v) Total interest due but not paid for the earlier years	19	8

Note 10 : Other Current Liabilities

[₹ in Millions (Mio INR)]

	2013	2012
Current maturities of long-term debt	515	454
Unpaid dividend [refer note (a) below]	24	20
Advance from customers	477	605
Statutory dues	1,581	1,213
Other payables (include employee dues, towards purchase of fixed assets, etc.)	4,070	2,277
	<u>6,667</u>	<u>4,569</u>

(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 year end.

Notes to the Financial Statements for the year ended December 31, 2013

Note 11 : Short-term Provisions

[₹ in Millions (Mio INR)]

	2013	2012
Provision for employee benefits	387	635
Trade demand and others [refer note (a) below]	1,088	1,042
Warranty [refer note (a) below]	1,165	1,025
Provision for tax [net of advance tax paid Mio INR 18,731 (2012: Mio INR 16,689)]	71	173
Proposed final dividend [refer note (b) below]	1,727	1,884
Dividend distribution tax	294	306
	4,732	5,065

(a) Disclosure under Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" : [₹ in Millions (Mio INR)]

Description	As at 01.01.2013	Additions during the year	Utilised/Reversed during the year	As at 31.12.2013
Trade Demand and Others (Note (i) below)	1,116 (901)	594 (708)	571 (493)	1,139 (1,116)
Warranty (Note (ii) below)	1,081 (1,069)	531 (438)	447 (426)	1,165 (1,081)

(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 costs, 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 year.

(b) Proposed final dividend :

[₹ in Millions (Mio INR) except where otherwise stated]

	2013	2012
Proposed final dividend for the year on Equity share of ₹ 10/- each		
Amount of dividend proposed	1,727	1,884
Dividend per Equity share (₹)	55	60

Notes to the Financial Statements for the year ended December 31, 2013

Note 12: Fixed Assets

[₹ in Millions (Mio INR)]

Particulars	Gross Block				Depreciation				Net Block	
	2012	Additions	Deductions/ Adjustments	2013	2012	For the year	Deductions/ Adjustments	2013	2013	2012
(i) Tangible assets:										
Land - Freehold	65	-	-	65	-	-	-	-	65	65
- Leasehold	1,440	39	-	1,479	21	12	-	33	1,446	1,419
Buildings [refer note (a) below]	2,456	230	-	2,686	1,135	169	-	1,304	1,382	1,321
Buildings - R & D*	117	70	-	187	117	70	-	187	-	-
Plant and machinery	31,180	3,958	797	34,341	25,777	3,211	783	28,205	6,136	5,403
Plant and machinery - R & D*	2,231	121	7	2,345	2,231	121	7	2,345	-	-
Office equipment	691	30	26	695	570	44	25	589	106	121
Office equipment - R & D*	36	0	0	36	36	0	0	36	-	-
Furniture and fixtures	574	46	28	592	472	48	27	493	99	102
Furniture and fixtures - R & D*	59	1	1	59	59	1	1	59	-	-
Vehicles	473	82	49	506	338	83	45	376	130	135
Vehicles - R & D*	25	4	1	28	25	4	1	28	-	-
Total	39,347	4,581	909	43,019	30,781	3,763	889	33,655	9,364	8,566
Previous year	33,584	6,308	545	39,347	27,667	3,642	528	30,781		
(ii) Intangible assets (acquired):										
Know-how, business	65	-	-	65	-	49	-	49	16	65
Dealership and networking	2	-	-	2	-	1	-	1	1	2
Total	67	-	-	67	-	50	-	50	17	67
Previous year	-	67	-	67	-	-	-	-		
(iii) Capital work-in-progress									4,568	4,083
									13,949	12,716

(a) Buildings include Mio INR 0 (2012: Mio INR 0) being the value of shares in co-operative housing societies.

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

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

Description (Long term, unquoted, unless otherwise stated)	Number		Amount	
	2013	2012	2013	2012
A. Investment property :				
Land and buildings			851	718
Add: Capital work-in-progress			2	88
Less : Accumulated depreciation			(491)	(462)
Net block (Total - A)			362	344
B. Trade investments :				
(a) Investment in equity instruments :				
Joint venture :				
MHB Filter India Private Limited				
Equity shares of ₹ 10/- each fully paid	17,500,000	17,500,000	175	175
Total - B			175	175
C. Non-trade investments :				
(a) Investment in equity instruments :				
Subsidiary :				
MICO Trading Private Limited				
Equity shares of ₹ 10/- each fully paid	100,000	100,000	1	1
Others :				
ICICI Bank Limited (Quoted)				
Equity shares of ₹ 10/- each fully paid	437,110	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) Investment in bonds (Quoted) :				
India Infrastructure Finance Corporation Limited				
6.85% Tax Free unsecured bonds of ₹ 100,000/- each (moved to current investments)	-	38,000	-	3,817
Indian Railway Finance Corporation Limited				
6.00% Tax Free unsecured bonds of ₹ 100,000/- each	1,500	1,500	150	150
Indian Railway Finance Corporation Limited				
6.05% Tax Free unsecured bonds of ₹ 100,000/- each	200	-	19	-
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	296,000	-	294	-
(c) Investment in Mutual Funds (Quoted) :				
Birla Sunlife Mutual Fund				
Birla Sunlife Short Term Fund - Growth Regular Plan of ₹ 10/- each	12,909,760	-	569	-
Deutsche Mutual Fund				
DWS Ultra Short Term - Institutional Treasury Advantage Fund - Growth option of ₹ 10/- each	23,219,095	23,219,095	250	250
DWS Premier Bond Fund - Growth - Direct Plan units of ₹ 10/- each	12,493,004	-	250	-

Notes to the Financial Statements for the year ended December 31, 2013

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	
	2013	2012	2013	2012
HDFC Mutual Fund				
HDFC Cash Management - Treasury Advantage Plan - Growth Units of ₹ 10/- each of Liquid Fund	12,452,990	12,452,990	250	250
HDFC Medium Term opportunities Fund - Growth - Regular Plan - Units of ₹ 10/- each	19,134,654	-	250	-
HDFC Short Term Fund - Growth - Direct Plan units of ₹ 10/- each	4,433,056	-	100	-
ICICI Prudential Mutual Fund				
ICICI Prudential Flexible Income Plan Premium - Growth Units of ₹ 100/- each of Liquid Fund	1,467,910	1,467,910	250	250
ICICI Prudential Flexible Income Plan Premium - Growth Units of ₹ 100/- each of Liquid Fund	866,184	-	200	-
ICICI Prudential Flexible Income Plan Premium - Growth Units of ₹ 100/- each of Liquid Fund	1,728,758	-	400	-
ICICI Prudential Short Term-Growth - Direct Plan Units of ₹ 10/- each	16,265,339	-	400	-
IDFC Mutual Fund				
IDFC Dynamic Bond Fund - Growth - Direct Plan - units of ₹ 10/- each	37,675,248	-	550	-
IDFC Super Saver Income Fund - Short Term - Direct Plan - Growth units of ₹ 10/- each	31,577,449	-	770	-
Templeton Mutual Fund				
Templeton India Ultra Short Bond Fund Super IP - Growth of ₹ 10/- each of Liquid Fund	166,586,958	-	2,498	-
Templeton India Ultra Short Bond Fund Super IP - Growth of ₹ 10/- each of Liquid Fund	21,220,970	21,220,970	250	250
SBI Mutual Fund				
SBI Ultra Short Term Debt Fund - Growth - Direct Units of ₹ 1,000/- each of Liquid Fund	410,901	-	650	-
SBI Short Term Debt Fund - Growth - Direct Plan Units of ₹ 10/- each	33,573,716	-	461	-
UTI Mutual Fund				
UTI Treasury Advantage Institutional Plan - Growth - Direct Units of ₹ 1,000/- each of Liquid Fund	295,952	-	500	-
UTI Short Term Institutional Plan - Growth - Direct Units of ₹ 10/- each	10,427,529	-	150	-
Total - C			9,313	5,069
Total (A + B + C)			9,850	5,588
Aggregate amount of quoted investments			9,312	5,068
Market value of quoted investments			13,354	8,700
Aggregate amount of unquoted investments			176	176
Aggregate value of investment property			362	344
Aggregate provision for diminution in the value of investments			-	-

Notes to the Financial Statements for the year ended December 31, 2013

Note 14 : Deferred Tax Assets (Net)

[₹ in Millions (Mio INR)]

	2013	2012
Difference between books and Income tax written down value of depreciable fixed asset	2,341	1,908
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	648	644
	<u>2,989</u>	<u>2,552</u>

Note 15 : Long-term Loans and Advances

[₹ in Millions (Mio INR)]

(Unsecured, considered good unless otherwise stated)

	2013	2012
Capital advances	332	105
Security deposits	324	334
Loans to related parties	1,450	1,250
Others		
Secured (refer note 42)	184	169
Unsecured	336	398
	<u>2,626</u>	<u>2,256</u>

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	2013	2012	2013	2012
A. Non-trade investments :				
(a) Investments in bonds:				
Rural Electrification Corporation Ltd. 6.00% Capital Gains Unsecured Redeemable Bonds of ₹ 10,000/- each	-	500	-	5
India Infrastructure Finance Corporation Limited (Quoted) 6.85% Tax Free unsecured bonds of ₹ 100,000/- each (moved from non-current investments)	38,000	-	3,801	-
(b) Investment in mutual funds: (Quoted)				
Birla Sunlife Mutual Fund				
Birla Fixed Term Plan - Series EG - Growth Option of ₹ 10/- each	-	10,000,000	-	100
Birla Fixed Term Plan - Series FH - Growth Option of ₹ 10/- each	-	10,000,000	-	100
Birla Fixed Term Plan - Series FI - Growth Option of ₹ 10/- each	-	10,000,000	-	100
Birla Fixed Term Plan - Series FK - Growth Option of ₹ 10/- each	-	20,000,000	-	200
Birla Fixed Term Plan - Series FU - Growth Option of ₹ 10/- each	-	35,000,000	-	350
Birla Fixed Term Plan - Series FV - Growth Option of ₹ 10/- each	-	50,000,000	-	500
Birla Fixed Term Plan - Series GG - Growth Option of ₹ 10/- each	50,000,000	-	500	-
Birla Fixed Term Plan - Series GJ - Growth Option of ₹ 10/- each	15,000,000	-	150	-
Birla Fixed Term Plan - Series HF - Growth Option of ₹ 10/- each	10,000,000	-	100	-
Birla Fixed Term Plan - Series IV - Growth Option of ₹ 10/- each	10,000,000	-	100	-
Birla Fixed Term Plan - Series JA - Growth Option of ₹ 10/- each	35,000,000	-	350	-
Birla Fixed Term Plan - Series JE - Growth Option of ₹ 10/- each	10,000,000	-	100	-
Birla Fixed Term Plan - Series JG - Growth Option of ₹ 10/- each	20,000,000	-	200	-
Deutsche Mutual Fund				
DWS Fixed Maturity Plan - Series 5 - Growth Option of ₹ 10/- each	-	15,000,000	-	150
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	-

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	2013	2012	2013	2012
HDFC Mutual Fund				
HDFC Fixed Maturity Plan Series XIX - 370 D February 2012 (1) - Growth Option of ₹ 10/- each	-	20,000,000	-	200
HDFC Fixed Maturity Plan Series XIX - 370 D March 2012 (2) - Growth Option of ₹ 10/- each	-	15,000,000	-	150
HDFC Fixed Maturity Plan Series 22 - 370D May 2012 (3) - Growth Option of ₹ 10/- each	-	15,000,000	-	150
HDFC Fixed Maturity Plan Series 22 - 371D August 2012 (1) - Growth Option of ₹ 10/- each	-	20,000,000	-	200
HDFC Fixed Maturity Plan Series 22 - 371D September 2012 (1) - Growth Option of ₹ 10/- each	-	10,000,000	-	100
HDFC Fixed Maturity Plan Series 22 - 373D September 2012 (1) - Growth Option of ₹ 10/- each	-	10,000,000	-	100
HDFC Fixed Maturity Plan Series 23 - 371D November 2012 (1) - Growth Option of ₹ 10/- each	-	15,000,000	-	150
HDFC Fixed Maturity Plan Series 23 - 371D November 2012 (2) - Growth Option of ₹ 10/- each	-	25,000,000	-	250
HDFC Fixed Maturity Plan Series 23 - 369D December 2012 - Growth Option of ₹ 10/- each	-	15,000,000	-	150
HDFC Fixed Maturity Plan Series 23 - 371D December 2012 (1) - Growth of Option ₹ 10 each	10,000,000	-	100	-
HDFC Fixed Maturity Plan - Series 23 372D January 2013 (3) - Growth Option of ₹ 10 each	20,000,000	-	200	-
HDFC Fixed Maturity Plan - Series 28 370D November 2013 (1) - Growth Option of ₹ 10 each	20,000,000	-	200	-
ICICI Prudential Mutual Fund				
ICICI Prudential Fixed Maturity Plan - Series 62 - 367 days Plan A Growth Option of ₹ 10/- each	-	15,000,000	-	150
ICICI Prudential Fixed Maturity Plan - Series 62 - 367 days Plan B Growth Option of ₹ 10/- each	-	10,000,000	-	100
ICICI Prudential Fixed Maturity Plan - Series 62 - 367 days Plan C Growth Option of ₹ 10/- each	-	10,000,000	-	100
ICICI Prudential Fixed Maturity Plan - Series 64 - 367 Days Plan A Growth Option of ₹ 10/- each	-	15,000,000	-	150
ICICI Prudential Fixed Maturity Plan - Series 64 - 367 Days Plan D Growth Option of ₹ 10/- each	-	20,000,000	-	200
ICICI Prudential Fixed Maturity Plan - Series 65 - 367 Days Plan A Growth Option of ₹ 10/- each	-	40,000,000	-	400

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	2013	2012	2013	2012
ICICI Prudential Mutual Fund				
ICICI Prudential Fixed Maturity Plan - Series 65 - 367 Days Plan H - Growth Option of ₹ 10/- each	-	5,000,000	-	50
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	-
IDFC Mutual Fund				
IDFC Fixed Maturity Plan Yearly Series 51 - Growth Option of ₹ 10/- each	-	10,000,000	-	100
IDFC Fixed Maturity Plan 366 Days Series - 73 Growth Option of ₹ 10/- each	-	20,000,000	-	200
IDFC Fixed Maturity Plan 366 days Series - 74 Growth Option of ₹ 10/- each	-	15,000,000	-	150
IDFC Fixed Maturity Plan 366 days Series - 82 Growth Option of ₹ 10/- each	-	25,000,000	-	250
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	-
Tata Mutual Fund				
Tata Fixed Maturity Plan Series 42 Scheme A (370 days maturity) - Growth Option ₹ 10/- each	10,000,000	-	100	-
Tata Fixed Maturity Plan Series 43 Scheme D (370 days maturity) - Growth Option ₹ 10/- each	35,000,000	-	350	-
Tata Fixed Maturity Plan Series 44 Scheme B (370 days maturity) - Growth Option ₹ 10/- each	10,000,000	-	100	-
Tata Fixed Maturity Plan Series 46 -Scheme 46 A (370 days maturity) - Growth Option ₹ 10/- each	40,000,000	-	400	-

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

Description (Unquoted, unless otherwise stated)	Number		Amount	
	2013	2012	2013	2012
Templeton Mutual Fund				
Templeton India Ultra Short Bond Super IP Fund - Daily dividend of ₹ 10/- each of Liquid Fund	-	248,823,998	-	2,493
State Bank Mutual Fund				
SBI Debt Funds Series - 3 - 366 Days - Growth Option of ₹ 10/- each	-	35,000,000	-	350
SBI Debt Funds Series - 8 - 366 Days - Growth Option of ₹ 10/- each	-	20,000,000	-	200
SBI Debt Funds Series - 14 - 366 Days - Growth Option of ₹ 10/- each	-	10,000,000	-	100
SBI Debt Funds Series - 15 - 366 Days - Growth Option of ₹ 10/- each	-	15,000,000	-	150
SBI Debt Funds Series - 17 - 366 Days - Growth Option of ₹ 10/- each	-	15,000,000	-	150
SBI Debt Funds Series - 18 - 366 Days - Growth Option of ₹ 10/- each	-	50,000,000	-	500
SBI Debt Funds Series - 20 - 366 Days - Growth Option of ₹ 10/- each	30,000,000	30,000,000	300	300
SBI Debt Fund Series - 366 Days - 23 - Growth Option of ₹ 10/- each	25,000,000	-	250	-
SBI Debt Fund Series - 366 Days - 38 - Growth Option of ₹ 10/- each	10,000,000	-	100	-
SBI Debt Fund Series 366 Days - 46 - Growth Option of ₹ 10/- each	15,000,000	-	150	-
UTI Mutual Fund				
UTI Fixed Income Fund - Series X - VII (368 days) - Growth of ₹ 10/- each	-	15,000,000	-	150
UTI Fixed Income Fund - Series XI - IX (368 Days) - Growth ₹ 10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XII - IX (368 days) - Growth ₹ 10/- each	-	10,000,000	-	100
UTI Fixed Income Fund - Series XIII - I (368 days) - Growth ₹ 10/- each	-	30,000,000	-	300
UTI - Fixed Income Fund - Series XIV - I (366 Days) - Growth ₹ 10/- each	10,000,000	-	100	-
UTI Fixed Term 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	-
Total			12,001	9,698
Aggregate amount of quoted investments			12,001	9,693
Market value of quoted investments			12,371	9,951
Aggregate amount of unquoted investments			-	5
Aggregate value of investment property			-	-
Aggregate provision for diminution in the value of investments			-	-

Notes to the Financial Statements for the year ended December 31, 2013

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

[₹ in Millions (Mio INR)]

	2013	2012
Raw materials	2,829	2,999
Work-in-progress (refer Note 46)	1,250	1,517
Finished goods (refer Note 45)	3,800	2,571
Stock-in-trade (refer Note 45)	3,581	3,214
Stores and spares	261	273
Loose tools	351	383
	<u>12,072</u>	<u>10,957</u>

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

[₹ in Millions (Mio INR)]

Particulars	2013	2012
Raw materials	782	1,060
Stock-in-trade	973	1,093
Loose tools	13	8
	<u>1,768</u>	<u>2,161</u>

Note 18 : Trade Receivables

[₹ in Millions (Mio INR)]

	2013	2012
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months from the date they are due for payment	508	364
Others	<u>10,227</u>	<u>9,906</u>
	10,735	10,270
<i>Unsecured, considered doubtful</i>		
Outstanding for a period exceeding six months from the date they are due for payment	313	348
Others	<u>-</u>	<u>-</u>
	313	348
	<u>11,048</u>	<u>10,618</u>
Less: Provision for doubtful debts	<u>(313)</u>	<u>(348)</u>
	<u>10,735</u>	<u>10,270</u>

Note 19 : Cash and Bank Balances

[₹ in Millions (Mio INR)]

	2013	2012
Cash and cash equivalents		
Cash on hand	0	0
Cheques on hand	348	406
Bank balances		
Current accounts	175	172
Deposit accounts (original maturity of less than 3 months)	1,016	1,232
Other bank balances		
Deposit accounts (original maturity of more than 3 months but less than 12 months)	12,852	13,042
Unpaid dividend accounts	<u>24</u>	<u>20</u>
	<u>14,415</u>	<u>14,872</u>

Notes to the Financial Statements for the year ended December 31, 2013

Note 20 : Short-term Loans and Advances

[₹ in Millions (Mio INR)]

(Unsecured, considered good unless otherwise stated)

	2013	2012
Loan to related parties	1,600	1,670
Inter corporate deposits	3,850	3,700
Balance with customs, excise and sales tax authorities, etc	2,240	2,056
Others (include employee advances, vendor advances, etc.)		
Secured (refer note 42)	23	19
Unsecured [refer note (a) below]	1,419	1,342
	<u>9,132</u>	<u>8,787</u>

(a) Includes due from subsidiary, MICO Trading Private Ltd -Nil- (2012: Mio INR 0)

Note 21 : Other Current Assets

[₹ in Millions (Mio INR)]

(Unsecured, considered good unless otherwise stated)

	2013	2012
Interest accrued on investments	255	244
Interest accrued on bank deposits	590	586
Other current assets	598	496
	<u>1,443</u>	<u>1,326</u>

Notes to the Financial Statements for the year ended December 31, 2013

Note 22 : Sale of Services

[₹ in Millions (Mio INR)]

	2013	2012
Research and development income	747	902
Others	259	150
	<u>1,006</u>	<u>1,052</u>

Note 23 : Other Operating Revenue

[₹ in Millions (Mio INR)]

	2013	2012
Scrap sales	251	250
Export incentives	379	307
Provision/Liabilities no longer required written back	824	540
Miscellaneous income	336	270
	<u>1,790</u>	<u>1,367</u>

Note 24 : Other Income

[₹ in Millions (Mio INR)]

	2013	2012
Interest income		
Bank deposits	1,554	1,271
Loans to related parties	367	385
Non-trade investments - long term	282	276
Others	169	188
Dividend from investments - long term	57	223
Profit on sale/ redemption of long term, non trade investments (net)	686	830
Rent	389	370
Profit on sale of fixed assets (net)	22	13
Exchange gain (net)	-	136
	<u>3,526</u>	<u>3,692</u>

Note 25 : Cost of Materials Consumed

[₹ in Millions (Mio INR)]

	2013	2012
Raw materials consumed (refer note 47)	30,007	28,241
Less: Issues capitalised	(75)	(294)
	<u>29,932</u>	<u>27,947</u>

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

Note 26 : Purchase of Stock-in-trade

[₹ in Millions (Mio INR)]

	2013	2012
Purchase of goods (refer note 44)	19,220	19,077
	<u>19,220</u>	<u>19,077</u>

Notes to the Financial Statements for the year ended December 31, 2013

Note 27 : Changes In Inventories of Finished Goods, Work-in-progress and Stock-in-trade

[₹ in Millions (Mio INR)]

	2013	2012
Opening stock		
Finished goods	2,571	2,641
Work-in-progress	1,517	1,513
Stock-in-trade	3,214	3,708
Closing stock		
Finished goods	3,800	2,571
Work-in-progress	1,250	1,517
Stock-in-trade	3,581	3,214
	(1,329)	560

(a) Includes excise duty on increase / (decrease) of finished goods Mio INR 231 (2012: Mio INR 33)

Note 28 : Employee Benefit Expenses

[₹ in Millions (Mio INR)]

	2013	2012
Salary, wages, bonus etc.	10,754	8,661
Contributions to provident and other funds	329	805
Staff welfare	829	905
	11,912	10,371

Note 29 : Finance Cost

[₹ in Millions (Mio INR)]

	2013	2012
Interest expenses	29	55
	29	55

Note 30 : Depreciation and Amortisation Expenses

[₹ in Millions (Mio INR)]

	2013	2012
Depreciation expenses - Tangible assets [refer note 12 (i)]	3,763	3,642
- Intangible assets [refer note 12 (ii)]	50	-
- Investment property (refer note 13)	29	28
	3,842	3,670

Notes to the Financial Statements for the year ended December 31, 2013

Note 31 : Other Expenses

[₹ in Millions (Mio INR)]

	2013	2012
Consumption of stores and spares	775	917
Consumption of tools	1,654	1,374
Power and fuel	1,070	1,085
Repairs to machinery	737	765
Repairs to building	327	455
Royalty and technical service fee	1,363	1,477
Rent	360	302
Rates and taxes	233	323
Insurance	68	56
Packing, freight and forwarding	1,621	1,527
Warranty and service expenses	531	438
Travelling and conveyance	655	770
Professional and consultancy charges	1,248	1,177
Advertisement and sales promotion expenses	1,070	1,242
Miscellaneous expenses [Refer note (a) below]	3,897	3,407
Less: Expenses capitalised	(54)	(174)
	15,555	15,141

(a) Miscellaneous expenses include :

[₹ in Millions (Mio INR)]

	2013	2012
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee	6	6
Taxation matters and tax audit fees	1	1
Other services	3	3
Reimbursement of expenses	1	1
(ii) Donations	25	33
(iii) Provision for doubtful debts	123	202
(iv) Bad debts written off	83	13
(v) Premium paid on investment amortised	15	16
(vi) Exchange loss [including exchange loss of Mio INR 380 (2012: NIL) on account of mark-to-market valuation of outstanding forward contracts]	454	-

Note 32 : R & D Expenses/(Income)*

[₹ in Millions (Mio INR)]

	2013	2012
R & D Expenses :		
Cost of materials consumed	43	36
Employee benefit expenses	550	469
Other expenses	441	286
	1,034	791
R & D Income :		
Sale of services	(747)	(902)
Other income	(1)	(1)
	(748)	(903)

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

Notes to the Financial Statements for the year ended December 31, 2013

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 238 (2012: Mio INR 233) 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 Mico Workmen (Bangalore Works & Sales Houses) Provident Fund Trust and Mico 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 Accounting Standard 15 issued by the Institute of Chartered Accountants of India, 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 December 31, 2013.

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

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	2013	2012	2013	2012
Obligation at the beginning of the year	5,503	4,783	2,944	2,583
Service cost	262	239	231	274
Contributions from plan participants	572	544	-	-
Interest cost	477	423	236	233
Benefit settled	(758)	(704)	(273)	(167)
Actuarial (gain)/loss	(180)	169	(445)	21
Change in the reserves	220	19	-	-
Transfer In	24	30	-	-
Obligation at the end of the year	6,120	5,503	2,693	2,944

(ii) Change in plan assets:

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	2013	2012	2013	2012
Plan assets at fair value at the beginning of the year	5,585	4,989	2,623	2,313
Expected return on plan assets	507	448	218	208
Actuarial gain/(loss)	(55)	38	(25)	(13)
Asset distributed on settlements	-	-	-	-
Transfer In	24	30	-	-
Contributions	834	784	305	282
Benefit settled	(758)	(704)	(273)	(167)
Plan assets at fair value at the end of the year	6,137	5,585	2,848	2,623

Notes to the Financial Statements for the year ended December 31, 2013

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

	Provident Fund		Gratuity	
	2013	2012	2013	2012
Present value of obligation at the end of the year	6,120	5,503	2,693	2,944
Fair value of plan assets at the end of the year	6,137	5,585	2,848	2,623
(Surplus)/ Deficit recognised in balance sheet (*)	(17)	(82)	(155)	321

(*) 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	
	2013	2012	2013	2012
Service cost	262	239	231	274
Interest cost	477	423	236	233
Expected return on plan assets	(507)	(448)	(218)	(208)
Actuarial (gain)/ loss	(125)	131	(420)	34
Past service cost	-	-	-	-
Net cost	107	345	(171)	333

(v) Investment details:

	Provident Fund		Gratuity	
	2013	2012	2013	2012
	% Invested	% Invested	% Invested	% Invested
Government of India Securities (Central and State)	49	48	52	52
High Quality Corporate Sector Bonds (including Public Sector bonds)	43	45	30	34
Cash and bank balances (including Special Deposits Scheme, 1975)	8	7	18	12
Others	-	-	-	2
Total	100	100	100	100

(vi) Assumptions :

	Provident Fund		Gratuity	
	2013	2012	2013	2012
Discount factor [refer note (a) below]	9.25%	8.30%	9.25%	8.30%
Estimated rate of return on plan assets [refer note (b) below]	9.25%	8.30%	9.25%	8.30%
Attrition rate (age upto 44 years / age above 44 years)	2% / 1%	2% / 1%	2% / 1%	2% / 1%
Rate of escalation in salary per annum [refer note (c) below]	9.50%	9.30%	9.50%	9.30%
Retirement age	60	60	60	60

(vii) Contribution expected to be paid to the Mico Employees' Gratuity Fund within next year is Mio INR 200 (2012: Mio INR 261).

Contribution expected to be paid to the Mico Workmen (Bangalore Works & Sales Houses) Provident Fund Trust and Mico Workmen's (Nashik) Provident Fund Trust within the next year is Mio INR 305 (2012: Mio INR 258).

Notes to the Financial Statements for the year ended December 31, 2013

[₹ in Millions (Mio INR)]

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

	2013	2012	2011	2010	2009
Present value of defined benefit obligation	2,693	2,944	2,583	2,291	1,990
Fair value of plan assets	2,848	2,623	2,313	2,014	1,825
(Surplus)/ Deficit recognised in the Balance Sheet	(155)	321	270	277	165
Experience adjustment on Plan Assets [gain/ (loss)]	(25)	(13)	18	(21)	(4)
Experience adjustment on Plan Obligation [(gain)/ loss]	(445)	21	(4)	(0)	17

(ix) Net (asset)/liability in respect on Provident Fund (including experience adjustment impact): [₹ in Millions (Mio INR)]

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

Notes:

- 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.
- 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.
- 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 year ended December 31, 2013

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 equipments, consumer goods and energy and building technological goods 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue								
Net sale of product	74,403	74,938	11,002	9,234	-	-	85,405	84,172
Sale of services	976	1,052	30	-	-	-	1,006	1,052
Other operating revenue	1,587	1,274	203	93	-	-	1,790	1,367
Inter-segment revenue	-	-	129	468	(129)	(468)	-	-
Total Revenue	76,966	77,264	11,364	9,795	(129)	(468)	88,201	86,591
Result								
Segment result	9,934	10,277	553	890	-	-	10,487	11,167
Less: Unallocated corporate expenses							(1,418)	(1,342)
Add: Other income							3,526	3,692
Less: Finance costs							(29)	(55)
Less: Tax expense (net)							(3,719)	(3,879)
Net Profit							8,847	9,583
Other Information								
Segment assets	34,612	32,491	5,044	3,942	-	-	39,656	36,433
Unallocated corporate assets							49,556	42,589
Total assets	34,612	32,491	5,044	3,942	-	-	89,212	79,022
Segment liabilities	18,423	17,043	2,548	1,542	-	-	20,971	18,585
Unallocated corporate liabilities							5,298	4,704
Total liabilities	18,423	17,043	2,548	1,542	-	-	26,269	23,289
Capital expenditure	4,824	5,859	99	241				
Depreciation and amortisation	3,494	3,462	129	75				

(b) Details of secondary segment

Revenue from geographical segment is based on location of its customers. Total carrying amount of assets and the 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	
	2013	2012	2013	2012	2013	2012
India	76,813	76,108	86,939	76,782	5,113	7,262
Outside India	11,388	10,483	2,273	2,240	-	-
Total	88,201	86,591	89,212	79,022	5,113	7,262

Notes to the Financial Statements for the year ended December 31, 2013

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 year :

Fellow Subsidiary Companies:

Ampack GmbH, Germany
Autoboss Tech. INC., China
Beissbarth GmbH, Germany
Bosch (Zhuhai) Security Systems Co., Ltd., China
Bosch Automotive Diagnostics Equipment (Shenzhen) Ltd., China
Bosch Automotive Diesel Systems Co., Ltd., China
Bosch Automotive Electronics India Private Ltd., India
Bosch Automotive Products (Changsha) Co., Ltd., China
Bosch Automotive Products (Nanjing) Co., Ltd., China
Bosch Automotive Products (Suzhou) Co., Ltd., China
Bosch Automotive Service Solutions (Suzhou) Co., Ltd., China
Bosch Automotive Service Solutions Corporation, Japan
Bosch Automotive Service Solutions GmbH, Germany
Bosch Automotive Service Solutions LLC, United States
Bosch Automotive Service Solutions Ltd., United Kingdom
Bosch Automotive Service Solutions Pty. Ltd., Australia
Bosch Automotive Service Solutions S.R.L., Italy
Bosch Automotive Service Solutions SARL, France
Bosch Automotive Thailand Co. Ltd., Thailand
Bosch Car Multimedia Portugal, S.A., Portugal
Bosch Chassis Systems India Ltd., India
Bosch China (Investment) Ltd., China
Bosch Corporation, Japan
Bosch Diesel s.r.o., Czech Republic
Bosch Electrical Drives Co., Ltd., Korea
Bosch Electrical Drives India Private Ltd., India
Bosch Engineering GmbH, Germany
Bosch Engineering Holding GmbH, Germany
Bosch Industriekessel GmbH, Germany
Bosch Lawn and Garden Ltd., United Kingdom
Bosch Management Support GmbH, Germany
Bosch Packaging Services AG, Switzerland
Bosch Packaging Systems AG, Switzerland
Bosch Packaging Technology (Hangzhou) Co., Ltd., China
Bosch Packaging Technology (Singapore) Pte. Ltd., Singapore
Bosch Packaging Technology B.V., Netherlands
Bosch Packaging Technology K.K., Japan
Bosch Packaging Technology Limited, United Kingdom
Bosch Packaging Technology SA, Switzerland
Bosch Packaging Technology, Inc., United States
Bosch Power Tec GmbH, Germany
Bosch Power Tools (China) Ltd., China
Bosch Rexroth (India) Ltd., India
Bosch Rexroth AG, Germany
Bosch Rexroth Ltda., Brazil
Bosch Rexroth S.R.L., Romania
Bosch Sanayi ve Ticaret A.S., Turkey
Bosch Security Systems B.V., Netherlands
Bosch Security Systems Inc., United States
Bosch Security Systems S.A., Spain
Bosch Sicherheitssysteme GmbH, Germany
Bosch Solar Energy AG, Germany
Bosch Solarthermie GmbH, Germany
Bosch Thermotechnology (Shandong) Co., Ltd., China
Bosch Trading (Shanghai) Co., Ltd., China
Bosch Transmission Technology B.V., Netherlands
BSH Home Appliances Private Limited, India
Centro Studi Componenti per Veicoli S.p.A., Italy
ETAS Automotive India Private Ltd., India
ETAS GmbH, Germany
Freud S.p.A., Italy
Hüttlin GmbH, Germany
Matra-Werke GmbH, Germany
MIVIN Engineering Technologies Private Ltd., India
Moehwald GmbH, Germany

Moeller & Devicon A/S, Denmark
Nippon Injector Corporation, Japan
OOO Robert Bosch, Russian Federation
OOO Robert Bosch Saratow, Russian Federation
P.T. Robert Bosch, Indonesia
Pharmatec GmbH, Germany
Precision Seals Manufacturing Ltd., India
Robert Bosch (Australia) Pty. Ltd., Australia
Robert Bosch (France) S.A.S., France
Robert Bosch (Malaysia) SDN. BHD., Malaysia
Robert Bosch (Pty.) Ltd., South Africa
Robert Bosch (South East Asia) Pte. Ltd., Singapore
Robert Bosch A/S, Denmark
Robert Bosch AG, Austria
Robert Bosch Argentina Industrial S.A., Argentina
Robert Bosch Car Multimedia GmbH, Germany
Robert Bosch Car Multimedia Holding GmbH, Germany
Robert Bosch Company Ltd., China
Robert Bosch Elektronik GmbH, Germany
Robert Bosch Elektronika Gyártó Kft., Hungary
Robert Bosch Elektrowerkzeuge GmbH, Germany
Robert Bosch Energy and Body Systems Kft., Hungary
Robert Bosch Engineering and Business Solutions Ltd., India
Robert Bosch Engineering and Business Solutions Vietnam Co. Ltd., Vietnam
Robert Bosch España Fábrica Madrid S.A., Spain
Robert Bosch España Fábrica Treto S.A., Spain
Robert Bosch España Gasoline Systems S.A., Spain
Robert Bosch España, S.L.U., Spain
Robert Bosch Fahrzeugelektrik Eisenach GmbH, Germany
Robert Bosch Fuel Systems LLC, United States
Robert Bosch Inc., Canada
Robert Bosch Korea Diesel Ltd., Korea
Robert Bosch Korea Ltd., Korea
Robert Bosch Licensing Administration C.V., Netherlands
Robert Bosch LLC, United States
Robert Bosch Ltd., Egypt
Robert Bosch Ltda., Brazil
Robert Bosch México S.A. de C.V., Mexico
Robert Bosch México Sistemas Automotrices, S.A. de C.V., Mexico
Robert Bosch Middle East FZE, United Arab Emirates
Robert Bosch Oy, Finland
Robert Bosch Packaging Technology B.V., Netherlands
Robert Bosch Packaging Technology Inc., United States
Robert Bosch Power Tools Sdn. Bhd., Malaysia
Robert Bosch Produktie N.V., Belgium
Robert Bosch S.P.A. Società Unipersonale, Italy
Robert Bosch Sdn. Bhd., Malaysia
Robert Bosch Sp. Z O.O., Poland
Robert Bosch Taiwan Co., Ltd., Taiwan
Robert Bosch Tool Corporation, United States
Robert Bosch Vietnam Co., Ltd., Vietnam
Robert Bosch, S. de R.L. de C.V., Mexico
Robert Bosch, spol. s.r.o., Czech Republic
SBM Schoeller-Bleckmann-Medizintechnik GmbH, Austria
Scintilla AG, Switzerland
Service Solutions Brasil Desenvolvimento de Tecnologia Ltda., Brazil
sia Abrasives Industries AG, Switzerland
SICAM S.r.l., Italy
Tecnologie Diesel e Sistemi Frenanti S.p.A., Italy
Unipoint Electric MFG Co., Ltd., Taiwan
United Automotive Electronic Systems Co., Ltd., China
Vetronix Corporation, United States
Weifu High Technology Co., Ltd., China
ZF Lenksysteme India Private Ltd., India

Subsidiary Company : MICO Trading Private Limited, India

Joint Venture : MHB Filters India Private Limited, India

Other entity under the control of the Company : Bosch India Foundation, India

Key Management Personnel: Dr. Steffen Berns and Mr. Soumitra Bhattacharya

Note : The information disclosed is based on the names of the parties as identified by the management.

Notes to the Financial Statements for the year ended December 31, 2013

(b) Related Party transactions / balances - summary :

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Subsidiary	Joint Venture	Key Management Personnel	Other entity under the control of the Company	Total
Net sale of product	3,542 (3,377)	3,149 (3,046)		4 (20)			6,695 (6,443)
Sale of services	470 (306)	147 (34)					617 (340)
Rent income		389 (370)					389 (370)
Miscellaneous income (including reimbursements received)	189 (162)	531 (515)		8 (9)			728 (686)
Interest earned		367 (385)					367 (385)
Purchases of : Tangible assets	2,465 (1,642)	309 (192)					2,774 (1,834)
Goods	8,559 (10,034)	7,836 (7,315)		878 (768)			17,273 (18,117)
Dividend paid (cash basis)	1,341 (1,117)						1,341 (1,117)
Services received: Royalty and technical service fee	1,200 (1,448)	163 (23)					1,363 (1,471)
Professional, consultancy and other charges	1,683 (1,123)	1,058 (919)					2,741 (2,042)
Donation expense						21 (33)	21 (33)
Loan given during the year (*)		1,200 (1,020)					1,200 (1,020)
Loan repaid during the year		1,070 (1,240)					1,070 (1,240)
Loan receivable (*)		3,050 (2,920)					3,050 (2,920)
Trade receivables	568 (554)	894 (487)		1 (1)			1,463 (1,042)
Other receivables	102 (76)	424 (422)		1 (1)			527 (499)
Other advances receivable			(0)				- (0)
Trade payables	3,283 (2,154)	2,424 (1,913)		29 (30)			5,736 (4,097)
Other payables	322 (230)	14 (82)				21 (25)	357 (337)
Managerial Remuneration: Mr. V.K. Viswanathan (upto December 31,2012)					- (31)		- (31)
Dr. Manfred Duernholz (upto December 31,2012)					- (33)		- (33)
Mr. Soumitra Bhattacharya					16 (13)		16 (13)
Dr. Steffen Berns (from January 01, 2013)					41 -		41 -
Rent paid/ payable during the year: Mr. V.K. Viswanathan					- (0)		- (0)
Unpaid Bonus/ Commission as at year end					20 (27)		20 (27)
Loan and Advances transactions : Loan/Advances given during the year					0 (3)		0 (3)
Recovery during the year					1 (6)		1 (6)
Amount outstanding at the year end					4 (5)		4 (5)

(*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

[₹ in Millions (Mio INR)]

(c) Names and details of fellow subsidiaries having transaction value in excess of 10% in line transactions during the year

Particulars	Name of the fellow Subsidiary	2013	2012
Net sale of product	Robert Bosch Korea Diesel Ltd., South Korea	701	881
Rent income	Robert Bosch Engineering and Business Solutions Ltd., India	332	319
	Bosch Automotive Electronics India Pvt. Ltd., India	57	51
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Ltd., India	145	124
	Bosch Automotive Electronics India Private Ltd., India	79	67
	Bosch Chassis Systems India Ltd., India	81	76
Interest earned	Bosch Rexroth (India) Ltd., India	324	332
Purchase of goods	Bosch Automotive Electronics India Pvt. Ltd., India	2,330	2,252
Professional, consultancy and other charges received	Robert Bosch Engineering and Business Solutions Ltd., India	514	379
Loan given	Robert Bosch Engineering and Business Solutions Ltd., India	1,000	1,000
	Bosch Rexroth (India) Ltd., India	200	-
Loan repaid	Robert Bosch Engineering and Business Solutions Ltd., India	1,000	1,000
	Bosch Automotive Electronics India Pvt. Ltd., India	-	240

Notes to the Financial Statements for the year ended December 31, 2013

Note 36 : Lease Disclosures

Information on leases as per Accounting Standard 19 on "Accounting for Leases":

(a) Finance Lease :

The Company does not have any item covered under finance lease which needs disclosure as per Accounting Standard 19 - "Accounting for Leases".

(b) 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 year is Mio INR 360 (2012: Mio INR 302).

Disclosure in respect of Non-cancellable lease is as given below:

[₹ in Millions (Mio INR)]

Future minimum lease payments	2013	2012
- Not later than 1 year	93	80
- Later than 1 year and not later than 5 years	99	72
- Later than 5 years	-	-

(c) Operating Lease Income :

Rental income received during the year in respect of operating lease is Mio INR 389 (2012: Mio INR 370). Details of assets given on operating lease as on December 31, 2013 are as below:

[₹ in Millions (Mio INR)]

Particulars	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	2013	2012	2013	2012	2013	2012	2013	2012
Land	3	3	-	-	3	3	-	-
Buildings	848	715	491	462	357	253	29	28
Plant and machinery	520	390	399	370	121	20	29	10
Furniture and fixtures	51	50	50	49	1	1	1	1
Office equipment	36	33	33	33	3	0	0	1
Total	1,458	1,191	973	914	485	277	59	40

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 1,605 (2012: Mio INR 1,377)

Note 38 : Earnings Per Share

[₹ in Millions (Mio INR)]

	2013	2012
Profit attributable to Equity Shareholders	8,847	9,583
Weighted average number of Equity Shares outstanding during the year	31,398,900	31,398,900
Nominal value of Equity Shares (₹)	10	10
Basic and Diluted earnings per Share (₹)	282	305

Note 39 : Contingent Liabilities

[₹ in Millions (Mio INR)]

	2013	2012
(a) Claims against the Company not acknowledged as debts:		
Excise / Customs		
Net of tax	0	0
Gross	0	0
(b) Bills discounted not matured	577	531

Note 40 : Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

2,852 1,489

Notes to the Financial Statements for the year ended December 31, 2013

Note 41 : Interest in Joint Venture

Details of Company's share in the Joint Venture assets, liabilities, revenue and expenses as required by Accounting Standard 27 " Financial Reporting of Interests in Joint Ventures" is as indicated below:

Name of the Joint Venture : MHB Filter India Private Limited.
Country of Incorporation : India
Percentage of ownership interest : 25%

	[₹ in Millions (Mio INR)]	
	2013	2012
Assets		
Non-current assets		
Tangible assets	37	59
Long-term loans and advances	6	4
Other non-current assets	0	0
Current assets		
Current investments	0	0
Inventories	9	39
Trade receivables	15	15
Cash and bank balances	29	4
Short-term loans and advances	2	3
Other current assets	0	0
Liabilities		
Non-current liabilities		
Other long-term liability	1	1
Long-term provisions	-	-
Current liabilities and provisions		
Trade payables	4	18
Other current liabilities	8	15
Short-term provisions	16	2

	[₹ in Millions (Mio INR)]	
	2013	2012
Revenue		
Sale of products	209	231
Other operating revenue	1	3
Other Income	1	1
Expenses		
Cost of materials consumed	137	155
Changes in inventory of finished goods, work-in-progress and stock-in-trade	9	(3)
Depreciation	6	8
Other expenses	54	43

	[₹ in Millions (Mio INR)]	
	2013	2012
Other matters		
Capital commitment	-	7

Note 42 : (a) Advances include dues from directors and an officer of the Company	5	6
(b) Maximum amount due from directors and an officer of the Company at any time during the year	6	10

Notes to the Financial Statements for the year ended December 31, 2013

Note 43 : Particulars of Gross Sales

[₹ in Millions (Mio INR)]

Products	2013	2012
Fuel Injection Equipment	40,665	42,960
Injectors, Nozzles and Nozzle holders	21,270	21,423
Starters and Generators	10,916	9,629
Portable Electric Power tools	7,131	6,356
Others	12,372	10,954
	92,354	91,322

(a) The above amount does not include sale of raw material Mio INR 904 (2012: Mio INR 633)

Note 44 : Purchase of Stock-in-trade

[₹ in Millions (Mio INR)]

Products	2013	2012
Fuel Injection Equipment	7,533	7,932
Injectors, Nozzles and Nozzle holders	767	1,478
Portable Electric Power Tools	4,327	3,575
Filter and Filter Inserts	2,640	2,446
Others	3,953	3,646
	19,220	19,077

Note 45 : Closing Stock of Finished Goods and Stock-in-trade

[₹ in Millions (Mio INR)]

Products	2013	2012
Fuel Injection Equipment	3,206	2,518
Injectors, Nozzles and Nozzle holders	1,211	886
Portable Electric Power Tools	1,422	1,092
Others	1,542	1,289
	7,381	5,785

Note 46 : Closing Stock of Work-in-progress

[₹ in Millions (Mio INR)]

Products	2013	2012
Fuel Injection Equipment	437	564
Injectors, Nozzles and Nozzle holders	365	334
Starters and Generators	82	74
Special Purpose Machinery	143	270
Packaging machines	129	143
Others	94	132
	1,250	1,517

Note 47 : Cost of Materials Consumed

[₹ in Millions (Mio INR)]

Description	2013	2012
Components	23,182	23,902
Steel	119	298
Others	6,631	3,747
	29,932	27,947

Notes to the Financial Statements for the year ended December 31, 2013

Note 48 : Value of Imported and Indigenous Raw Materials, Spares and Components Consumed

[₹ in Millions (Mio INR)]

	2013		2012	
	%	Value	%	Value
Imported	40	12,306	41	11,826
Indigenous	60	18,460	59	17,017
	100	30,766	100	28,843

Note 49 : C.I.F Value of Imports

[₹ in Millions (Mio INR)]

	2013	2012
Raw materials	11,734	11,495
Components, spare parts, etc.,	930	942
Capital goods	2,946	2,548
Trade goods	9,967	11,301
	25,577	26,286

Note 50 : Expenditure in Foreign Currencies

[₹ in Millions (Mio INR)]

	2013	2012
Royalty and Technical service fee	1,363	1,477
Professional fees, travelling, trainees' expenses etc.	2,532	2,022
	3,895	3,499

Note 51 : Earnings in Foreign currencies

[₹ in Millions (Mio INR)]

	2013	2012
F.O.B. value of exports	8,753	8,683
Sale of service and others	1,017	749
	9,770	9,432

Note 52 : Remittances in Foreign Currency on Account of Dividends to Non-resident Shareholders

[₹ in Millions (Mio INR)]

No. of shareholders	No. of Shares	Face Value (₹)	Particulars	2013	2012
1	22,349,420	10	Final 2011	-	1,117
	22,349,420	10	Final 2012	1,341	-
				1,341	1,117

Notes to the Financial Statements for the year ended December 31, 2013

Note 53 : 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 year end are as follows: [₹ in Millions (Mio INR)]

Import payments	2013	2012
Number of forward exchange contracts	62	42
INR/USD	6,072	2,229
Number of currency option contracts	18	-
INR/USD	1,170	-

(b) The net foreign currency receivable / (payable) unhedged as at the year end are as follows: [₹ in Millions (Mio INR)]

Currency	2013	2012
AUD	(1)	1
CHF	(9)	(51)
CNY	(1)	(0)
EUR	(964)	(585)
GBP	2	0
HKD	0	(1)
JPY	(94)	(120)
NOK	-	(0)
PLN	0	-
SEK	(12)	(2)
SGD	(401)	(242)
USD	0	(3)
ZAR	0	(0)

Note 54 : Previous Year Figures

Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to current year classification.

Note 55 : 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 55

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bangalore
Date : February 27, 2014

S. Karthik
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	Chairman
Peter Tyroller	
Bernhard Steinruecke	
Renu S Karnad	Directors
Prasad Chandran	
Bhaskar Bhat	
Steffen Berns	Managing Director
Soumitra Bhattacharya	Joint Managing 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 year ended December 31, 2013	49
	(ii) For its previous financial years	(26)
(c)	Net aggregate amount of the subsidiary's profits/(losses) dealt with in the Holding Company's accounts:	
	(i) For the Subsidiary's financial year ended December 31, 2013	Nil
	(ii) For its previous financial years	Nil

Place : Bangalore
Date : February 27, 2014

S. Karthik
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	}	Chairman
Peter Tyroller		
Bernhard Steinruecke	}	Directors
Renu S Karnad		
Prasad Chandran		
Bhaskar Bhat		
Steffen Berns		Managing Director
Soumitra Bhattacharya		Joint Managing Director

MICO Trading Private Limited**Directors**

Dr. Steffen Berns
Soumitra Bhattacharya

Auditors

Price Waterhouse & Co., Bangalore

Bankers

Canara Bank

Registrerd Office

Hosur Road, Aduodi, Bangalore - 560 030

Report of the Directors

The Directors present their TWENTY FIRST Annual Report together with the Audited Statements of Accounts for the year ended December 31, 2013.

The Company has not commenced business.

Directors

Pursuant to Article 92 of the Articles of Association of the Company Dr. Steffen Berns retires by rotation at the Twenty First Annual General Meeting. He is eligible for re-election.

Energy, Technology, Foreign Exchange etc.,

As the Company has not commenced operations, the Directors have nothing to report in respect of the above.

Auditors

M/s. Price Waterhouse & Co., Bangalore (Regn. no. 007567S), Chartered Accountants, the retiring auditors are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of The Companies Act, 1956, 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, if any.
- Accounting policies have been selected and applied consistently and the judgements and estimates made 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 or loss of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Certificate of Compliance under section 383A of the Companies Act, 1956

A Secretarial Compliance Certificate issued by Mr. K. V. Venkata Rangan, the Company Secretary in Whole-time practice, is annexed to this report.

For and on behalf of the Board of Directors

Bangalore

February 27, 2014

Steffen Berns
Soumitra Bhattacharya
Directors

Secretarial Compliance Certificate

[Under proviso to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001]

Name of the Company : MICO Trading Private Limited
Registration No. : U51109KA1992PTC013736
Nominal Capital : ₹ 1,000,000

To
The Members of MICO Trading Pvt. Ltd.
Hosur Road, Aduodi, Bangalore – 560 030.

I have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December, 2013. In my opinion and to the best of my information and based on my examinations as well as records made available and explanations furnished to me by the Company, its Officers and agents, I certify that in respect of the aforesaid financial year:

1. The paid-up capital of the Company is ₹ 1,000,000 and thus, it has the required paid-up capital prescribed under the Act for private companies. Its maximum number of members during the financial year was three (3). There are no employee shareholders. The Company during the year under scrutiny i) has not invited public to subscribe for its shares and ii) has not invited or accepted any deposits from public or its members, directors or their relatives.
2. The Company has kept and maintained statutory registers with entries duly updated therein, as required under the provisions of the Act and the Rules made thereunder. (Refer annexure 'A' to this Certificate)
3. The Company has duly filed requisite Forms, Returns and Documents with the Registrar of Companies and such other authorities, as may be applicable under the said act within the time limits stipulated under the Act and the Rules made thereunder. (Refer annexure 'B' to this Certificate)
4. The Board of Directors duly met six times during the year, on 07th January 2013, 27th February 2013, 31st May 2013, 20th September 2013, 4th December 2013 and 24th December 2013. In respect of these meetings, proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st December 2012 was held on 27th February 2013 after giving requisite notice to members and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 185 of the Companies Act, 2013.
9. There were no contracts requiring the sanction of the Board under Section 297 of the Act and as such, no entries were made in the register maintained under Section 301 of the Act.
10. None of the directors of the Company held any office or place of profit attracting the provisions of Section 314 of the Act.
11. The Company has not issued any duplicate share certificate/s during the financial year.
12. There was no allotment of shares during the financial year. Also there were no transfers of shares during the year.

13. The Company has not declared any dividend during the financial year.
14. The provisions of Section 217(2AA) of the Act relating to 'Directors' Responsibility Statement' have been complied with. A Copy of the Compliance Certificate was attached to the Report of the Board of Directors for the financial year ended 31st December, 2012, as required under proviso to Section 383A of the Act. The Company has duly complied with the other requirements of Section 217 of the Act.
15. The Board of Directors of the Company is duly constituted and the appointment of additional directors, alternate directors and directors to fill casual vacancies have been duly made.
16. The Company being a private company, provision to section 269 of the Act with regard to appointment of Managing Director or Whole-time Director is not applicable.
17. The Company has not appointed any sole selling agents attracting the provisions of Section 294 and 294A of the Act during the financial year.
18. The Company was not required to obtain any approvals under the various provisions of the Act from the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities during the financial year.
19. The Company has no Preference Shares/Debentures.
20. The Company has not bought back any shares during the financial year.
21. During the financial year, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act.
22. The Company has not made any borrowings during the financial year.
23. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
24. 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.
25. The Company has not altered any of the provisions of its Memorandum of Association during the financial year.
26. As per records made available and information given, there were no prosecution proceedings initiated against or 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, nor were any prosecution proceedings pending against the Company for offences under the Act.
27. The Company has not constituted a separate provident trust since there are no employees or class of employees as contemplated under Section 418 of the Act.

Messrs. MICO Trading Private Limited

Annexure 'A'

Registers as maintained by the Company:

Statutory Registers:**All-in-one Register comprising of the following:**

1. a. Register of Members with Index under Section 150.
b. Register of Directors under Section 303
c. Register of Directors share-holdings under Section 307
2. Minutes Book of Board Meetings
3. Minutes Book of General Meetings
4. Annual Returns under Section 159
5. Books of Accounts under Section 209
6. Register of Contracts under section 301 (3)

Other Registers:

1. Register of Share Transfers

Messrs. MICO Trading Private Limited

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st December 2013.

S. No.	Form No. / Return	Filed under Section	For	ROC Receipt SRN No. Date of filing Fees paid ₹	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
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Filed with the Registrar of Companies, Karnataka, Bangalore

1.	23AC XBRL	220	Balance Sheet for the F.Y ended 31.12.2012	Q08356495 26.04.2013 ₹ 300/- ₹ 600/-	Yes	No delay - (Additional fee because of Website mal-functioning)
2.	23ACA XBRL	220	P & L for the F.Y ended 31.12.2012	-ditto-	Yes	No delay
3.	20 B	159	Annual Return made upto the General Meeting date 28.02.2013	Q07683873 26.03.2013 ₹ 300/-	Yes	No
4.	66	383A & The Companies (Compliance Certificate) Rules, 2001	Secretarial Compliance for the financial year ended 31.12.2012	Q07269657 07.03.2013 ₹ 300/-	Yes	No
5.	Form 22B	187C (4)	Form filed with Registrar of Companies	B66036781 16.01.2013 ₹ 300/-	Yes	No
6.	Form 32		1. Change in designation of Dr. Steffen Berns as a Director w.e.f 27.02.2013 2. Change in designation of Mr. Soumitra Bhattacharya as Director w.e.f 27.02.2013	B69852580 11.03.2013 ₹ 300/-	Yes	No
7.	Form 32		1. Resignation of Mr. V.K. Viswanathan w.e.f 01.01.2013 2. Resignation of Dr. Manfred Duernholz w.e.f 01.01.2013	B66001595 16.01.2013 ₹ 300/-	Yes	No
8.	Form 32		1. Appointment of Dr. Steffen Berns as Additional Director w.e.f 01.01.2013 2. Appointment of Mr. Soumitra Bhattacharya as Additional Director w.e.f 01.01.2013	B65123952 03.01.2013 ₹ 300/-	Yes	No

Note: No other forms and returns were filed either with the Regional Director, Central Govt., or any other authorities during the financial year.

Bangalore
February 27, 2014

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 Private Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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"). 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 December 31, 2013;
 - in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 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.
- 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;
 - On the basis of written representations received from the directors as on December 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bangalore
Date : February 27, 2014

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 year ended December 31, 2013.

- The Company does not hold any fixed assets during the year ended December 31, 2013. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
- The Company does not hold any inventory during the year ended December 31, 2013. 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. 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. 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.
- The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act 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 year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year 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 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, except for dues in respect of tax deducted at source under the Income Tax Act, 1961, the Company is regular in depositing 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 year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 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 year. 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 loans 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 year. 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 year and does not have any debentures outstanding as at the beginning of the year and at the year 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 year. 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 year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bangalore
Date : February 27, 2014

Balance Sheet as at December 31, 2013

[Amount in TINR]

Particulars	Note No.	2013	2012
Equity and Liabilities :			
Shareholders' funds			
Share capital	3	1,000	1,000
Reserves and surplus	4	23	(26)
Current liabilities			
Other current liabilities	5	15	151
Short-term provisions	6	9	10
Total		1,047	1,135
Assets :			
Current assets			
Cash and bank balances	7	1,042	1,126
Other current assets	8	5	9
Total		1,047	1,135
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

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

For and on behalf of the Board

Dr. Steffen Berns

Soumitra Bhattacharya

Place : Bangalore

Date : February 27, 2014

Directors

Statement of Profit and Loss for the year ended December 31, 2013

[Amount in TINR]

Particulars	Note No.	2013	2012
Revenue:			
Other income	9	93	105
Total Revenue		93	105
Expenses :			
Other expenses	10	21	32
Total Expenses		21	32
Profit before tax		72	73
Tax expense :			
Current tax for the year		23	23
Profit for the year		49	50
Earnings per share - Basic and Diluted of face value of ₹ 10 each	12	0.49	0.50
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

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

For and on behalf of the Board

Dr. Steffen Berns

Soumitra Bhattacharya

Place : Bangalore

Date : February 27, 2014

Directors

Cash flow Statement for the year ended December 31, 2013

[Amount in TNR]

	2013	2012
A. Cash flow from operating activities		
Profit before tax	72	73
Adjustments for :		
Interest income	(93)	(98)
Operating profit/ (loss) before working capital changes	(21)	(25)
Adjusted for :		
Increase / (decrease) in current liabilities and provisions	(137)	5
Cash generated from / used in operations	(158)	(20)
Direct taxes paid (net of refunds)	(15)	(7)
Net cash from operating activities	(173)	(27)
B. Cash flow from investing activities		
Fixed deposit matured (having original maturity of more than three months)	106	-
Interest received	89	2
Net cash from / (used in) investing activities	195	2
C. Cash flow from financing activities		
Net cash flows during the year (A+B+C)	22	(25)
Cash and cash equivalents (Opening balance)	20	45
Cash and cash equivalents (Closing balance)	42	20
	2013	2012
Cash and cash equivalents comprises of :		
Cash on hand	0	0
Bank balances		
Current accounts	42	20

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.

(b) Interest on bank deposit 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

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

For and on behalf of the Board

Place : Bangalore

Date : February 27, 2014

Dr. Steffen Berns

Soumitra Bhattacharya

Directors

Notes to the Financial Statements for the year ended December 31, 2013

Note 1 : Company 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 function 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 are prepared under historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and relevant provisions thereof.

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 annually based on the tax liability computed after considering tax allowances and exemptions.

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

[Amount in TINR]

	2013		2012	
	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:

[Amount in TINR]

	2013		2012	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	100,000	1,000	100,000	1,000
Balance at the end of the year	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:

[Amount in TINR]

	2013		2012	
	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:

	2013		2012	
	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 year ended December 31, 2013

Note 4 : Reserves and Surplus

[Amount in TINR]

	2013	2012
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(26)	(76)
Add: Profit for the year	49	50
Balance at the end of the year	23	(26)

Note 5 : Other Current Liabilities

[Amount in TINR]

	2013	2012
Payable to related party (*)	-	134
Audit fees payable	15	15
Others	-	2
	15	151

(*) Represents payable to Bosch Limited, the holding company.

Note 6 : Short-term Provisions

[Amount in TINR]

	2013	2012
Provision for taxation [net of advance tax TINR 36 (2012: TINR 30)]	9	10
	9	10

Note 7 : Cash and Bank Balances

[Amount in TINR]

	2013	2012
Cash and cash equivalents		
Cash on hand	0	0
Bank balances		
Current accounts	42	20
Other bank balances		
Deposit accounts (original maturity of more than 3 months but less than or equal to 12 months)	1,000	1,106
	1,042	1,126

Note 8 : Other Current Assets (Unsecured, considered good)

[Amount in TINR]

	2013	2012
Interest accrued on deposits	5	9
	5	9

Note 9 : Other Income

[Amount in TINR]

	2013	2012
Interest income		
Bank deposits	93	98
Liability written back	-	7
	93	105

Notes to the Financial Statements for the year ended December 31, 2013

Note 10 : Other Expenses

[Amount in TINR]

	2013	2012
Professional and other charges [Refer note (a) below]	17	32
Miscellaneous expenses	4	0
	<u>21</u>	<u>32</u>

(a) Professional and other charges include

	2013	2012
Remuneration to Auditors (excluding service tax)		
Statutory Audit fees	15	15
Taxation matters	-	13
	<u>15</u>	<u>28</u>

Note 11 : Earnings Per Share

[Amount in TINR]

	2013	2012
Profit attributable to Equity Shareholders	49	50
Weighted average number of Equity Shares outstanding during the year	100,000	100,000
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings per Share (₹)	0.49	0.50

Note 12: 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 year.

Note 13: Related Party Transactions

Holding Company : Bosch Limited, India

Ultimate Holding Company : Robert Bosch GmbH, Federal Republic of Germany

Transactions during the year with Bosch Limited, India (Holding Company):

Liability written back: Nil (2012: T1NR 7)

Reimbursement of expenses: T1NR 23 (2012: T1NR 9)

Amount payable: Nil (2012: T1NR 134)

Note 14: 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 15: 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 16: Previous Year Figures

Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to current year classification.

Note 17: 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 17

For Price Waterhouse & Co., Bangalore

Firm Registration Number: 007567S

Chartered Accountants

Subramanian Vivek

Partner

Membership Number: 100332

Place : Bangalore

Date : February 27, 2014

For and on behalf of the Board

Dr. Steffen Berns

Soumitra Bhattacharya

Directors

Shareholder Information

Board Meetings

Board Meetings are usually held in February, June, September and December. Particulars of Board Meetings held in 2013 are given below:

Wednesday, February 27
Wednesday, June 05
Tuesday, September 03
Wednesday, December 04

Annual General Meeting (AGM)

2014 - 10.30 a.m. Thursday, June 05,
'Vivanta' By Taj, Bangalore

Particulars of last three AGMs

The AGM of the Company is usually held in June each year. Particulars of the AGM held during the last three years are given below:

2011 - 10.30 a.m. Wednesday, June 01,
'Vivanta' By Taj, Bangalore
2012 - 10.30 a.m. Monday, June 04,
'Vivanta' By Taj, Bangalore
2013 - 10.30 a.m. Wednesday, June 05,
'Vivanta' By Taj, Bangalore

Particulars of Special Resolutions passed in the last three AGMs are given below:

June 01, 2011: Commencement of business pursuant to Section 149(2A) of the Companies Act, 1956, relating to carrying on the business of import, export, purchase, sale, trade and manufacture of products, systems and accessories including execution of projects, servicing and maintenance with relation to Solar Energy and Thermo Technology.

June 04, 2012: Nil

June 05, 2013: Appointment of Mr. V.K.Viswanathan, Non-Executive Director as Management Consultant of the Company for a period of nine months from January 01, 2013 to September 30, 2013, pursuant to provisions of Sections 309 and 314 of the Companies Act, 1956.

During the last financial year, no resolution was passed through postal ballot in accordance with section 192A of the Companies Act, 1956.

As on the date of this report, there is no proposal to pass any resolution through postal ballot.

Financial Year

The financial year of the Company is from January to December. The financial results for the quarter /

half-year/year are generally published as under:

Quarter/half-year/year	In the month of
Quarter ending March 31	April/May
Quarter/half-year ending June 30	July/August
Quarter ending September 30	October/November
Year ending December 31	February/March

Date of Book Closure

The transfer books are closed from Wednesday, May 14, 2014 to Tuesday, May 27, 2014 (both days inclusive).

Dematerialization of Shares

71.18% of the paid-up capital is held by Robert Bosch, GmbH. Of the balance 28.82% held by public, shares representing 27.92% of the paid-up capital have been dematerialized.

The Company entered into 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 (CDS): August 04, 2000.

Members still holding shares in physical form 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.

Listing of Shares

The Company's equity shares are listed at the following Stock Exchanges in order to impart liquidity and convenience for trading:

Name and address of the Stock Exchange	Stock Code
BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	500530
National Stock Exchange of India Limited, Exchange Plaza, 5 th Floor, Bandra - Kurla Complex, Bandra, Mumbai 400 051	BOSCHLTD

The International Securities Identification Number (ISIN) for the Company's Shares is INE 323A01026.

Listing fee for the year 2013-2014 has been paid to these exchanges.

The Company does not have any outstanding ADRs/GDRs/warrants or any convertible instruments.

Custodial Fee

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No.MRD/DoP/SE/DEP/CIR-4/2005 dated January 28, 2005, issuer companies are required to pay custodial fees to the depositories with effect from April 01, 2005. Accordingly, the Company has paid the annual custodial fee for the year 2013-14 to NSDL and CDS on the basis of the average number of beneficial accounts maintained by them for the year 2012-13.

Particulars of Dividend remaining unclaimed

In terms of Section 205A(5) of The Companies Act, 1956, monies 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 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 (31.12.2013) (₹)	Due date for transfer to the Fund*
2006(Interim)	(12.03.07)	11.04.07	783,708	11.04.14
2006 (Final)	07.06.07	11.07.07	280,856	10.07.14
2007	05.06.08	10.07.08	1,703,400	10.07.15
2008	28.05.09	02.07.09	1,785,850	01.07.16
2009	03.06.10	08.07.10	2,091,480	07.07.17
2010	01.06.11	06.07.11	2,802,680	05.07.18
2011(special)	(01.06.11)	06.07.11	5,919,570	05.07.18
2011(final)	04.06.12	10.07.12	3,604,500	09.07.19
2012	05.06.13	09.07.13	4,561,680	08.07.20

* [as per sub-section 5 of Section 205A of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999]

Particulars of the unclaimed dividend pertaining to the years 2006 to 2011 as on the date of last AGM (June 05, 2013) was placed in Company's website 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. It may be noted that after the unpaid dividend is transferred to the said Fund, the same 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 are made available to the Company. SEBI vide circular no. CIR/MRD/DP/10/2013 dated March 21, 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 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, companies/RTA's 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.

The members are requested 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 under the Section 'Shareholder information'.

Payment of Dividend

Dividend warrants are posted to Members at their registered address usually within two days of the declaration of dividend at the Annual General Meeting. The dividend for the year 2013, if approved at the AGM will be paid on or about June 06, 2014.

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 CDS as on the record date. High value warrants are sent through Registered Post.

Particulars of dividend declared in the previous years (from the year 2002) are given below.

Year	Dividend per share (₹)	Year	Dividend per share (₹)
2002	3.00 (interim)	2007	25.00
2002	40.00 (final)	2008	25.00
2003	65.00	2009	30.00
2004	10.00	2010	40.00
2005	12.00	2011	85.00 (special)
2006	12.00 (interim)	2011	50.00 (final)
2006	4.00 (final)	2012	60.00 (final)

(Note: upto 2003: on shares of face value ₹ 100; from 2004: on shares of face value ₹ 10)

Shares held in physical/dematerialised form

M/s. Integrated Enterprises (India) Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, is the Company's Registrar and Transfer Agent (R&T) both in respect of shares held in physical form and dematerialized form.

Inquiries may be addressed either to the Registrar and Transfer Agent or to the Secretarial Department of the Company.

Requirement of PAN

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 / RTAs 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/RTAs.

Nomination

Pursuant to the provisions of Section 109A of The Companies Act, 1956, 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 2B (in duplicate), if not already filed. Form 2B can be downloaded from the

Company's website 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, Balance sheet, Profit and Loss Account and Auditors Report.
2. Attend and vote at the General Meetings and appoint proxy in their stead.
3. Demand for a poll.
4. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10th 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. Receive the share certificates upon transfer within 15 days from the date of lodgment.
8. Inspect minutes book of General Meetings.
9. Inspect various registers such as Register of Members, Register of Directors, Register of Directors' Shareholding etc.
10. Nominate a person to whom his/her shares shall vest in the event of death.
11. Appoint or remove director(s) and auditor.
12. Seek relief in case of oppression and mismanagement.

Audited Annual Financial Results

The statement of Audited Financial Results and the statement of segment-wise revenue, results and capital employed for the year ended December 31, 2013 prepared pursuant to Clause 41 of the listing agreement entered into with the Stock Exchanges are available in the Company's website www.boschindia.com. The statement was approved by the Board of Directors at their meeting held on February 27, 2014.

Shareholding Pattern (as on January 31, 2014)

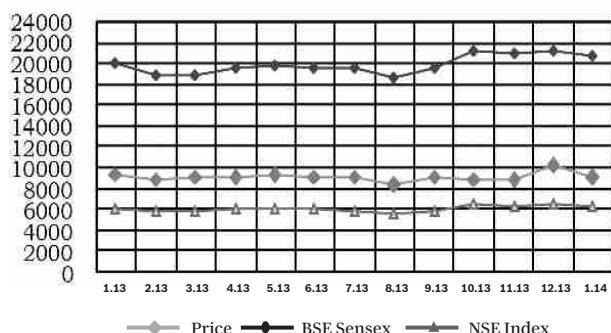
Category	No. of members	No. of shares held	% to the Capital
Robert Bosch GmbH	1	22,349,420	71.18
Public Financial Institutions	10	2,810,505	8.95
Foreign Institutional Investors	92	2,298,596	7.32
Mutual Funds	71	829,753	2.64
Nationalized Banks	11	11,484	0.04
Bodies Corporate	1,018	812,381	2.59
Foreign Nationals/ NRIs/OCBs	666	96,475	0.31
Trust	9	1,458	0.00
Public	24,130	2,188,828	6.97
Total	26,008	31,398,900	100.00

Distribution of Shareholding (as on January 31, 2014)

No. of Shares held	Members		Shares	
	No.	%	No.	%
1-500	25,088	96.46	1,086,174	3.45
501-1000	453	1.74	320,038	1.02
1001-2000	238	0.92	328,594	1.04
2001-3000	51	0.20	127,523	0.41
3001-4000	30	0.12	104,714	0.33
4001-5000	24	0.09	109,927	0.35
5001-10000	35	0.13	246,375	0.78
>10000	89	0.34	29,075,555	92.60
Total	26,008	100.00	31,398,900	100.00

Price and Volume of Shares Traded

Month/Year	BSE Ltd.			National Stock Exchange of India Ltd.		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
Feb 2013	9240	8740	6594	9256	8700	101982
Mar 2013	9151	8182	84031	9197	8180	134340
Apr 2013	9105	8575	45088	9200	8520	61655
May 2013	9285	8855	15504	9300	8750	58462
Jun 2013	9500	8500	24184	9600	8525	91334
Jul 2013	9150	8537	11310	9100	8537	82656
Aug 2013	8970	8000	27263	8998	8001	76568
Sep 2013	9100	8111	10779	9150	8100	80788
Oct 2013	9074	8500	27455	8999	8570	49936
Nov 2013	8872	8466	19809	8949	8450	108524
Dec 2013	11500	8690	125915	11500	8625	288475
Jan 2014	10349	8843	32255	10333	8810	159208

Share Price and Index**Shareholders holding more than 1% of the share capital of the Company (as on January 31, 2014)**

Sl. No.	Name of the Shareholder	No. of shares held	% to paid-up capital
1.	Robert Bosch GmbH	22,349,420	71.18
2.	Aberdeen Global India Equity (Mauritius) Ltd.	1,200,000	3.82
3.	General Insurance Corpn. of India	1,005,731	3.21
4.	The New India Assurance Co. Ltd.	894,038	2.84
5.	Bajaj Allianz Life Insurance Co.Ltd	322,582	1.02

Website

The Company's website www.boschindia.com contains comprehensive 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 and the Committees of the Board, Corporate Governance, Financial Results, Shareholding Pattern, Distribution of Shareholding, Dividend etc.

Registrar and Transfer Agent

(For shares held in physical & dematerialised form)

Integrated Enterprises (India) Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram
Bangalore 560 003

Tel: (080) 23460815 to 818;
Fax: (080) 23460819
E-mail: irg@integratedindia.in

Investor Service Centre

Secretarial Department (BCS)
Bosch Limited
Hosur Road, Adugodi
Bangalore – 560 030

Tel: (080) 2299 2315
Fax: (080) 2299 2181

Monday to Friday:
9.00 a.m. to 5.00 p.m. except holidays.

Designated e-mail ID for redressal of investor complaints

investor@in.bosch.com

Compliance Officer

Mr. A. Vijay Shankar, Company Secretary
(up to June 30, 2013)

Mr. S. Karthik, Company Secretary
(from July 01, 2013)

Inquiries, if any, may be addressed to the Compliance Officer.

Place : Bangalore

Date : February 27, 2014

National Network

Manufacturing Facilities

Factories

Bangalore

Post Box No. 3000
Hosur Road, Adugodi
Bangalore - 560 030
Phone: (080) 2299 2393
Fax: (080) 2227 2728

Naganathapura

Post Box No. 6887
Electronic City P.O.
Bangalore - 560 100
Phone: (080) 2852 1221
Fax: (080) 2852 1239

Nashik

Post Box No. 64
75, MIDC Estate
Satpur, Trimbak Road
Nashik - 422 007
Phone: (0253) 235 0342 - 45
Fax: (0253) 235 3143

Jaipur

SP-663
RIICO Industrial Area
Sitapura
Jaipur - 302 022
Phone: (0141) 277 1700
Fax: (0141) 277 1787

Verna (Goa)

Packaging Technology Division
N-4A, Phase IV,
Verna Industrial Estate
Verna, Salcate, Goa - 403 722
Phone: (0832) 6692 018
Fax: (0832) 6692 028

Kumbalgodu

#5, Survey Nos. 37 & 38
I phase, KIADB Kumbalgodu
Industrial Area
Kumbalgodu Village
Kengeri Hobli
Bangalore - 560 074

Bommasandra

276-A, The Sub Layout
Kanchanayakanahalli Village
Bommasandra, 1 Phase
Jigni Industrial Area
Anekal Taluka
Bangalore - 562 158

Sales Offices

Ahmedabad

31/32, JMC House, Level 3
Opp. to Parimal Garden
Ellis Bridge
Ahmedabad - 380 006

Bangalore

21/1, Mission Road
Bangalore - 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
2nd 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
Pativattom
Ernakulam
Cochin - 682 024

Guwahati

3rd Floor
Mayur Garden Building
Opp. Rajiv Bhavan
ABC, G. S. Road
Guwahati - 781 005

Indore

2nd 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

3rd Floor
Shiv Mullan Tower
Wright Town
Jabalpur - 482 002 (MP)

Jharkhand

Bhagirathi Complex
Opp. Adivasi Hostel
Karam Toli Road
Ranchi - 834 001

Jodhpur

SUN TOWER, 2nd Floor
Khasra No 900 / 751
Main Pal Road
Jodhpur - 342 004

Kolkata

91-A, Park Street
Kolkata - 700 016

Lucknow

2nd 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

3rd Floor
Godrej Millennium
9 Koregaon Park
Pune - 411 001

Raipur

2nd 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

Secunderabad

Plot No. 117
Srinagar Colony
Trimulgherry
Secunderabad - 500 015

Vijayawada

'RUMR Plaza'
1st Floor, Opp. Sri Chaitanya
Olympiad School
Pinanamaneni Polytechnic Road
Mogalrajapuram
Vijayawada - 520 010

This image shows a full page of blank, lined paper. It features approximately 28 horizontal grey lines spaced evenly apart, typical of standard notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings present.

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Regd. Office:

Bosch Limited

P. B. No. 3000, Hosur Road

Adugodi, Bangalore - 560 030

Phone: +91 80 2299 2315, Fax +91 80 2299 2181

CIN: L85110KA1951PLC000761

e-mail: investor@in.bosch.com

www.boschindia.com

 /BoschIndia

 @boschindia

2areproductions.com



FORM A**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the company	Bosch Limited
2.	Annual financial statements for the year ended	31.12.2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- Dr. Steffen Berns (CEO/Managing Director)	
	Soumitra Bhattacharya (Joint Managing Director / CFO)	
	Price Waterhouse & Co., Bangalore (Auditor of the Company)	For Price Waterhouse & Co., Bangalore Firm Registration Number: 007567S Chartered Accountants  Subramanian Vivek Partner Membership Number: 100332 Place: Bangalore Date: February 27, 2014
	Renu. S. Karnad (Audit Committee Chairman)	

 Place: Bangalore
Date: 27.02.2014


(Renu S Karnad)