



BOSCH

Corporate Relationship Department
BSE Limited
1st Floor, New Trading Ring
Rotunda Building
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001
Scrip code:500530

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051
Scrip code: BOSCHLTD

Bosch Limited
Post Box No:3000
Hosur Road, Adugodi
Bangalore-560030
Karnataka, India
Tel +91 80 67529652
www.bosch.in
L85110KA1951PLC000761

24.08.2018

Dear Sir/Madam,

Sub: Annual Report of Bosch Limited for the Financial Year 2017-18

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed Annual Report of the Company for the Financial Year 2017-18 approved and adopted at the 66th Annual General Meeting of the Company held today i.e. August 24, 2018 for your information and records.

Thanking you,

Yours faithfully,
for Bosch Limited,

(Anuj Sharma)

Assistant Company Secretary & Compliance officer



ANNUAL REPORT 2017-18

Company Information

Key Managerial Personnel

Mr. Soumitra Bhattacharya
Managing Director & Chief Financial Officer

Dr. Andreas Wolf
Joint Managing Director

Mr. Jan-Oliver Röhl
Chief Technical Officer & Alternate Director

Mr. S. Karthik
Joint Chief Financial Officer

Mr. R. Vijay
Company Secretary

Auditors

Deloitte Haskins & Sells LLP
Firm Registration Number: 117366W/W-100018

Bankers

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

Registered Office

P.B. No. 3000
Hosur Road
Aduodi
Bengaluru - 560 030

Stock Exchanges

(Where the shares of the Company are listed)
BSE Limited (Scrip code-500530)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

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

Registrar & Transfer Agent

Integrated Registry Management Services Private Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram
Bengaluru - 560 003

Audit Committee

Ms. Renu S. Karnad, Chairperson
Mr. V. K. Viswanathan
Mr. Bernhard Steinruecke
Mr. Bhaskar Bhat
Ms. Hema Ravichandar (from 02.09.2017)
Mr. Prasad Chandran (upto 01.09.2017)

Stakeholders' Relationship Committee

Mr. Bernhard Steinruecke, Chairperson
Mr. V. K. Viswanathan
Ms. Renu S. Karnad
Mr. Soumitra Bhattacharya
Ms. Hema Ravichandar (from 02.09.2017)
Mr. Prasad Chandran (upto 01.09.2017)

Nomination and Remuneration Committee

Mr. Bernhard Steinruecke, Chairperson
Mr. V. K. Viswanathan
Mr. Bhaskar Bhat
Ms. Hema Ravichandar (from 02.09.2017)
Mr. Prasad Chandran (upto 01.09.2017)

Corporate Social Responsibility Committee

Mr. Bhaskar Bhat, Chairperson (from 02.09.2017)
Mr. Soumitra Bhattacharya
Dr. Andreas Wolf
Ms. Hema Ravichandar (from 02.09.2017)
Mr. Prasad Chandran, Chairperson
(upto 01.09.2017)

Share Transfer Committee

Mr. Bernhard Steinruecke, Chairperson
Mr. Bhaskar Bhat
Mr. Soumitra Bhattacharya
Ms. Hema Ravichandar (from 02.09.2017)
Mr. Prasad Chandran (upto 01.09.2017)

Information as on May 22, 2018

C O N T E N T S



About Bosch Group	4
About Bosch India	5
Board of Directors	6
Chairman's Letter	7
Managing Director's Message	8
Transforming Lives Meaningfully	12
Financials at a Glance	48
Directors' Report including Management Discussion and Analysis	51
Annexures to the Report of Directors	67
Standalone Financial Statement	97
Consolidated Financial Statements	148
Report on Corporate Governance	191
Important Web links	203
Business Responsibility Report	204
Offices	214





About Bosch Group

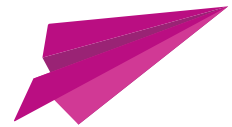
The Bosch Group is a leading global supplier of technology and services. It employs roughly 402,000 associates worldwide (as of December 31, 2017). The company generated sales of 78.1 billion euros in 2017. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected manufacturing. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to deliver innovations for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises of Robert Bosch GmbH and its roughly 440 subsidiary and regional companies in 60 countries. Including sales and service partners,

Bosch's global manufacturing, engineering, and sales network cover nearly every country in the world. The basis for the company's future growth is its innovative strength. At 125 locations across the globe, Bosch employs some 64,500 associates in research and development.

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 upfront investments in the safeguarding of its future. Ninety-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.



About Bosch In India



In India, Bosch is a leading supplier of technology and services in the areas of Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. Additionally, Bosch has in India the largest development center outside Germany, for an end-to-end engineering and technology solutions. The Bosch Group operates in India through thirteen companies, viz, Bosch Limited, Bosch Chassis Systems India Private Limited, Bosch Rexroth (India) Private Limited, Robert Bosch Engineering and Business Solutions Private Limited, Bosch Automotive Electronics India Private Limited, Bosch Electrical Drives India Private Limited, BSH Home Appliances Private Limited, ETAS Automotive India Private Limited, Robert Bosch Automotive Steering Private Limited, Automobility Services and Solutions Private

Limited, Newtech Filter India Private Limited, Mivin Engineering Technologies Private Limited and Precision Seals Manufacturing Limited. In India, Bosch set-up its manufacturing operation in 1951, which has grown over the years to include 18 manufacturing sites, and seven development and application centers. Bosch Group in India employs over 31,000 associates and generated consolidated revenue of about ₹ 19,204 crores* (2.61 billion euros) in 2017 of which ₹ 13,790 crores* (1.88 billion euros) from the third party. The Group in India has close to 18,000 research and development associates.

In India, Bosch Limited is the flagship company of the Bosch Group. It earned revenue of over ₹ 10,842 crores (1.47 billion euros) in 2017. Additional information can be accessed at www.bosch.in



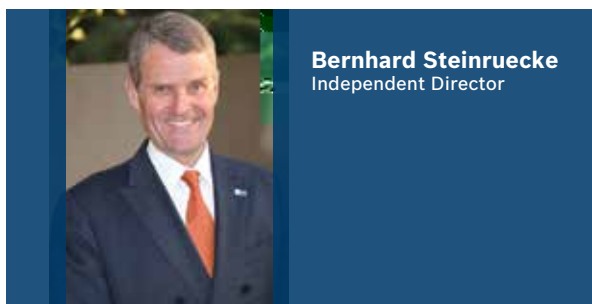
Board of Directors



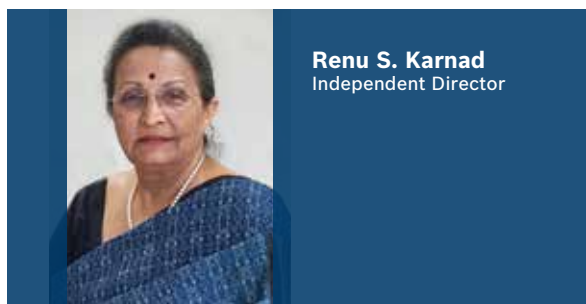
V.K. Viswanathan
Chairman,
Non-Executive
Non-Independent Director



Peter Tyroller
Non-Executive
Non-Independent Director



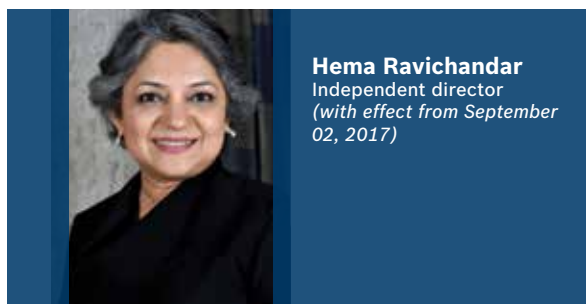
Bernhard Steinruecke
Independent Director



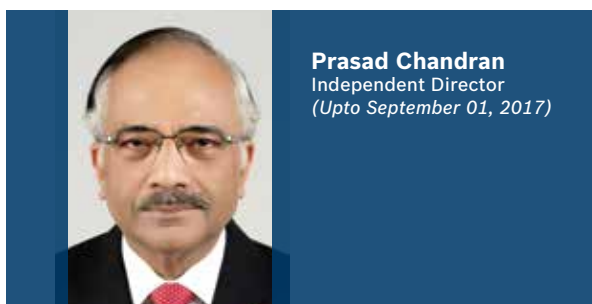
Renu S. Karnad
Independent Director



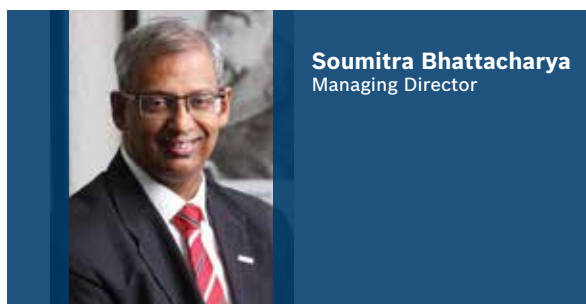
Bhaskar Bhat
Independent Director



Hema Ravichandar
Independent director
(with effect from September
02, 2017)



Prasad Chandran
Independent Director
(Upto September 01, 2017)



Soumitra Bhattacharya
Managing Director



Dr. Andreas Wolf
Joint Managing Director



Jan-Oliver Röhr
Alternate Director to
Peter Tyroller



My Dear Shareholders,

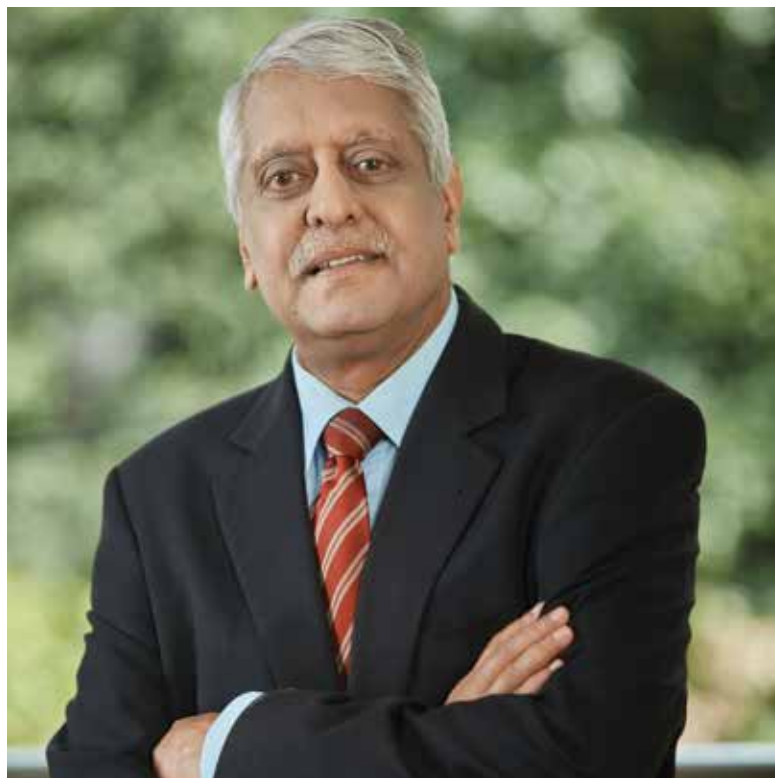
Holistic change across industries and functions has been the global norm in 2017-18. Business establishments, governments and citizens are thus revisiting how they go about their daily lives. This is leading US President Trump to reverse long-standing policies and Britain to press ahead with BREXIT despite opposition. This is compelling businesses as well as policymakers to find innovative solutions to issues that are coming to the surface.

In India, after initial hiccups caused by major policy changes, national GDP growth continues to recover steadily at 6.6 percent. This slowdown can be ascribed to the initial effects of structural reforms such as Demonetization, the implementation of Goods and Services Tax Act and the Insolvency and Bankruptcy Code (IBC), amongst others.

The regional elections scheduled towards the end of the year and national election in the middle of 2019 will play an important role in shaping the economy and its outlook. The government increasingly views higher level of digitalization such as Artificial Intelligence (AI) and Blockchain as an integral part of technology to succeed in the digital era whilst ensuring transparency and conforming to privacy laws. Against this backdrop, Bosch Limited has made its strategic objective clear – become a leading supplier of technology and services in its chosen fields. Every Bosch division functions with that transformation in mind and is investing resources towards it.

Over the Financial Year 2017-18, the Company's revenue from operations grew by 12 percent. While the automobile sector remains at the core of our operations as markets shift towards connected and automated vehicles, we have visibly demonstrated our readiness for change across all sectors by driving internal changes and adopting the best technologies.

While actively managing transitions such as the introduction of BS-VI emission standards and electromobility solutions, our mobility division experienced a healthy 15 percent growth. Bosch has also forged partnerships with OEMs across segments with a view to gain leadership in these areas. Beyond the mobility division, we witnessed marginal growth of 0.3 percent. Led by innovations in Smart Manufacturing, Smart Surveillance, Energy Efficiency and more, these divisions offer good potential for future growth.



We are revamping business processes by infusing frontend and backend operations with Big Data and analytics to help us serve our customers and partners better, by offering the best in class solutions. Significant investments for incorporating smart manufacturing solutions at the Bidadi and Nashik plants are aiding this transformation, and similar investments are planned for other plants across the country as well. The Company invested ₹ 460 crores on capital expenditure during the Financial Year 2017-18.

Beyond mobility, a significant portion of Bosch's initiatives are building effective solutions for a connected future. This includes using Big Data for energy compliance, deploying digital solutions to get Bosch Power Tools in the hands of many, and securing urban transportation hubs with smart cameras. As cities and factories become smarter, connected and personalized, Bosch aims to become a recognized IoT leader providing sensors, software and services. We realize that we have the will, expertise and heritage to accomplish this transformation. We shall continue to build solutions for the digital era and beyond. I thank you for your strong support over the years.

Best Regards,

V. K. Viswanathan,
Chairman, Board of Directors,
Bosch Limited



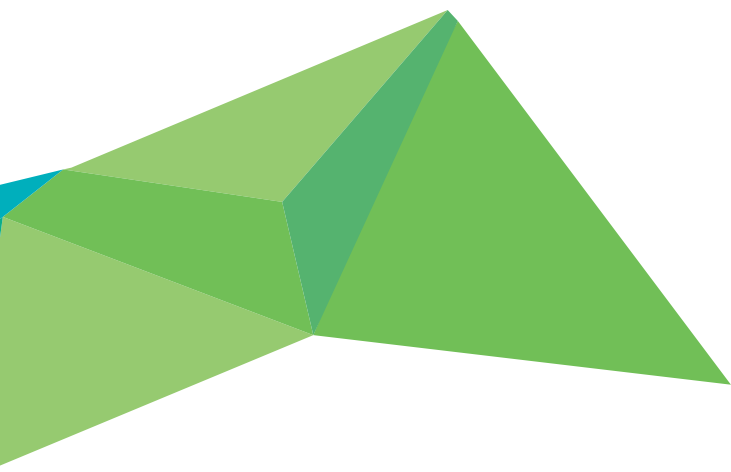
Dear Shareholders,

The last financial year witnessed turbulent times with geopolitical relations and tariff barriers making it harder for trade policies to function smoothly. This has led to rapid changes globally. However, with the right foresight and digital technologies, organizations can turn this into an advantage and begin to **“Transform lives meaningfully”**. At Bosch Limited, we are prepared for this transformation and are actively revamping our organization to succeed in the digital era.

The country's growth sectors are well charted – transportation, infrastructure and energy efficiency; each of these is undergoing massive change driven by automation, connectivity and digital transformation. With stability and good governance at the center, India is on a sustainable growth curve. Change is an opportunity to shape the future. At Bosch Limited, we remain committed to India's

12%

boost in revenue
from operations



transformation through our digital growth story while protecting and leveraging our core, which is manufacturing. It is this vision that has enabled us to boost revenue from our operations by 12 percent.

Adopting the mantra of transformation across all business functions

Over the year, Bosch has proactively transformed its business units, upskilled its people and transformed its supply chain ecosystem – and at the heart of this transformation have been digital tools and technologies. The connected future is here, so our adoption of IoT (Internet of Things) tools has been unrelenting. We are creating an ecosystem, led by investments of ₹ 460 crores, where man and machine can talk to each other with the focus on increasing productivity across the value chain.

With more than 130 years of innovations and expertise behind us, thanks to our parent Robert Bosch GmbH's manufacturing heritage, we have the capability to build and test these solutions. Thus, we have the unique and dual advantage of being enablers as well as leaders. Every division of Bosch Limited now has a unifying mission based on our values. Bosch Limited actively coordinates with its subsidiaries and legal entities such as Robert Bosch Engineering and Business Solutions to provide holistic solutions to its customers for that vision. We are thus leading innovations in Connected Mobility, Smart Manufacturing, Energy Efficiency and more.

460 crores

of investments for creating an ecosystem, where every man and machine can talk to each other for better productivity

The automotive industry in India is on an upward growth trajectory, and this is a trend we see continuing in 2018-19 as well. Diverse categories such as Passenger Vehicles, Light/Heavy Commercial Vehicles, Tractors and even two-wheelers have seen increased demand from 2012 to 2017, and the predicted CAGR for each of these categories are optimistic and encouraging in the near future. Bosch Limited is geared to play its role in sustaining this momentum as a provider of mobility solutions.

However, disruptions due to the upcoming BS-VI transition, which is effective from April 2020, will have an effect on the entire supply chain. While developed countries have undertaken this transition within a timespan of approximately eight years, India is ambitiously setting out to achieve this in a short span of just three years – an immense challenge for the automotive sector. The government's focus on electrification is also leading to several changes in Powertrain solutions and the need for hybrid systems that offer a mix of traditional Internal Combustion Engines (ICEs) and electrified mobility solutions. Looking back at the annual growth of 15 percent of Bosch's Mobility Solutions business division in FY 2017-18, we are convinced that we remain on the right path in leading the Indian mobility market to a connected future.

To cater to the changing needs of the mobility industry, we have formed agile project houses that work on Electrification and Connected Mobility solutions. These project houses are

15%

growth in Bosch's Mobility sector



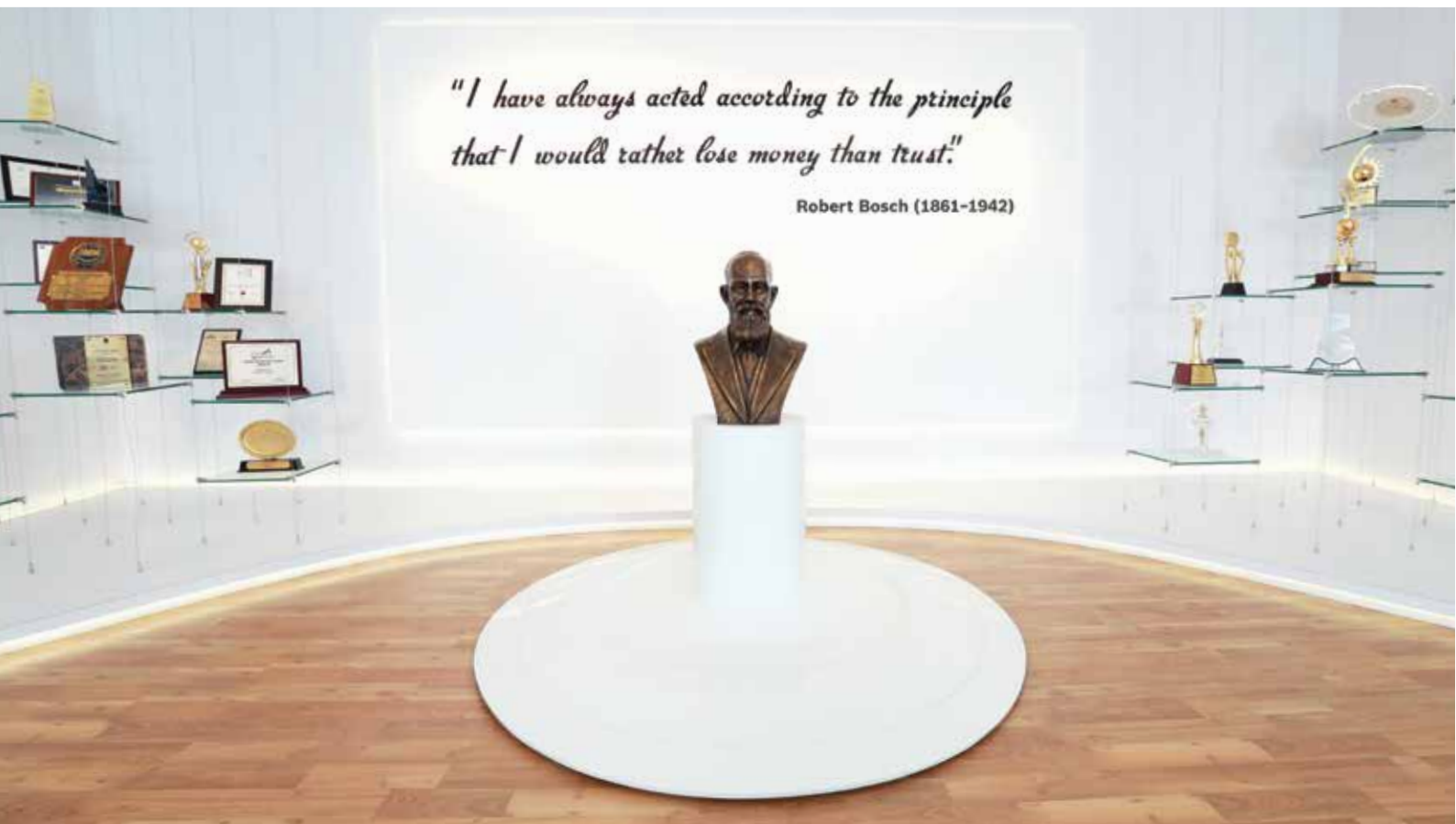
working on electrification and connectivity-based services that are enabled by local engineering talent. We know India's unique driving patterns and road conditions, so we are well placed to lead the way while meeting customer demands across vehicle segments in the country. Bosch also realizes the importance of the vehicle as a third living space and is thus building mobility solutions that are connected, automated and electrified. More automation will naturally lead to more complexity – and we are preparing for that transition by developing and empowering our local engineering talent and partnering with OEMs. Bosch envisions a future that is accident-free, emission-free and stress-free, and we are committed to this vision. Decisive breakthroughs in diesel technology by our parent Robert Bosch GmbH have helped us develop technologies that when fitted on a diesel passenger car, brings down its emission to a meagre 13 milligrams of NO_x per kilometer on an average under defined parameters. While the parameters for implementing these engines in India will be different, Bosch Limited is

looking forward to making further breakthroughs to implement similar technology for future India.

Sharing resources, knowledge and support to boost digital transformation

In fact, transformation at Bosch Limited is not just restricted to mobility solutions alone. We are playing a significant role in securing metros, airports, stations and other places of large gathering such as the M. Chinnaswamy Stadium in Bengaluru with our digitally enhanced smart surveillance solutions. We are also contributing to the growth of India's infrastructure by getting Bosch power tools in the hands of more workers than ever before. Dealing with India's vast distances has been a historical challenge, but Bosch's digitally enhanced supply chains are successfully overcoming this.

Bosch Limited is also extending support to its suppliers and vendors in the SME base by providing plug-and-play Smart Manufacturing solutions that are affordable, thus helping in their transformation as well. By successfully



implementing these solutions at Bosch plants, we can ensure their effectiveness before we share them with the wider industry. This offers us a dual advantage as we can reap the benefits of big data and analytics to transform processes and share successful working models with SMEs.

We are also proud of the Bosch India Experience Center (BIEC) – a first of its kind interactive Bosch facility where one can witness Bosch's milestones through history and its vision for a connected future. In the midst of disruptive transformation today, there is no better place to view our journey to an end-to-end IoT services provider that improves quality of life.

In the upcoming year, Bosch Limited is on a journey of transformation into a leading IoT service provider in the age of digitalization, automation and electrification while also being a 'Great Place to Work' for all our associates who are our greatest assets. This can be achieved by adopting a cultural change through a top-down approach and placing customer centricity at the heart of every business decision while also focusing on the vision of – **"Transforming lives meaningfully"**.

On behalf of Bosch Limited, I invite you to join us on this transformation journey and thank you for your unwavering belief and support. We remain as committed as ever to enhancing shareholder value amid this transformation and look forward to a connected future.

Best Regards,

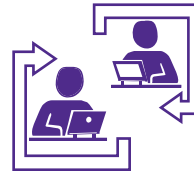


Soumitra Bhattacharya
Managing Director, Bosch Limited &
President, Bosch Group, India



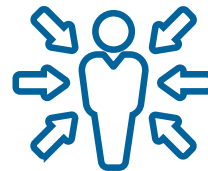
Growth

Sustained, accelerated growth of Bosch in India



Collaboration & Synergies

Collaborate and leverage synergies to create sustained value creation



Customer Centricity



**Making Bosch
a great place to work**
Make Bosch a go-to place



Start-up Culture

Encourage innovation and entrepreneurship; engage young talent

India's Mobility Landscape

Bosch's Mobility Division is playing a key role in the Indian mobility landscape. As the Indian mobility landscape evolves, OEMs transition from BS-IV to BS-VI emission norms and electric vehicles emerge in the domain of electromobility. As electric vehicles become the third living space, Bosch can leverage its cross-domain stakeholders.



The changing face of Indian mobility

Such a future is already in the making thanks to recent government policies regarding BS-VI emission norms and policies encouraging electric vehicles. Over the next decade, the Indian automotive industry will change completely to impact manufacturers across the value chain. This will see new players enter the market, new service-based business models transform the industry and it will change the very way in which India travels. Bosch views vehicles as the 21st century's third living space as boundaries between the office, home and automotive interiors disappear. At the heart of this transition is connectivity and safety, and we at Bosch are prepared.

Bosch's Powertrain Solutions division is gearing for the shift to BS-VI emission norms with a comprehensive localized portfolio funded by systematic investment into R&D and manufacturing. April 2020 is the timeline for BS-VI implementation, and Bosch has already partnered with several OEMs. The newly formed Mobility Services division is also integrating IoT technologies into the ecosystem by deploying AI-driven sensors, software and services inside vehicles. This is achieved on a global telematics platform running on cloud-based technologies and operated by local engineering talent.

Thanks to its manufacturing heritage in end-to-end services, Bosch can ride the transition from a product to a technology company with cross-domain expertise. Bosch is driven by the motto – "Performance with Efficiency" and is utilizing resources and competencies from diverse business units to enable an organization-wide collaborative approach. The envisaged result is an accident-free, emission-free and stress-free mobility market.



Electrified and ICE solutions present the way forward

The Agile Project House for electrification commenced operations in 2018 to address the market. Designed to utilize Bosch's global platform, it is tailoring electrification solutions to meet India's unique requirements. The Agile Project House is co-located in Bengaluru, Karnataka and consists of cross-functional specialists working on innovative localized

solutions with an unrelenting focus on the customer. With more than 800,000 vehicles globally fitted with Bosch components for electrified driving, there are tons of lessons and expertise to draw from.

As existing powertrain solutions evolve, Bosch believes that the ICE (Internal Combustion Engine) will continue to be the mainstream solution for freight and commercial vehicles. India's unique terrain, traffic patterns, roads and driving habits also ensure that ICEs will never be fully replaced. This results in a scenario where hybrid solutions and a mix of fuels including diesel, gasoline, gas, blends and e-fuels will co-exist.





While Bosch's electrification initiatives transform urban mobility, co-existence of traditional ICEs and electrified solutions is being pursued. Highlighting its progress, Bosch demonstrated an all-electric car embedded with connected mobility solutions at

the Bosch Technology Exposition (BTE) in New Delhi during Auto Expo 2018. Integrated systems including the motor, control unit, battery, charger, display and smartphone application were successfully showcased.



"As the Indian mobility sector undergoes a unique transition, developing products suited for the local environment is imperative. We have systematically invested in powertrain solutions geared for BS-VI emission norms and electromobility. We also intend to make every new product connected by 2020. Transformation is the new normal and must be incorporated in our very DNA as an organization."

Jan-Oliver Röhr

Chief Technology Officer & Executive Director,
Bosch Limited





P O W E R I N G

The Way Into Hearts And Homes

The Bosch Power Tools division is transforming the lives of tradesmen around the country through three key digital initiatives – My Bosch Buddy, My Bosch Rewards and Service on Wheels. These initiatives are enabling Bosch to reduce the distance to customers, and thus aiding India to meet its infrastructure investment.

Transformation begins at the grassroot level for Indian tradesmen, and this means getting Bosch Power Tools in the hands of many. One of the best examples of this enhanced reach is that of a simple carpenter with an artistic urge from a small town in Central India.

Buddhasen Vishwakarma's story perfectly encapsulates the transformation that Bosch is driving. A carpenter by profession since the age of 14, Buddhasen is also driven by an unquenchable desire to follow his artistic pursuits and build something creative with his hands. In his free time, he makes designs and sculptures and has become a celebrity in his village of Baikunthpur, Rewa, Madhya Pradesh for gifting Honorable Prime Minister, Shri Narendra Modi, a handmade wooden motorcycle.

While Buddhasen is an inspiration for his fellow villagers, he often ended up feeling disappointed with the quality and precision of the locally made hand tools he used. Bosch stepped in and provided him with the industry's best power tools that then helped him hone his skills and chase his creative dreams further.

Buddhasen knows that times are changing, and with Bosch Power Tools in his arsenal he can minimize his effort and increase his earnings too. His artistry now has the right tools to flourish, and the village of Baikunthpur is waiting with bated breath to see his next masterpiece.



Panish P K, Business Head,
Bosch Power Tools India & SAARC

The Bosch Power Tools division led by Panish P K, Vice President, Bosch Power Tools India & SAARC, understands that India's vast expanse can become an indispensable strength and is thus undertaking innovative approaches aided by digital technologies to expand its reach and get its products in the hands of many.

Panish says, "Traditionally, India's size has created significant bottlenecks for business growth and distribution. Over the last two years we have transformed our approach and our goal is simple – by 2020, we wish to have a considerable presence in every Indian district that meets specific population criteria and exceeds a threshold of industrial GDP."



This means that in every such district, whether it is urban, semi-urban or transitional, there is to be a Bosch direct dealer so that every individual can buy a Bosch power tool within a radius of 3-4 kilometers.

Inevitably, this cannot be achieved without implementing modern technologies across the supply chain. Overcoming communication gaps to share information, engage partners and incentivize them is thus being approached from an entirely new perspective. Bosch's three-party distribution ecosystem is undergoing a revamp that is wholeheartedly customer-centric with a motto that is plain – **“reduce distance to customers”**. The three key initiatives driving this mission are My Bosch Buddy, My Bosch Rewards and Service on Wheels.

Each of these programs understand that Bosch's channel partners across the country will play a pivotal role, so including them in this transformative journey is vital. Viswanatha Raju, National Sales Manager, Bosch Power Tools, India says, “My Bosch Buddy is a business intelligence platform designed to deliver 360-degree transparency in the value chain. We call it intelligence-on-the-go and it is designed for partners and the Bosch salesforce to access business information on the fly.”

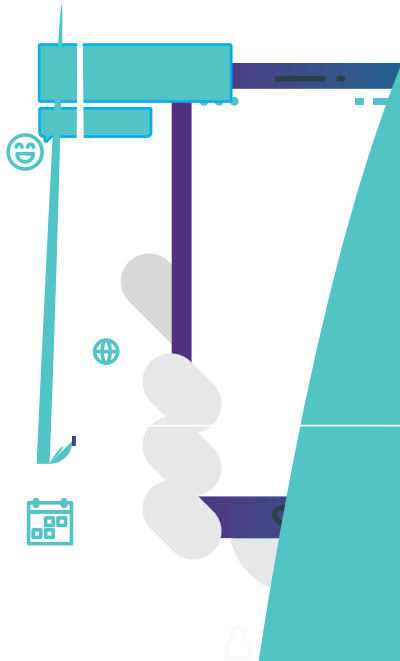


Thanks to its mobile interface, My Bosch Buddy inculcates the spirit of partnership and makes decisions on the field simpler. It provides the latest information about product portfolios, promotions, customer information and more, to provide a sense of agility that is only possible in the 21st century. Complete transparency into targets, performance, catalogs and prices translates into a win-win situation for all. On the other end of the spectrum, My Bosch Rewards is an incentive-based purchase program to create brand awareness and loyalty amongst retail users.

Bosch's target audience is anyone who needs to purchase a tool – be it a carpenter, plumber, electrician, mason or a contractor. It's no secret that for tradesmen, possession of the right tool enables them to get a job and improve their earnings. They earn wages on a day-to-day basis, so what they need is easy availability of tools, purchase and a guarantee of quality and service. Bosch Power Tools provides those, but the question is why would a buyer choose Bosch?

Maneesh Sharma, Head of Marketing, Blue Professional Power Tools, says, "Two-thirds of tradesmen walk into a store and know which product they want but are undecided about the brand. While we have filled gaps of product and reach, bridging the relationship gap was crucial. We want every tradesman to walk into a store and say – I want a Bosch power tool."

My Bosch Rewards is a first-of-its-kind app-based loyalty program in this industry category and is built on a scalable IT backbone. Any purchase of a Bosch power tool by a user enables him to earn points which can subsequently be used for rewards.



Kiran Krishnaswamy, Head of Sales, Bosch Power Tools, says, "The question here, 'Why choose Bosch?' accounts whose service is a key factor, so we simplify the wheels and tools."



Mobile vans will be available in 15 top cities across the country by the end of 2018



On-site testing, demonstrations, training and repairs of Bosch power tools

Currently operational in Bengaluru, Mumbai and Delhi, these mobile vans are already being acknowledged by customers due to the value addition they provide in the form of on-site demonstrations, preventive maintenance and application solutions, besides health, safety and repair assistance. Service on Wheels will soon be launched in other major cities across the country.

Additionally, the Bosch Power Tools division is also in the midst of implementing a large-scale CRM order salesforce later this year. India will become the first country outside North America to implement such a system and consumerize the connected experience that Bosch's users want. Bosch realizes that designing fascinating products is not enough anymore if appropriate digital tools are not used to get them into the hands of the thousands of tradesmen across the country. The blueprint is in place and all that remains is for the organization to continue down the path of transformation.



Smart Manufacturing To Transform Indian SMEs

India has more than 40 million SMEs across diverse segments and the Bosch Industry 4.0 team is helping them integrate Smart Manufacturing concepts across processes to become leaner and more efficient. By creating digital solutions, Bosch is actively connecting man and machine in a manner that can boost productivity.

Bosch's initiatives include the Industry 4.0 Academy, collaboration with robotics, lean manufacturing and Karakuri Kaizen, amongst others; these solutions are successfully implemented and tested at Bosch facilities before being offered to Bosch customers across the value chain.

Bosch's transformation to Smart Manufacturing in India revolves around the core concepts of technology and connectivity. Large organizations have been the frontrunners in adopting Smart Manufacturing tools; however, Smart Manufacturing solutions are now proving to be affordable and effective for Small and Medium Enterprises (SMEs) as well. Bosch's objective is to deploy such solutions across the country's more than 40 million SMEs and give them a priceless advantage – profitability driven by efficiency.

The example of Ind Carb demonstrates this. Located in Bengaluru, Ind Carb is an industrial heat treatment facility and metallurgical consultant. After integrating Bosch's Industry 4.0 sensors with its machines, the company is now reaping the benefits of Big Data to improve its productivity. It gets real-time insights into temperature, production and power; this facility-level transparency transforms into effective planning and forecasting for the company's assets. For an SME like Ind Carb, the benefits of power management and benchmarking asset performance are priceless. They can aid expansion to remote project sites and also kickstart new verticals like predictive analytics for Bosch to tap into.

Supplier models for simple Smart Manufacturing

Adopting Smart Manufacturing requires high investment and long execution time are realizing the merits of

Bosch's objective is to reach 100 suppliers and 2,500 connected machines by 2020. SMEs functioning under the belief that adopting Smart Manufacturing requires high investment and long execution time are realizing the merits of

Bosch's plug-and-play solutions. Working over the cloud, these IoT solutions provide SMEs with dashboards that display cycle time, productivity, idle time, OEE (Overall Equipment Effectiveness), energy management and other key metrics. All they need is network connectivity for these sensor-based solutions.

subscription models ('Capex' with a one-time hardware cost or 'Opex' with no upfront charges) for achieving their goals of quality, delivery, revenue and competitiveness. These solutions are capable of handling huge volumes of data at affordable prices and providing logistics visibility into all downstream processes. They can thus change the game for SMEs.



Smart Manufacturing success stories

Through the Digital Shopfloor management system at Bosch Limited's Jaipur manufacturing facility for instance, the plant has implemented Smart Manpower. So, whenever an associate swipes his card to enter the plant, he automatically gets allocated to a machine and task for the day. This allocation is calculated through complex mathematical algorithms that digitize skills and priorities. Ultimately, it saves time and boosts productivity by at least 2.5 percent.

Another benefit of Bosch's Smart Manufacturing solutions is the possibility for workers to perform even more complex jobs. For example, thanks to materials being tagged with RFID

cards, workers can track materials across plants and actively participate in asset management, logistics and inventory management functions.

The objective is to create digital solutions for legacy problems using Industry 4.0 concepts. Pravin Pathak, General Manager, Project Leader for Industry 4.0, Bosch India, and his team oversee the creation of centers of competence where transformative solutions can be shared centrally and deployed quickly to boost productivity and output for suppliers.

Pravin says, "We aren't here to reinvent the wheel. The idea is to take an existing solution and improve it to gain more efficiency. Industry 4.0 solutions are enablers and they deliver holistic value. Our dual strategy of becoming a lead user and lead provider of Industry 4.0 solutions is possible because of our competence in manufacturing. In other words,

we prepare the cake, taste it and then make it better to offer it to customers.”

Along with Jaipur, Nashik and Bidadi plants are also taking the lead and contributing to the 72 successful Smart Manufacturing projects running across the country. Success stories include CISS (Connected Industrial Sensor Solution) kits for assessing pump vibration signatures for quality checks and predictive maintenance; collaborative robots, or cobots, that complement human workers; and implementation of machine lines that rely on the ancient Japanese concept of Karakuri Kaizen

– a way to move parts through momentum generated by gravity.

Mohan N C, Senior General Manager, Project Leader for Smart Automation, Bosch India, says, “Historically, workers have always been afraid of robots in the workplace, but we are changing that. The physical fear is overcome by covering the robots with skin that has inbuilt sensors. Now, these machines can stop or slow down by sensing the proximity with a human. The other fear is mental, and we are changing that by demonstrating the productivity improvements these robots generate.”





Going beyond the shop floor

For Bosch, knowledge sharing is just as important. This is being driven through presence at national conferences and government collaborations. For instance, Bosch has partnered with the CII (Confederation of Indian Industry) Industry 4.0 Council to create a National Action Plan – *Samarth Udyog*. While the government supports SMEs and industrial bodies with Smart Manufacturing policies, Bosch demonstrates working Industry 4.0 solutions at its plants.

The Industry 4.0 Academy also offers top-down training to senior leaders and has already trained more than 250 senior leaders. Now extended to external participants as well, the Industry 4.0 Academy forms an integral part of the BPS (Bosch Production System) philosophy which is driven by the concept of 'Lean Manufacturing'.

With digital tools and analytics in the mix, Lean takes on a whole new meaning. Ramesh S K, Senior General Manager, Project Leader for BPS, Bosch India says, "The most important factor for information and material flow is time. Anything that saves time in value streams is beneficial and deserves to be scaled. The Lean philosophy focuses on this and Industry 4.0 is acting as a critical pillar to support it. Through transparency and analytics, we simply find areas that don't add value and replace them with more efficient processes."

Indeed, the speed and agility delivered by Smart Manufacturing are transforming functions and verticals for SMEs. The results are plain to see, and the beneficiaries are associates at the ground level whose lives have become simpler and more productive.



Dr. Andreas Wolf

*Joint Managing Director &
Head of Manufacturing and Quality,
Bosch Limited*

"Smart Manufacturing is about connecting man and machine with the objective of making man smarter and more productive. China has about 22 times more robots than India, but India is a fast follower and is adopting external success stories and localizing them. I see huge potential in Indian manufacturing as everyone loves staying connected, and with the country's strong software base, this is a recipe for success."



DELIVERING

A Brighter Future With Safe Urban Transport

As India handles the transportation and commuting needs of its increasing population, the need of the hour is smart surveillance and security solutions. The Bosch Security Systems division plays a vital role here by providing security services across airports, metro stations, sporting stadiums and other critical infrastructure. With solutions such as IP-based cameras, PA systems, fire detection and more, Bosch is aiding the nation's transformation to smart cities.

The M. Chinnaswamy Stadium in Bengaluru is one of many public gathering hubs where Bosch security solutions and smart surveillance cameras are deployed. Through a centralized Building Integration System, Bosch delivers greater security and faster emergency response.



India's growth story is well documented. With the country's population of more than 1.3 billion people constantly on the move, metro stations and airports have become increasingly populated. They have to deal with thousands of commuters going in and out of their doors every day. In 2017, India's civil aviation market handled 295 million travelers across its 449 airports. As more Indian cities explore the option of metro rail networks, a further 500 kilometers of lines are under construction to add to the existing 425 kilometers of operational lines.

With increased footfalls, there is an increase in security concerns as well. Public transport hubs have to be vigilant and prepared for unforeseen security threats which have the potential to cause major disruption and damage. Hence, major safety improvements in the sector are essential to support the country's continued economic growth and

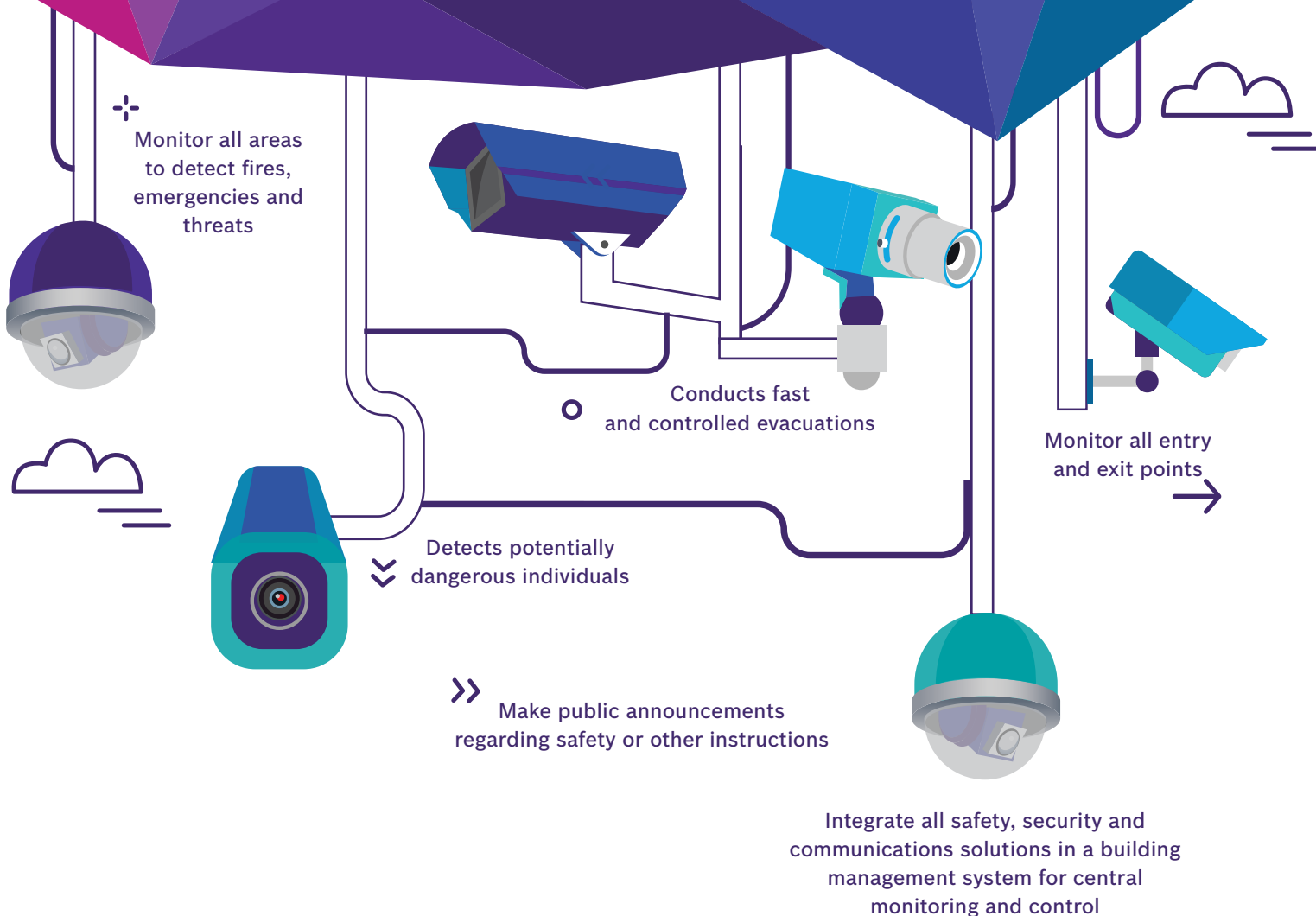
increased mobility. Bosch recognizes this need and provides solutions for such critical security services.

The need for smart security

The greatest challenge of protecting public transport stations is the scale. Authorities need to guard passengers, employees, goods, infrastructure and assets against diverse and unknown threats. The sheer area that has to be monitored often leaves authorities with a tall mountain to climb as threats can arise on – tracks, underground passageways, parking zones, buildings, luggage storage areas and parked engines. The security and safety risks at these spots include fire, terrorism, smuggling, illegal immigration, theft and more.



Smart monitoring solutions for unrestricted surveillance to accomplish the following:



This is where Bosch comes in with its smart security solutions that are adept at providing integrated digital services to transform the nation's security systems. It provides IP-based surveillance cameras, Intelligent Video Analytics (IVA), Public Address (PA) and Voice Evacuation Systems, Fire/Intrusion Alarms and much more. With these solutions, the nation's transport hubs are alerted in real-time about unattended packages, suspicious movements, unexpected crowd behavior and more.

Once integrated, Bosch's surveillance solutions can trigger alerts that help neutralize widespread threats and ensure public safety. Video analytics can be used to detect crowd density at critical locations to ensure safe movement. For major emergencies, the solutions are also capable of crowd control through the PA system to direct individuals towards established safe zones or exits.



Bosch's Building Integration System (BIS) provides a centralized control point for monitoring all security, safety and building management systems within an establishment. It seamlessly integrates fire and intrusion alarms, evacuation, access control, CCTV and building automation systems in a single platform. Not only does this enable a single operator to monitor and control all security systems, it also delivers faster responses to emergencies and greater overall effectiveness.

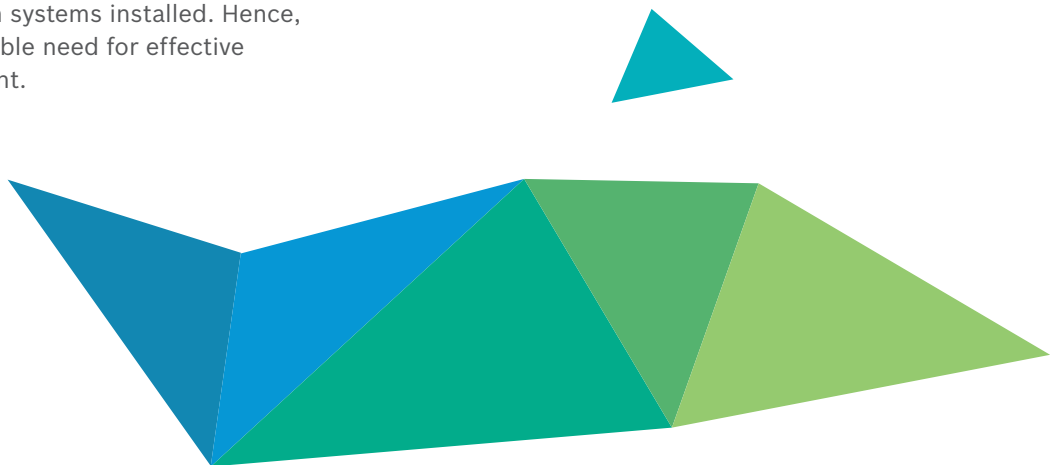
Batting for safe security with Bosch

Another area where such solutions are vital in India are sporting venues; especially those dedicated to cricket, a sport revered as much as religion in the country. From the World Cup to the IPL (Indian Premier League), cricket stadiums witness massive attendance by spectators all through the year. Venues like the M. Chinnaswamy Stadium in Central Bengaluru attract large crowds for every match it hosts, and this presents several security challenges. The safety risks inside and outside a stadium include fire, rioting, vandalism and terrorism. A venue this large inevitably has multiple security, safety, communication and building automation systems installed. Hence, there is a considerable need for effective security management.



Sudhir Tikur
Business Head, Security Systems,
Bosch Limited

“Facilities in which thousands of people come together on a regular basis must meet specific and demanding security, safety and communication criteria. Security as a sector is constantly evolving because threats are constantly changing; so, products must evolve at a similar pace. With the help of automation and IoT technologies, our security solutions can now effectively contribute towards sustained efforts to build Smart Infrastructure across India”.



The M. Chinnaswamy Stadium is equipped with state-of-the-art IP-based security surveillance cameras by Bosch that have been placed at strategic locations inside and outside the ground. These smart cameras are capable of capturing video feed across a spectrum of lighting conditions and providing advanced video analytics to the authorities to maintain the stadium's security.

While the M. Chinnaswamy Stadium may face such issues only on a few occasions throughout the year, public utility spaces such as airports and metro stations require persistent surveillance solutions on a minute-to-minute basis. Utilities such as Bosch's integrated security systems help in this endeavor by pinpointing bottlenecks and dynamically transmitting relevant data to respective teams wherever they are installed.

Bosch's objective is to build a secure environment for every commuter and spectator so that their focus remains solely on the activity they have set out on without worrying about the surroundings. As India's population continues to grow rapidly, the security industry will need to continue innovating its offerings to help create a secure environment across sectors with industry players like Bosch at the forefront of this endeavor.





LEAVE NO TRACE





For decades, the dairy industry has relied on steam generation for its process heat requirements with little progress on either conserving energy or channelizing it efficiently. Karthikeyan N S, a Bosch Energy Efficiency solution expert, says, “Years of data has shown us that heat requirement in most dairies hardly ever cross 100 degrees. Steam generation results in the usage of large amounts of excess energy and delivers heat at a much higher temperature than these requirements. What this leads to is substantial wastage of both water and energy, and the need of the hour is a system that can deliver heat at the right temperatures based on real-time demands.” Enter Bosch with its Integrated Heating and Cooling Solution.

Bosch’s Energy Efficiency team customized a solution that optimizes heat generation utilities to provide real-time control over output. This innovative Bosch solution includes an IoT-sensor based monitoring system with a diverse set of indicators for effective process control. When quizzed on why they chose Bosch to implement this solution, Sri Mahalakshmi Dairy unilaterally agreed that Bosch’s previous experience in implementing effective energy efficiency solutions across industries such as manufacturing, automotive, steel re-rolling mills and commercial infrastructure was convincing.





As part of the team's systematic approach to solving customer problems, Bosch's energy experts first conducted a preliminary analysis of production zones where energy efficiency solutions could be integrated. As processes in the dairy industry utilize energy for heating and cooling while employing steam generators and chillers, the Bosch team devised a solution after studying the existing plant utility equipment. The team provided an estimate of how much energy efficiency, and thus cost saving, they could deliver.

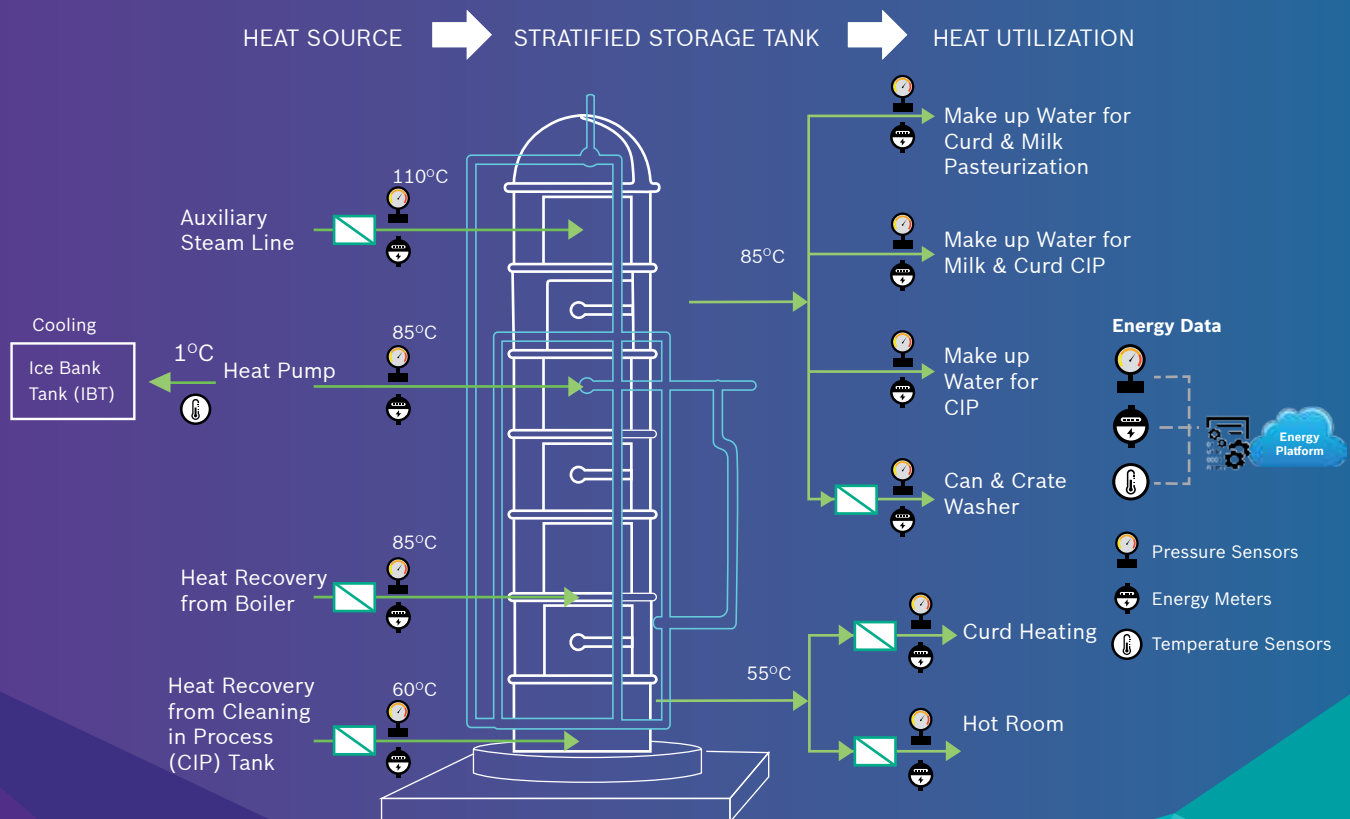


The Transformative Bosch Energy Efficiency Solution

The core solution delivered by the Bosch Energy Efficiency team included the “Stratified Tank” – a cylindrical tank with a 15,000-liter capacity capable of storing and supplying heat to processes across the dairy plant at the exact temperature and time when needed. The solution is helping the plant balance its energy supply and demand requirements across processes and control energy flow. Another key aspect of the solution is the substitution of the steam utilized for low temperature processes with the water heated using heat pumps, heat recovery and economizers. Hence, the dairy plant was able to reduce the load on its steam boilers, thus providing greater flexibility in steam generation for other high temperature processes.

Additionally, the chilled water generated as a by-product is also supplied to coolers within the plant, thus ensuring that no energy goes waste. However, integrating such a solution into the dairy industry presents a significant challenge – always-on functionality. “Industries such as dairy processing function around the clock and cannot be interrupted even for system upgradation,” explains Nilesh Sawant, the Vertical Head for Energy Efficiency Solutions at BEBS. “The challenge, therefore, was to integrate our unique solution into the dairy plant without causing any disturbance to the processing function.”

IoT Integration Approach at Aroma Dairy





Mohandas Mekanapurath

*Business Head, Bosch Energy and Building Solutions,
Bosch Limited*

"We are committed towards a sustainable future for the entire ecosystem. Installed projects have helped customers reduce carbon footprints by over 130,000 metric tons of equivalent CO₂ emissions annually. As we further customize solutions to suit needs, we are also integrating IoT solutions that help identify opportunities and better monitor performance with the help of data analytics."

Bosch addressed this challenge by retrofitting its energy efficiency solution with minimum disruption, mainly during the regular maintenance shutdowns. The result of the energy efficiency solution is an encouraging 14 percent reduction in the plant's energy consumption. Production staff at the plant are also trained to optimally use the systems, thus making it self-sufficient and serving as an example for other dairy plants to draw inspiration from.

When it comes to energy efficiency, evolution never stops and neither does Bosch's zeal for improvements. In the case of Sri Mahalakshmi Dairy, the team is integrating temperature and

pressure sensors across the plant for real-time monitoring. With integrated energy meters and triggers in the mix, the future of energy efficiency promises to transform operations via unified energy dashboards that can be accessed from anywhere.

Bosch's vision advocates reducing carbon footprints, and success at this dairy plant is a small step towards delivering successful energy efficiency solutions across the country. The company's transformative energy solutions are a testament to its dedication towards promoting sustainability and future endeavors are primed to build a better world.





100 Grade Schools
conduct comprehensive
health screening

BRIDGE

Bosch's Response to India's Development and Growth through Employability Enhancement

rampant among the targeted youth who join any of the 148 BRIDGE centers across the country. There they receive a learner kit, industry demand-driven curriculum – delivered by Bosch-trained trainers, on-the-job training (internship) during the last month and complete job placement assistance from Bosch to step into the world of employment at a services firm. Since the program's beginnings in 2013, it has become commonplace for participants to get a job offer first and a Bosch certificate of completion later – an approach that has yielded 16,000+ success

stories across India. Bosch not only imparts unemployed youth with skills for the job market, but also ‘trains the trainers’ who coach these youths and change their lives. Besides partnerships with private educational institutions such as pre-university (PU) colleges/10+2 schools, deemed universities and private institutes, existing collaborations with the state governments of Karnataka, Maharashtra and Rajasthan also drive the spirit of “Eliminating unemployment: one youth at a time” across more than 148 BRIDGE centers in India.

Priyanka is a living example of this transformation. Forced to quit school due to a family financial crisis, Priyanka got married and became a mother at a young age. She subsequently enrolled in the BRIDGE program and got a job in retail sales which led to an improvement in her social status and enabled her to be self-sufficient. Now, her husband also intends to join the BRIDGE program and this is an unintended but very positive outcome, and there are several others like Priyanka who are transforming their lives too.





The Bosch Jaipur Knowledge Centre in Rajasthan is also transforming the lives of young girls in the region. Historically, these girls are married off at a very young age and are thus forced to drop out of school and abandon dreams of a career. Bosch supports such children with education and family counseling that empowers them to change their mindset. When a group of these girls were invited to Bengaluru, one of them shared how she was the first person from her village to sit in a “cheelgaadi”, or ‘eagle-vehicle’ – their definition of an airplane.

Apart from youth employability and girl child empowerment, Bosch believes that social transformation also has a strong link with the health, hygiene and education of children, especially of those studying in government schools. This has led to Bosch’s intervention in 300 government schools across Bengaluru, Bidadi, Nashik and Jaipur, and the offering of health screening of more than 70,000 children annually. Activities over the last fiscal year ranged from the provision of health treatments (medical, optical and dental) to the deployment of mobile educational kits such as the ‘lab in a box’ (rotated weekly between 10 schools).



A key collective improvement success story has been the daily preparation of mid-day meals for more than 15,000 government school children in partnership with the Akshaya Patra Foundation, India's largest mid-day meal serving organization. Located in Jigani on the outskirts of Bengaluru, the centralized mega kitchen provides nutritious meals and nourishment to children from government schools. Thanks to the availability of these hot and nutritious meals on time, several underprivileged students are able to continue their education. Bosch provides funding for this mega kitchen and also assists with technical support and project execution. Bosch also provided solar power, heat pumps and CCTV equipment for monitoring effective service delivery at the kitchen.



In terms of healthcare, Bosch interventions for driving self-sustaining change includes upgrading Public Health Centers (PHC). The PHC in Adugodi, which has been upgraded by Bosch in Bengaluru, has become a model for every government dispensary to replicate. Based on a Public-Private Partnership (PPP) between the Karnataka government (BBMP) and the Karuna Trust (NGO), the Adugodi PHC is now a benchmark center for India's primary healthcare. Bosch's intervention provides ultra-modern infrastructure and facilities, installs advanced medical equipment and facilitates trained specialists to provide quality healthcare at par with private hospitals.





Dr. O. P. Goel
Head, Social Engagement,
Bosch Limited

"We have seen that transforming the lives of youth has a catalytic and multiplier effect by changing their families and siblings too. This is true transformation."

In Kotamwadi, a small village located in Nashik, Maharashtra, residents receive water supply through tap fittings fixed in various parts of the village. However, a few villagers remain without such water connections. 75-year old Kashibai Norgude's longest and unfulfilled dream for years has been to get a reliable water connection near her home. Bosch India Foundation intervened in this matter by providing an easily accessible connection and now Kashibai and her neighbors no longer need to make the long, hard treks to fetch water.

These are just a few of the transformational stories across the country that are being run through Bosch social engagement interventions. In this context, "seeing is believing", and Soumitra Bhattacharya, Managing Director, Bosch Limited and President, Bosch Group, India concludes,

"The underprivileged have many factors going against them and this impacts their self-esteem and confidence. It is the duty of those more fortunate to improve it. Their empowerment results in the real transformation that Bosch and the society at large wants to see."

Financials at a Glance

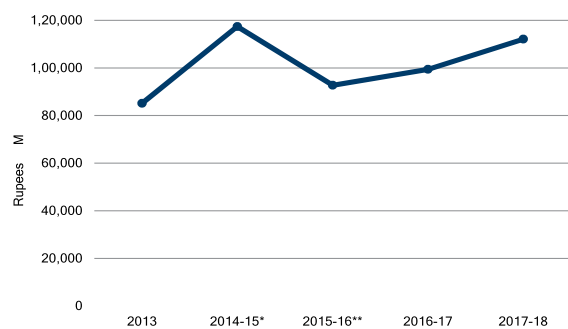
10 YEARS' PERFORMANCE

[Mio INR]

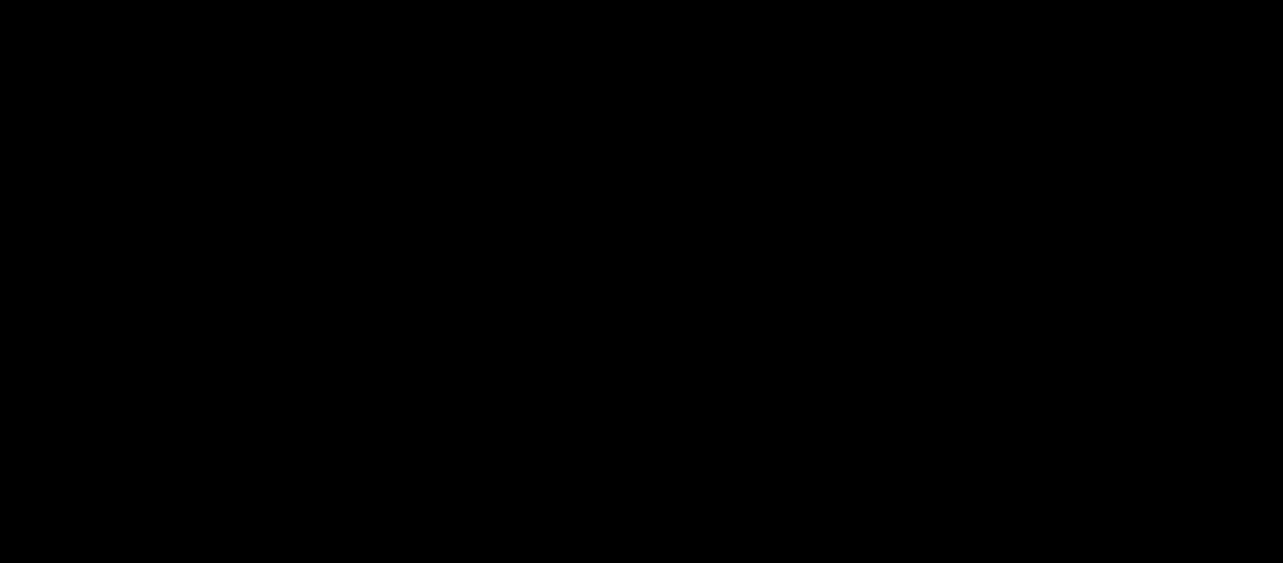
	2017-18	2016-17	2015-16**	2014-15*	2013	2012	2011	2010	2009	2008
Sales	112,108	99,426	92,725	117,414	85,151	84,172	79,295	66,305	47,498	45,416
Of which Export Sales	10,346	8,240	8,712	14,625	10,578	9,402	10,344	8,461	5,855	6,845
Profit Before Tax	20,406	20,944	20,824	19,559	12,566	13,462	15,740	12,028	7,934	8,566
Less:Provision for tax on Income	6,698	6,503	5,701	6,182	3,719	3,879	4,513	3,439	2,028	2,227
Profit After Tax	13,708	14,441	15,123	13,377	8,847	9,583	11,227	8,589	5,906	6,339
Profit from Discontinued Operations	-	2,970	191	-	-	-	-	-	-	-
Items of OCI recognised directly in retained earnings	167	(109)	39	-	-	-	-	-	-	-
Profit before appropriation	13,875	17,302	15,353	13,377	8,847	9,583	11,227	8,589	5,906	6,339
Paid -up Capital	305	305	314	314	314	314	314	314	314	320
Reserves (other than other reserves)	92,298	81,729	90,583	73,156	62,629	55,419	46,970	40,666	33,538	30,634
Net Worth	92,603	82,034	90,897	73,470	62,943	55,733	47,284	40,980	33,852	30,955
Net block of Fixed Assets	11,411	13,194	11,487	9,800	9,381	8,633	5,917	4,360	5,133	6,086
Additions to Gross Block	2,757	6,485	5,732	5,757	4,581	6,375	4,423	1,776	2,121	4,248
Earning per Share	449	465	482	426	282	305	358	274	187	198

* 2014-15 represents fifteen months period starting from January 2014 to March 2015.

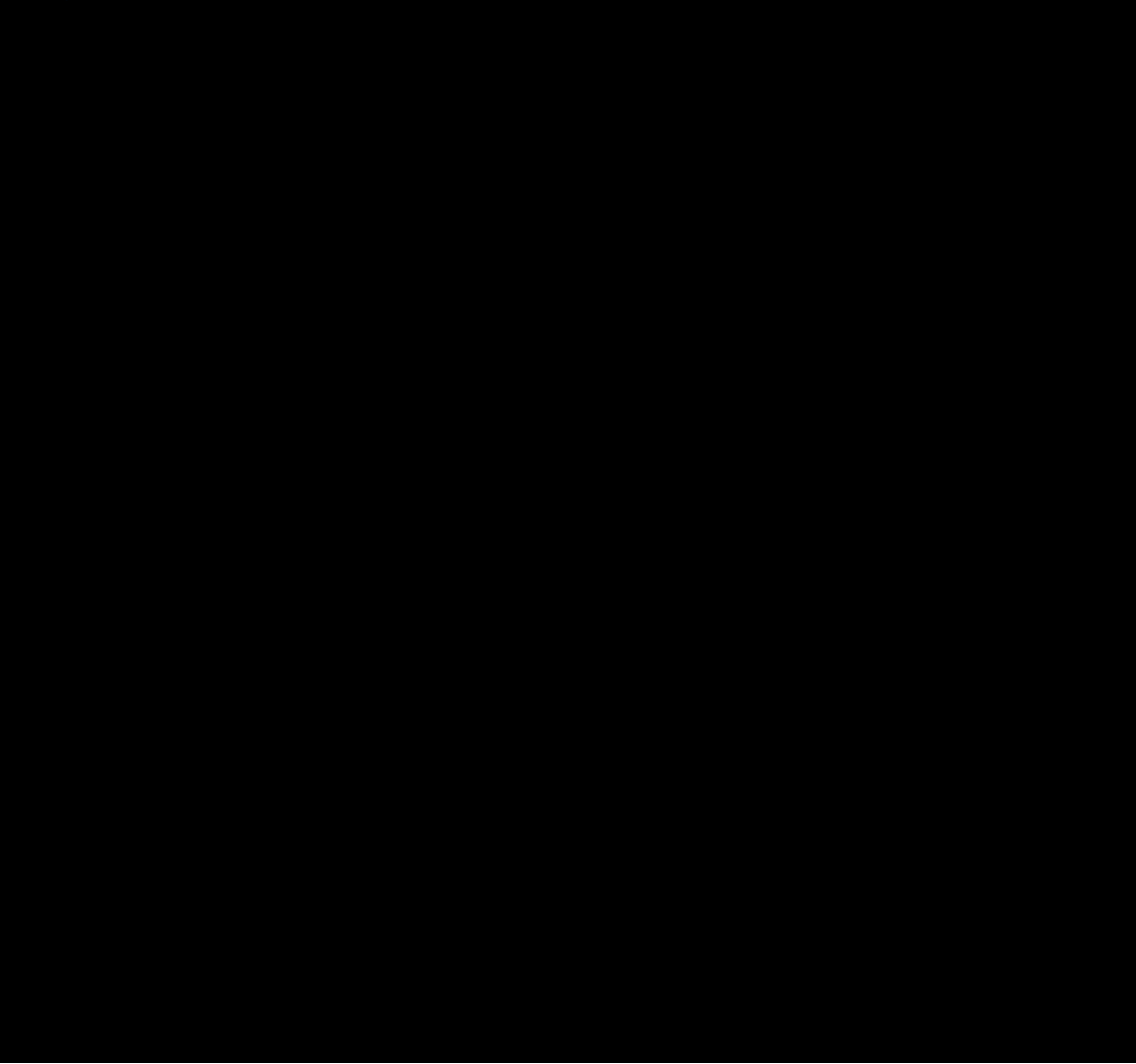
** 2014-15 & 2015-16 figures are restated for Ind AS and discontinued operation relating to Starters and Generators business . Previous years' figures have been recast/regrouped wherever necessary.

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 a % of Sales****Book Value per share**

Sales Performance



Segment-Wise Sales



* 2014-15 represents fifteen months period starting from January 2014 to March 2015
** Re-stated on account of sale of the Starter Motors and Generators business with effect from August 01, 2016 and adoption of Ind AS.

Directors' Report including Management Discussion and Analysis

The Directors have pleasure in presenting the SIXTY SIXTH Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

1. Financial Results

The following are the financial highlights for the Financial Year 2017-18:

[Mio INR]

Particulars	2017-18	2016-17
Sale of Products (including excise duty)	113,929	107,500
Of which Export Sales	10,346	8,240
Profit Before Tax (from Continuing Operations)	20,406	20,944
Provision for tax	(6,698)	(6,503)
Profit After Tax from Continuing Operations from Discontinued Operations	13,708 -	14,441 2,970
Total	13,708	17,411
Other Comprehensive income (Net of tax)	1,415	1,401
Total Comprehensive income	15,123	18,812

The Company does not propose to transfer any amount to its Reserves for the year under review.

2. Dividend

Pursuant to the requirements of the regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Dividend Distribution Policy. This Policy is uploaded on website of the Company and can be accessed at https://www.bosch.in/media/our-company/shareholder-information/2017_2/dividend-distribution-policy-2017.pdf. This policy is enclosed as Annexure 'A' (Page No. 67) to this Report.

In line with the Dividend Distribution Policy, the Board has recommended a Dividend of INR 100 per share for the Financial Year 2017-18, aggregating to Mio INR 3,679.4 including Dividend Distribution Tax. The dividend payout ratio is approximately 26.8 percent based on the profits as per Ind AS. The Dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

3. Management Discussion and Analysis

In order to avoid duplication between the Directors' Report and Management Discussion and Analysis, a composite summary of the Company's performance

and its various business segments is given below:

3.1 Economic Scenario

3.1.1 Global Economy

The global economy grew by 3.8 percent in 2017. The pick-up in global growth has been broad-based with notable upside surprises in Europe and Asia. The global growth forecast for 2018 is expected to tick up to 3.9 percent. [Source: IMF]

Advanced economies are expected to continue their growth trajectory while emerging markets and developing economies are projected to show an improvement. Risks to the global economy arises from increasing protectionism as was witnessed by the tariffs introduced by US and China, rising commodity prices and increase in global interest rates.

3.1.2 Indian Economy

GDP growth for 2017-18 is projected at 6.6 percent against 7.1 percent in 2016-17 which is ascribed to the temporary slow-down induced by the rollout of structural reforms such as GST and demonetization. Subsequently, there has been a revival in the last few quarters and the quarterly GDP for the December quarter improved to 7.2 percent. This is based on a revival in demand post-demonetization. Strong infrastructure spending, pick-up in rural growth and supportive global factors are also other positive factors.

Continuing strength in economic indicators like IIP indicate that an economic recovery is in place. Recently, the GST collections of above the INR 1 Trillion mark in April also reinforced the positive trend. It is important that this momentum continues and improves into a consistent economic trend. Some of the concerns for the Indian economy are increase in prices of crude oil and other commodities putting pressure on the trade deficit and the challenge of financing the budget deficits of the central government as well as state governments.

Consumer inflation has been under control so far but recent movements in the fixed income market suggests that markets have concerns on this aspect. Going forward, monsoons in 2018 and political risk in the run-up to the general elections in 2019 will be the key factors affecting the Indian Economy.

3.2 Industry Structure and Development

Automotive:

Heavy Commercial Vehicles (HCVs) production posted a subdued growth of 3 percent due to changeover in the emission norms and GST impact.

The Light Commercial Vehicles (LCVs) market grew by 18 percent predominantly due to changeover in the emission norms, GST impact and increased thrust in agriculture based FMCG and e-commerce sectors.

In 2017-18, Passenger Car production grew by 6 percent on account of new launches and a favorable GST impact.

Three-wheelers production increased by 31 percent due to higher demand driven by abolition of permit system in Maharashtra and Karnataka and granting of new permits in Delhi.

The Tractor market grew by 14 percent driven by a good monsoon and positive farmer sentiments.

The Automotive Aftermarket industry grew by ~5.5 percent in 2017 driven predominantly by Passenger Cars and Tractor segments.

Vehicle Production Growth Rates:

Production Segment	+/(-) PY					
	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
HCV	-26%	-20%	26%	23%	2%	3%
LCV	5%	-14%	-10%	3%	6%	18%
Car+UV's	3%	-4%	6%	6%	11%	6%
3 Wheeler	-4%	-1%	14%	-2%	-16%	31%
Tractors	-8%	22%	-13%	-8%	21%	14%
TOTAL	-1%	-3%	4%	4%	7%	11%

Non-Automotive:

The Indian Power Tools market is expected to grow at 6 percent in 2018 over the previous year. This is in line with the estimated growth of the construction sector, which is its biggest customer. The market trend is shifting towards the mid-price category indicating that the users are steadily upgrading from hand tools to power tools. The Indian Professional Tools market is estimated to be around INR 16.9 billion by value in year 2017 and is expected to grow at 5-6 percent over the next few years, year-on-year.

The Security technology market in India is evolving rapidly. The overall market is expected to grow at around 4 percent in 2018 over the previous year, on account of the increased awareness around Security, Safety and Communication topics and convergence of technology around Intellectual Property and Software Analytics. The growth in this space will be supported by growth in segments of Transportation and

Government led Infrastructure projects. Additionally, the market is preparing itself to deal with security threats originating at different locations and levels.

The growth of the Indian packaging industry is heavily influenced by changing demographics such as growing urbanization and rising proportion of middle class consumers in the country. These changes drive the need for new packaging formats like different sizes, materials and material strength. Flexible packaging, the leading pack type in the Indian packaging industry, is expected to continue its growth. Over the last few years, the demand for flexible packaging, which is used extensively in food, household and cosmetics and toiletries industries, has been largely driven by innovative and convenient designs from manufacturers, thus making the packaging more appealing to consumers.

The solar energy sector in India experienced uncertainties during the year under review mainly due to changes in tax structure (GST) and increase in the price of imported solar modules. Despite these uncertainties, the cumulative solar installations in India crossed the 20 GW mark in January 2018. The momentum in the solar energy is expected to strengthen in the current fiscal year with continued investments in the sector by domestic and international players. It continues to be a focus sector for the government's plans for sustainable economic growth.

3.3. Business and segment wise performance

The overall performance of the Company witnessed a growth of 12.8 percent. Mobility business (Automotive) posted a growth of 15.0 percent, while the Business beyond mobility (Others) grew by 0.3 percent. Domestic mobility business witnessed an increase of 14.8 percent, higher than the automotive market growth of 11 percent, mainly driven by Powertrain Solutions with the increased demand from LCV segment and demand of new generation products subsequent to the introduction of BS IV emission norms effective April 01, 2017.

As the Company predominantly operates in manufacturing and trading of mobility solutions, this constituted 86.4 percent of total sales for the Financial Year 2017-18. The Business beyond mobility, comprising of Industrial Technology, Consumer Goods and Energy and Building Technology, had a share of 13.6 percent. Hence, the operating segment consists of "Mobility Solutions" (Automotive Products) and "Business beyond mobility" (Others).



Electric Vehicle powered by Bosch

3.3.1 Operating Segment

Mobility Solutions:

Powertrain Solutions

The Powertrain Solutions division was formed effective January 01, 2018. The former Diesel Systems and Gasoline Systems divisions were merged to form this division. The objective of the merger of the divisions is to develop comprehensive and flexible solutions in powertrain technology regardless of the energy source.

The Diesel Systems division (now a part of Powertrain Solutions) is a systems supplier of key powertrain components. It offers an extensive range of energy efficient, eco-friendly diesel injection systems for applications ranging from passenger cars and all kinds of commercial vehicles and agricultural equipments to large-scale industrial power-generation units. It focuses primarily on the common-rail system, which comprises of a high-pressure injection pump, the rail and various injectors.

The Diesel Systems business grew by 17.9 percent over the previous year. Higher sales volume of new generation Common Rail System (CRS) coupled with higher price of the said system due to nation-wide implementation of BS IV emission norms, with effect from April 01, 2017, resulted in this increase. The Diesel Systems business will continue to ride on new

generation CRS in the majority of vehicle segments for future growth. The distributor pump injection system has seen a considerable reduction post implementation of BS IV emission norms. The In-line pump system continues to be stable on account of demand from Tractor and Genset segments.

Gasoline Systems division (now a part of Powertrain Solutions) registered a growth of 40.8 percent over the previous financial year. This growth is mainly due to growth in demand for 2-Wheeler products (Fuel System Maintenance, Injectors and Sensors), overall growth in the passenger car market and new launches having Gasoline Products manufactured by the Company.

During the year under review, the 2-Wheeler business acquired major customers which will secure its future business. The current year is vital for the division on account of key customer acquisition due to proposed BS VI implementation in both 2-Wheeler and passenger car businesses.

Automotive Aftermarket

The Automotive Aftermarket division (AA) offers a comprehensive range of spare parts for passenger cars, commercial vehicles and 2-Wheelers for the aftersales-market and repair solutions including diagnostic and repair-shop solutions. The product portfolio consists of Bosch manufactured products



Authorised Automotive Aftermarket



Mobile vans launched by Powertool Division to cater to the 'zero distance to user' initiative

like Fuel Injection Equipment and Spares, Spark Plug and Filter, as well as products and services like Battery, Lubricant and Lighting developed and manufactured by other manufacturers.

The Automotive Aftermarket division is the largest Independent Aftermarket (IAM) network in India. During the year under review, the Division de-grew by 0.5 percent due to liquidity constraint in secondary market post-demonetization and apprehensions due to GST roll out.

The division re-organized its IAM sales structure to address the specific needs of each vehicle segment and unlock growth potential, especially in the 2-Wheeler and passenger car segments. During the year under review, first ever "Order Pe Offer" campaign was completed in November 2017, reaching out to more than 10,000 retailers across India, to help in increasing the secondary sales.

Business beyond Mobility:

The Business beyond Mobility witnessed a muted growth of 0.3 percent. It was driven predominantly by exports which contributed to 16.8 percent of total business beyond mobility during the year under review as compared to 10.3 percent during the previous financial year.

Industrial Technology - Packaging Technology

The Packaging Technology Division is a provider of packaging solutions for the food and confectionery industries. The range includes individual machines, system solutions including secondary packaging and a comprehensive service portfolio.

Packaging Technology division witnessed a moderate growth of 6.7 percent. During the year under review, the division made progress in Horizontal Form, Fill and Seal (HFFS) product line and bagged orders primarily on the on-edge technology which ensures an optimal product control throughout the packaging line. In the confectionery (CC) product line, the Company has been designated as the global supplier



Products from the Building Technology division

for Bosch CC machines and the first such order to Japan will be executed during the current financial year.

The export sales increased by 70.8 percent over the previous financial year due to new System Solution projects with customers in Bangladesh.

Consumer Goods - Power Tools

The Power Tools business comprising of Electric tools, Accessories, measuring instruments and spare parts for Power Tools witnessed a growth of 3.7 percent.

The Division achieved 100 percent growth in terms of Channel expansion to Tier 3 and Tier 4 markets. "Zero distance to user" strategy also supported the core tool business. Launch of more affordable products has played vital role in business growth and also helped in overcoming systematic risk. E-commerce channels emerged as important contributors to the overall business.

Energy and Building Technology (Building Technology, Bosch Energy & Building Solutions and Thermo-technology)

Building Technology (Security Technology)

The Building Technology division offers innovative products and solutions in the field of security, safety and communications primarily for commercial applications. The product portfolio encompasses video-surveillance, intrusion-detection, fire-detection, public address and voice-alarm systems, access-control, building management systems, professional audio and conference systems.

The business achieved a growth of 13.3 percent, driven by orders in the verticals of Transportation, Commercial and Energy. Trend-setting products like the new range of IP Cameras, Professional Audio speakers and Amplifiers, Conference Systems, Loudspeakers and Microphones introduced were well received.



During the year under review, the exports increased due to rise in demand of Video Systems (VS) from SAARC customers.

Bosch Energy & Building Solutions

The division's revenue de-grew over the previous year owing to challenging market conditions in the Solar Photovoltaic (PV) segment. The Solar PV market witnessed a slowdown during the year under review due to change in tax structure and an unexpected increase in price of solar modules. Despite the above challenges, the business was successful in executing various key projects with reputed customers like Bangalore International Airport Limited.

With the momentum in the market set to regain in the current fiscal year, the division has set its sights on a large segment of the market that needs captive power generation, thus enabling 'energy self-reliance' for its customers.

The Energy Efficiency (EE) business, which is part of the said division since January 2014, has grown over the previous financial year. This business primarily focuses on providing energy cost savings to industries and commercial buildings through customized solutions for optimization in heating and cooling processes.

Thermo-technology

Electric water heater continues to dominate the water heater space. Though the market for Solar water heater and heat pumps for hot water is small, there is increasing trend of heat pump and hybrid of solar water heater and heat pump picking up due to their overall energy efficiency and potential savings. KUSUM initiative of Government is expected to provide thrust to the solar water pump market.

3.3.2 Revenue by geographical area

The export sales of the Company contributed 9.2 percent to the total sales for the year under review as compared to 8.3 percent during the previous financial year. The Company's exports, bulk of which were to Germany, China, Turkey, Bangladesh and Brazil increased by 39.9 percent majorly from Powertrain Solutions and Energy & Building Technology Divisions.

3.4 Financial Performance and Condition

Sale of products

Sale of products grew by 12.8 percent over previous year on a comparable basis and stood at Mio INR 113,929. The Powertrain Solutions division consisting of Diesel and Gasoline powertrain products has mainly driven this growth.

Sale of services

Sale of services registered a growth of 15.1 percent over previous year, mainly contributed by increase in development receipts from BS VI projects.

Other operating revenue

Other operating revenue at Mio INR 2,108, decreased by 18.7 percent over the previous year, due to higher provision written back in the previous year.

Other income

Other income, which mainly comprises of mark-to-market gains, profit on sale of marketable securities, dividend and interest income, decreased by 17.1 percent over the previous year. Income from net gain on financial assets measured at Fair Value through Profit and Loss (FVTPL) was Mio INR 2,185 for the year under review as against Mio INR 3,172 in previous year.

Income from interest on bank and inter-company deposits increased by 1.9 percent due to higher asset base.

Cost of materials consumed

The cost of materials consumed as a percentage of revenue increased from 50.9 percent to 53.9 percent during the year under review. This increase is mainly due to change in the product mix from conventional

depth of production of new generation products.

The Company continues to focus on rationalizing its workforce based on its business needs in a fair manner, while sustaining productivity and competence.

Depreciation and amortization

The depreciation charge for the year under review was Mio INR 4,672 as against Mio INR 4,562 during the previous year ended on March 31, 2017. The addition of fixed asset is mainly on account of the expansion of new generation products at facilities situated in Bidadi (Karnataka) and Nashik (Maharashtra).

Provision for Tax

Income tax expenses for the year under review is 3.0 percent higher due to discontinuation of investment allowance exemption and additional depreciation.

Profit After Tax (PAT)

PAT for the Financial Year 2017-18 was Mio INR 13,708, a decrease of 5.1 percent mainly due to higher tax expenses as above.

Other Comprehensive Income

The investment in equity securities is classified as financial assets through other comprehensive income as per the requirements of Ind AS 109. The changes in fair value of equity securities is recognized under other comprehensive income. Accordingly, the impact of Mio INR 1,415 during the year under review is mainly contributed by increase in fair value of those investments.

Earnings per Share (EPS)

EPS (basic and diluted) of the Company for Financial Year 2017-18 was INR 449 per share.

Share capital

As on March 31, 2018, the Authorized Share Capital comprises of 38,051,460 Equity Shares of INR 10 each. The issued, subscribed and paid-up capital is Mio INR 305.21 divided into 30,520,740 equity shares of INR 10 each.

Reserves & Surplus

Reserves & Surplus as on March 31, 2018 stood at Mio INR 92,298, which includes retained profit for the year under review of Mio INR 70,313.

Other Reserve

Other Reserve increased from Mio INR 5,962 to Mio INR 7,210 mainly due to change in the fair value of

equity investments valued in line with Ind AS.

Shareholders' fund

The total Shareholders' fund increased to Mio INR 99,813 as on March 31, 2018 from Mio INR 87,996 as on March 31, 2017, mainly due to profit for the year under review.

Fixed assets – capital expenditure

The gross fixed asset value (including Capital Work-In-Progress) as on March 31, 2018 was Mio INR 27,629 compared to Mio INR 23,257 as on March 31, 2017.

The Company made capital investments of Mio INR 4,600 during the year under review in addition to Mio INR 6,267 invested during previous year. Major investments were made towards development of new products and facilities in Bidadi (Karnataka) and Nashik (Maharashtra) as well as towards solar power project at Belagavi (Karnataka).

Investments

Surplus funds not required for immediate operational needs were invested prudently in tax effective low risk instruments. The total investments (excluding investment in property) as on March 31, 2018 was Mio INR 52,228 as against Mio INR 39,090 as on March 31, 2017.

Working capital

Inventories

Inventory as on March 31, 2018 increased by 3.9 percent to Mio INR 12,258 from Mio INR 11,804 as on March 31, 2017 to support growth in sales. However, Inventory Turnover Ratio has reduced by 1 day as an effect of GST implementation, which enabled consolidation of warehouses and continuous focused measures on Inventory reduction.

Trade receivables

Trade receivables as on March 31, 2018 increased to Mio INR 16,156 as against Mio INR 11,862 as on March 31, 2017. This increase is a result of an increase in sales, change in the product mix and increase in average collection period in Powertrain Solution Division majorly affected by liquidity constraint in OE market.

Cash and Bank balances

The total cash and bank balances as on March 31, 2018 was Mio INR 18,878 (including cash and cash equivalent of Mio INR 3,633), compared to Mio INR 17,176 (including cash and cash equivalent of Mio INR 1,312) as on March 31, 2017.

Key Ratios:

Ratio	2017-18	2016-17
Return On Capital Employed (ROCE) (percent)	17.0%	20.1%
Inventory Turnover ratio (in days)	39	40
Trade Receivable Turnover ratio (in days)	45	43
Current Ratio	1.8	1.9
Number of Days in Working Capital	79	80
No. of Employees (average)	9,517	9,704

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

During the year under review, Human Resources (HR) continued its transformation initiatives, in a volatile and uncertain business environment, to cater to the organizational requirements.

The Company has collaborated with the global organization 'Great Place to Work', in its endeavor to become a great place to work. The objective is to bring about a High Performance Culture and Ownership and build a High Trust Culture of collaboration and thereby achieve Organizational Objectives.

The Company continued its efforts to foster and drive younger generation towards future leadership. The Company was again recognized at the National competition for Young Managers 2017 conducted by the All India Management Association with the Company bagging the national level award.

The Company, through its Integrated Talent Management initiatives, continued to enable learning, networking and collaboration by emphasizing on cross entity movement between different Bosch legal entities enabling holistic development and encouraging integration across different entities/locations.

Industrial Relations (Employee Relations)

Industrial Relations in all plants generally remained cordial during the year under review. Transitioning from 'Industrial Relations' to 'Employee Relations', a more focused approach on increased Employee Engagement and increased collaboration between various plants, corporate departments and amongst all level of employees was continued.

The Company, during the first week of May 2017, successfully concluded the long-term settlement with the Associates of the Jaipur Plant effective June 01, 2017 for a period of 4 years, in an amicable and fair manner,

with support of the Labour department, Government of Rajasthan.

As on the date of this report, negotiations over the long-term settlements at the manufacturing facilities situated at Bengaluru, Nashik and Naganathapura are ongoing. The Company continues to deal with the said matters in a fair and firm manner.

During the year under review, several initiatives such as introduction of Grievance policy, increase connect with Government and statutory bodies, Engagement calendar, Compliance checklist, self-audits and cross audits, etc. were continued to strengthen Employee Relations.

3.6 Internal Audit and Internal Financial Controls

The Company has an Internal Audit function. The Internal Audit Department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Company has an effective and reliable internal financial control system commensurate with the nature of its business, size and complexity of its operations. The internal financial control system provides for well-documented policies and procedures that are aligned with Bosch global standards and processes, adhere to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. This also identifies opportunities for improvement and ensures that good practices are imbibed in the processes that develop and strengthen the Internal financial control systems and enhances the reliability of the Company's financial statements.

The efficacy of the internal checks and control systems is validated by self-audits and verified by internal as well as statutory auditors.

The Audit Committee reviews the internal audit plan, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures. It also reviews functioning of the Whistle Blower mechanism and reviews the action taken on the cases reported.

3.7 Opportunities and Threats

The various government initiatives put in place to bridge the gap of India and the developed nations

offers a gamut of opportunities for the fast adaptation of technology in India. The budget demonstrates a very significant push on infrastructure including rural infrastructure which opens up opportunities for the Company's beyond mobility divisions like Building Technology and Consumer Goods (power tools).

In the mobility scenario, the various initiatives of NITI Aayog/Ministry of Road Transport and Highways have provided an impetus to close the technology gap as India moves from BS IV to BS VI in three years, time typically taken for one step. In this challenging environment, the Company is closely working with the OEMs in various concurrent projects to deliver the BS VI mandate. In the new product mix that will evolve with BS VI, localization and dieselization trends are the focus areas.

The push for digital India and the digital trendy demographics of India encourages the use of technology to create a connected mobility ecosystem. The Company has this trend in its radar and is working actively towards catering to this demand.

With regard to the Business beyond mobility, the Company is providing integrated solutions in the areas of industrial technology, consumer goods and energy and building solutions for turn-key mega infrastructure projects such as airports, metro stations and smart cities.

3.8 Risks and Concerns

The Company follows a specific, well-defined risk management process which is integrated with its operations, for identification, categorization and prioritization of operational, financial and strategic business risks. Across the organization, there are teams responsible for the previously mentioned processes who report to the senior management.

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

Following are the major risks and mitigation measures:

1. Disruptive norms:

Major changes influencing the industry like BS IV, BS VI, Electrification, etc., are considered by the Company as a major risk(s).

- (a) Shift to BS VI: The jump from BS IV to BS VI in a short span of about 3 years, the pace of change and the short time duration for preparedness are challenging. Shift to BS VI products, which are largely based on imports and have low replacement requirements in the Aftermarket, may have an adverse financial impact on the Company. The Company is currently working on customer project acquisitions and

measures are being enforced to minimize the financial impact.

- (b) Electrification: There has been a lot of discussion on electrification by various stakeholders including the Government, OEMs and auto component manufacturers. The technological dominance, which the Company currently has in the auto component industry, might not be available once electrification has its way into the industry. However, the Company, being an end-to-end solution provider, has its own advantage and is working closely with some of the top customers in the industry.

- 2. Competition:** The Company operates in a highly competitive environment due to which there are risks of pressure on pricing, loss of market due to de-risking from some customers, judicial changes and increased import content. Spurious parts and cheap imitations continue to put pressure on existing market share, primarily for Automotive Aftermarket and Power Tools divisions.

The Company, as a strategy, localizes products over a period resulting in reduction of price of the product and consequent increase in the market share. Respective business unit teams undertake a comprehensive competitor analysis periodically to evaluate competitors' strategies vis-à-vis, our own products and services and define our counter strategic and marketing plans.

- 3. Industrial Relations (IR):** IR-related risks continue on account of surplus capacity at the Company's Diesel systems plants and high lead time for wage settlement. These include possible risks arising from stoppage of production and/or leading to unpredictable cost structure and/or possible lay-off.

The Company adopts more focused continuous action plan for wage settlement, offers attractive EVR schemes, Firm and Fair approach for settlement with contract labour and implement "selected" best practices. As continued process in building capability initiative, special trainings were conducted on Employee Relations and adding value to Front line leadership development in the plant.

- 4. Heavily auto sector dependent:** About 85 percent of the business is dependent on the auto sector. Performance of the Company, therefore, is dependent on this sector's growth.

- 5. Low diesel image:** Diesel engines are being portrayed as polluter & environment unfriendly due to anti-Diesel lobbying. One of the major challenges currently faced is poor market for alternate fuels segment. The share of diesel in the total passenger cars' sales has

reduced in the last 4-5 years and possess further challenges. The Company has proactively taken steps to mitigate the risk in a socio-environmentally responsible manner.

6. Economy:

Geopolitical Scenario: The Company is operating in a Global business environment and continues to be impacted by any major geopolitical changes. The build up to the general elections in India from second half of 2018 might also impact the performance of the Company.

3.9 Outlook

The signs of growth indicate that an economic recovery is underway in India. Sustaining and enhancing the momentum would be the key factors determining this recovery.

The Company is optimistic of an overall growth in the automotive industry in 2018-19, with continued strong upward trend in passenger cars, LCVs and tractors. Predicted favorable monsoon and faster economic growth this year are likely to boost farm income, which, in turn, will boost rural sales of 2-Wheelers, passenger cars and tractors.

For the non-automotive segment, the Company is cautiously optimistic inspite of having positive economic indicators like robust economic growth, rising household incomes and increase in consumer spendings due to unprecedented business exigencies.

4. Manufacturing Facilities

4.1 Bengaluru (Karnataka)

The 67 year old Bengaluru plant is transforming itself into a lean and agile plant with its 90 year old product 'A Pump' still going strong in the tractor and diesel genset segments of Automotive Market. During the year under review, the plant achieved a milestone of manufacturing its 20th million A-pump.

The Plant has implemented an intensive System Continuous Improvement Process for improving and sustaining quality and remaining cost competitive. With this as a blueprint, the restructuring of machinery and equipment together with focus on increasing operational efficiency on the shop floor have made value streams even leaner. Additionally, the Plant is using low cost automation solutions for process optimization and reduction of manual effort resulting in better quality and speed in the value chain.

4.2 Bidadi (Karnataka)

The Bidadi plant progressed by integrating low cost Cobots (Collaborative Robots) for common rail pumps,

simultaneously achieving two targets: creating a clear finish time for products within the manual line and significant cost reduction.

Locally developed Industry 4.0 solution for deviation management are implemented at all stations. These applications are developed locally instead of using standard solutions available in Europe.

The plant has commenced lake rejuvenation project in the area adjacent to its facilities.

During the year under review, 1.2 MW of solar power capacity has been installed in addition to the existing 3.5 MW of solar power capacity.

4.3 Nashik (Maharashtra)

Nashik plant manufactures the Common Rail Injectors (CRI) and components including nozzles for both common rail and conventional diesel injectors. During the year under review, the plant successfully transferred the production facility of Conventional Injectors (NHA) to Jaipur plant. Additional capacity was added for CRI product by relocation of a high volume line from Bosch Turkey plant. Nashik plant celebrated the production of 25th million CRI and became the second largest manufacturer of CRI 2-16 injectors in the Bosch group globally.

During the year under review, the Nashik Plant continued its endeavor to use renewable source of energy. The Plant has an overall capacity of 13 MWp of solar energy generation. The plant is the first Bosch plant in India and fifth worldwide to receive ISO 50001:2001 certification for Energy Management.

Focusing on behavior based safety, reduction of first aid cases and capturing & working on near miss incidents, the Plant recorded a "zero accident" year. The Plant was awarded by CII for the Manufacturing excellence practices of Industry 4.0.

4.4 Jaipur (Rajasthan)

The Jaipur Plant produces Distributor (VE) Mechanical and Electronic Diesel Control Pumps used in Light and Heavy Commercial Vehicles, Sports and Multi-Utility Vehicles and tractors. Relocation of manufacturing of Conventional Injectors from Nashik to Jaipur was successfully completed during the year under review. These are used in both on-highway and off-highway applications including Light and Heavy Commercial Vehicles, Locomotives, Tractors and Gensets.

Growth in the domestic LCV and tractor markets resulted in good turnover inspite of reduction in other OE volumes due to implementation of BS IV Emission Norms with effect from April 01, 2017.

The Plant is the first Bosch plant in India to win the “National Safety Award” in two categories ‘Accident free year’ and ‘Lowest Average Frequency Rate’ from the Government of India in September 2017. The Plant also won other awards including CII Lean Award for lean manufacturing.

4.5 Naganathapura (Karnataka)

The Naganathapura Plant produces Spark Plugs, a product produced by the Bosch group for over a century. The year under review witnessed an increase in the turnover mainly due to higher demand from OE and Independent Aftermarket segments.

Focusing on improving cost competitiveness, productivity improvement projects were implemented in addition to safety and quality improvement programs.

During the year under review, Machine building division and manufacturing of automotive service solutions were relocated from the Bengaluru Plant to Naganathapura Plant.

4.6 Verna (Goa)

The Verna Plant provides a variety of applications and solution relating to packaging market in India and SAARC countries. The products and solutions of the Plant also have good presence in Africa.

During the year under review, Verna plant executed many challenging projects, made successful product transfers and took big steps in Horizontal Form, Fill & Seal product line. The plant also introduced new products like SVI 4000WR and BVK 1200 in the market.

4.7 Gangaikondan (Tamil Nadu)

Situated at Tirunelveli, Tamil Nadu with a 6,200 sq. meters of built up area, the state-of-the-art Gangaikondan plant is the Powertrain Solutions plant in India catering to the needs of growing Gasoline automobile market (both four and two-wheelers) in India. This plant was inaugurated in 2015 and achieved a break-even during the year under review.

The Plant mainly produces Powertrain Sensor products, Air Management products, Fuel supply Modules, Fuel Injection products for Gasoline vehicles. Year on year, the Plant has increased its output by 30 percent and is ready to face the market demands.

4.8 Chennai (Tamil Nadu)

The Power Tools facility admeasuring approximately 8,500 sq. meters is located at Indospace Industrial Park, Orgadam, Tamil Nadu. At present, the facility caters mainly to the Indian and SAARC markets. It primarily

manufactures Small Angle grinders, Large Angle grinders, Marble cutters, Blowers, Drills and two-kg Hammers, along with their motors. The Plant produces Blowers for the entire global market.

The Plant was accredited with Power Tools plant excellence award for the second consecutive year as well as best improving plant within the Power Tools international network.

5. Information Technology (IT)

As part of GST preparedness and business process readiness, all relevant IT systems have been upgraded with necessary changes as per GST time line. Additional GST changes are being incorporated in respective IT systems based on GST notifications on an ongoing basis.

During the year under review, the Company continued to enhance its IT Infrastructure to facilitate better internal as well as external communication providing an opportunity to employees to ‘work from anywhere’ seamlessly.

6. Change Initiatives

6.1 Continuous Improvement Process (CIP)

Considering the potential for further improvement in CIP practices at the Company to foster a culture of process orientation and problem solving, a project has been undertaken for defining CIP road map by end 2018 and for its structured deployment and review by Senior Leadership. This project has supported in considerable improvement in various Key Performance Indicators like Number of Implemented Suggestions per Employee, Savings from CIP Activities, No. of CIP Workshops, No. of VSDIA (Value Stream Design in Indirect Areas) Projects, Key CIP Competencies, Processing Time per Suggestion, etc. with involvement of associates across the Company.

6.2 Bosch Production System (BPS)

In this competitive business scenario where Customers demand zero defects, reduction in costs and quick response, the only way to stay competitive and be agile is to practice BPS as a way of life. During the year under review, the theme has been on “Collaboration and Synergy” across all the Company’s manufacturing facilities.

The focus has been primarily on People. “Improved Competence in People result in effective processes and thereby products which lead markets”.

While leaders were coached on Key BPS element twice a year by Bosch central experts, BPS week was conducted at different plants where all associates had a chance to work on simulation with a concept "Learn by Doing" enabling a better understanding on BPS which will lead to swift implementation of BPS Projects.

Through various forums like "Share and Learn", benchmark practice sharing by visiting different plants and training, the Company was able to achieve increase in productivity, reduction in inventories and on-time delivery fulfilment to customers.

7. Business Excellence

Agility, Customer centricity and Empowered teams are the founding principles forming the basis for all transformation. Strategy Management, Risk Management, Process Management, Benchmarking & Good Practices, which are core to business excellence are integrated, bringing in uniformity & cross learning within the organization.

The year under review saw major organizational transformation both in Bosch world and the Company. Two of the biggest units - Diesel Systems & Gasoline Systems were merged to form Powertrain Solutions (PS) effective January 01, 2018. Business Excellence has played a pivotal role in integrating the two and creating synergy, agility and efficiency.

8. Awards and Recognition

During the year under review, the Company won several awards for excellence. Few such awards are:

- CII National Energy Efficiency Circle Competition
- CII Lean Award – Jaipur Plant
- National Safety Award by Government of India in two categories : Accident free years and Lowest Average Frequency Rate – Jaipur Plant
- Confederation of Indian Industry: Business Practices Competition Award – Bengaluru Plant
- 3R Award 2018 - Nashik Plant
- Quality and OPPM awards from Toyota Kirloskar Motors
- Business Award from Maruti Suzuki India Limited
- Best New Product Development Award from Greaves
- PHD Annual Award 2017 for outstanding contribution to Social Welfare – Jaipur Plant
- Best Supplier Quality Award from General Motors, India – Nashik Plant

- KOEL Supplier Quality Improvement Contest Award – Bengaluru Plant
- Award for energy conservation and management by Government of Maharashtra – Nashik Plant
- Environmental Best Practice – Most Innovative Award Greenco. – Nashik Plant
- CSR Award for Quality Education by Government of Rajasthan – Jaipur Plant
- Finest India Skills and Talent Award 2017 – Bengaluru Plant
- The Machinist Super Shop Floor Award for Safety – Bengaluru Plant
- Supplier of the year award from SMLI
- Zero Defect Supplier for 2017 by Hyundai India – Nashik Plant

9. Directors and Key Managerial Personnel

9.1 Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. V.K. Viswanathan retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-election at the said Meeting.

9.2 Changes in the Key Managerial Personnel and Board

9.2.1 Board of Directors

Mr. Prasad Chandran resigned from the Directorship of the Company with effect from the close of business hours on September 01, 2017. The Board places on record its sincere appreciation for the valuable guidance provided by Mr. Chandran during his tenure as Director of the Company.

The Board of Directors, on recommendation of the Nomination & Remuneration Committee, appointed Ms. Hema Ravichandar and Mr. S.V. Ranganath as Additional Director(s) in capacity of an Independent Director(s) for an initial term of 5 years and 3 years respectively with effect from September 02, 2017 and July 01, 2018 respectively.

Mr. Jan-Oliver Röhl resigned as Alternate Director to Mr. Peter Tyroller with effect from the close of business hours on June 30, 2018.

The Board of Directors, on recommendation of the Nomination & Remuneration Committee appointed Mr. Röhl as an Additional Director and Executive Director with effect from July 01, 2018.

The Company has received notice(s) from member(s) under section 161 of the Companies Act, 2013, proposing candidature of Ms. Ravichandar, Mr. Ranganath and Mr. Röhl for the office of Director(s) of the Company at the forthcoming Annual General Meeting.

Mr. S.C. Srinivasan, who joins the Company as Chief Financial Officer with effect from July 01, 2018 was appointed as an Alternate Director to Mr. Peter Tyroller with effect from the aforementioned date. Mr. Srinivasan, by virtue of being in employment of the Company on July 01, 2018, would be placed in position of a Whole-time Director. The Board of Directors, therefore, approved his appointment as a Whole-time Director from July 01, 2018 to June 30, 2021, subject to the approval of the shareholders.

The following resolutions, in addition to re-appointment of Mr. Viswanathan, who retires by rotation, relating to the aforementioned re-constitution of the Board of Directors of the Company will form part of the Notice convening the 66th Annual General Meeting of the Company:

- (i) Appointment of Mr. Jan-Oliver Röhl as Director.
- (ii) Appointment of Mr. Jan-Oliver Röhl as Executive Director with effect from July 01, 2018.
- (iii) Appointment of Ms. Hema Ravichandar as Independent Director for a period of 5 consecutive years with effect from September 02, 2017.
- (iv) Appointment of Mr. S.V. Ranganath as Independent Director for a period of 3 consecutive years with effect from July 01, 2018.
- (v) Appointment of Mr. S.C. Srinivasan as a Whole-time Director with effect from July 01, 2018.

Brief profiles of Mr. V.K. Viswanathan, Ms. Hema Ravichandar, Mr. S.V. Ranganath, Mr. Jan-Oliver Röhl and Mr. S.C. Srinivasan will form part of the Notice convening the 66th Annual General Meeting of the Company.

9.2.2 Key Managerial Personnel

Mr. Soumitra Bhattacharya, Managing Director & Chief Financial Officer and Mr. S Karthik, Joint Chief Financial Officer have relinquished their positions as Chief Financial Officer and Joint Chief Financial Officer respectively with effect from the close of business hours on June 30, 2018. Mr. Bhattacharya and Mr. Karthik will

continue to discharge their responsibilities as Managing Director and Vice-President (Corporate Finance & Accounts) respectively.

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee and Audit Committee appointed Mr. S.C. Srinivasan as Chief Financial Officer of the Company with effect from July 01, 2018. Mr. Srinivasan has also been appointed as an Alternate Director to Mr. Peter Tyroller with effect from the aforementioned date and consequently as a Whole-time Director. The appointment as Whole-time Director is subject to approval of the members at the forthcoming Annual General Meeting.

Mr. R Vijay, Company Secretary and Compliance Officer resigned from the Company with effect from the close of business hours on May 23, 2018. The Nomination and Remuneration Committee will identify and recommend to the Board appointment of new Company Secretary. In the interim, the Board of Directors, on recommendation of the Nomination & Remuneration Committee, appointed Mr. Anuj Sharma as the Compliance Officer of the Company (interim) in terms of the requirements of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, with effect from May 24, 2018.

As on the date of this report (i.e. May 22, 2018), the following are the Key Managerial Personnel of the Company:

- Mr. Soumitra Bhattacharya (Managing Director & Chief Financial Officer)
- Dr. Andreas Wolf (Joint Managing Director)
- Mr. Jan-Oliver Röhl (Chief Technical Officer & Alternate Director)
- Mr. S Karthik (Joint Chief Financial Officer)
- Mr. R Vijay (Company Secretary)

9.3 Independent Directors

The Independent Directors have given a declaration to the Company that they meet the criteria of independence prescribed under section 149(6) of the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

9.3.1. Familiarization Programme for Independent Directors

For details of the familiarization programme for Independent Directors, please refer to the Corporate Governance Report.

9.4 Performance Evaluation of Directors

In line with the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its Committees and individual Directors.

For details of the performance evaluation including evaluation criteria for Independent Directors, please refer the Corporate Governance Report.

10. Board Meetings

During the year under review, five meetings of the Board of Directors were held. The particulars of the meetings and attendance thereat are mentioned in the Corporate Governance Report.

11. Corporate Social Responsibility (CSR) Committee and Initiatives

Consequent to changes in the Board of Directors during the year under review, the CSR Committee was re-constituted by inducting Ms. Hema Ravichandar as a member and re-designating Mr. Bhaskar Bhat as Chairman of the Committee with effect from September 02, 2017. As on the date of this report, the CSR Committee comprises of Mr. Bhaskar Bhat (Independent Director) as its Chairman and Ms. Hema Ravichandar (Independent Director), Mr. Soumitra Bhattacharya (Managing Director) & Dr. Andreas Wolf (Joint Managing Director) as its members.

The CSR Committee oversees the Company's CSR initiatives.

The Board of Directors have adopted a CSR policy in line with the provisions of the Companies Act, 2013. The CSR policy, *inter-alia*, deals with the objectives of the Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR Committee, implementation plan and reporting framework.

Some of the key CSR initiatives during the year under review include the following:

- Reaching out to less-educated, lesser-privileged youth and bringing them into the fold of employment through BRIDGE (Bosch's Response to India's Development and Growth through Employability Enhancement) program in 148 BRIDGE Centers across India. Approximately 16,000 youth have been trained and placed at entry level jobs through the BRIDGE program till date. During the year under review, 25 Model BRIDGE Centers were established with technical facilities of a smart classroom.

- Expansion of Child Health Development Program (CHDP) under Health, Hygiene and Education Initiative to other cities besides Bengaluru covering approximately 300 government schools in Nashik, Bidadi and Jaipur, benefitting 70,000 children.
- Upgradation of local dispensary in Adugodi, Bengaluru at par with a private healthcare facility.
- Make Your Own Lab (MYOL) initiative was launched to enable Science Teachers in Government schools develop innovative kit.
- Neighbourhood project as per the local needs identified the Company's plants: Setting up of Reverse Osmosis Plant in Jaipur, Check Dams in Nashik, construction and operation of "Bosch-Akshaya Patra" kitchen in Jigani, etc.

Details of the CSR Committee meetings and attendance thereat forms a part of the Corporate Governance Report.

Annual Report on Corporate Social Responsibility Activities of the Company is enclosed as Annexure 'B'

Particulars	FY 2017-18	FY 2016-17
Total Revenue	68	76
Profit/(Loss) before tax	(51)	7
Profit/(Loss) after tax	(51)	5

The Directors' Report along with the Audited Statement of Accounts of MTPL has been uploaded on the website of the Company at www.bosch.in under the "Shareholder Information" section.

13.2 Associate Company

Newtech Filter India Private Limited (NTFI)

The Company has one Associate Company viz., Newtech Filter India Private Limited. The Company holds 25 percent and Robe8.1(iv)vsh cvemen, N percene of thpaid-up s3Shartae o(NT.5

percene of thp(Pr)13duct sales(whiab1.92[(per)1312(cene w)The Company has a well-defined Risk Management policy. The policy has been developed after taking cognizance of the relevant statutory guidelines, Bosch Guidelines on risk management, empirical evidences, stakeholders' feedback, forecast and expert judgment.

The information in respect of employees of the Company required pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended will be provided on request. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto excluding the aforementioned particulars of employees, which is available for inspection by the Members at the Registered Office of the Company during business hours on any working day. Any member desirous of obtaining a copy of the same may write to the Company at investor@in.bosch.com.

16. Corporate Governance

A report on Corporate Governance in terms of the requirements of the Listing Regulations and a certificate from the Practicing Company Secretary, forms part of this Annual Report (Page No. 191).

17. Risk Management

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

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

Risk Management framework;

- (i) In-built pro-active processes within the Risk Management Manual for reporting, evaluating and resolving risks;
- (ii) Identifying and assessing risks associated with various business decisions before they materialize. Take informed decisions at all levels of the organization in line with the Company's risk appetite;
- (iii) Ensuring protection of shareholders' stake by establishing an integrated Risk Management Framework for identifying, assessing, mitigating, monitoring, evaluating and reporting all risks;
- (iv) Strengthening Risk Management through constant learning and improvement;
- (v) Adoption and implementation of risk mitigation measures at every level in order to achieve long-term goals effectively and sustainably;

Company's strategy; and

- (vii) Ensuring sustainable business growth with stability.

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

18. Whistle Blower Policy/Vigil Mechanism

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

Details of the Whistle Blower Policy have been mentioned in the Corporate Governance Report. The Whistle Blower Policy has also been uploaded on the website of the Company and can be accessed at the following link: https://www.bosch.in/media/our_company/shareholder_information/2014/whistle_blower_policy.pdf.

19. Business Responsibility Report

In terms of the requirements of Regulation 34(2)(f) of the Listing Regulations, a report on Business Responsibility in the prescribed format forms a part of this Annual Report (Page No. 204).

20. Related Party Transactions

The Audit Committee accords omnibus approval to Related Party Transactions which are in ordinary course of business, foreseen, repetitive in nature and satisfy the arm's length principles. The Audit Committee reviews, on a quarterly basis, the details of the Related Party Transactions entered pursuant to the aforementioned omnibus approval. Additionally, the Company obtains a half yearly certificate from a Chartered Accountant in Practice confirming that the related party transactions during the said period were in ordinary course of business, repetitive in nature and satisfy the arm's length principles.

The details of Related Party Transactions under Section 188(1) of the Act required to be disclosed under Form AOC - 2 pursuant to Section 134(3) of the Act is enclosed as Annexure 'F' (Page No. 80) to this Report.

The Company has framed a policy for determining materiality of Related Party Transactions and dealing with Related Party Transactions. The said policy is hosted on the website of the Company and can be accessed at the following link: https://www.bosch.in/media/our_company/shareholder_information/2014/rpt_policy.pdf.

21. Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo

The report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, as amended, is enclosed as Annexure 'G' (Page No. 81) to this Report.

22. Auditors

22.1 Statutory Auditor

The shareholders at the 65th Annual General Meeting of the Company held on September 01, 2017 appointed M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company for a period of 5 years until the conclusion of the 70th Annual General Meeting of the Company subject to ratification of their appointment at every subsequent AGM. The Ministry of Corporate Affairs vide notification dated May 07, 2018 obliterated the requirement of seeking Members' ratification at every AGM on appointment of Statutory Auditors during their tenure of 5 years.

The Auditors' Report on the Standalone as well as Consolidated Financial Statements for the Financial Year 2017-18 is unmodified i.e. it does not contain any qualification, reservation or adverse remark.

22.2 Cost Audit & Cost Auditors

The Board of Directors, on recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants, Bengaluru (Registration No.000065) as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2018-19 in terms of the provisions of Section 148 of the Companies Act, 2013.

In terms of the requirements of the said section, the members shall ratify remuneration payable to the Cost Auditors. Accordingly, resolution ratifying the remuneration payable to M/s. Rao, Murthy & Associates will form a part of the Notice convening the 66th Annual General Meeting.

22.3 Secretarial Auditor

The Company appointed Mr. Sachin Bhagwat, Practicing Company Secretary, to conduct Secretarial Audit as per the provisions of the Act for the Financial Year 2017-18. The Report of the Secretarial Audit is enclosed as Annexure 'H' (Page No. 83) to this Report.

There were no qualifications, reservations or adverse remarks in the Report of the Secretarial Auditor.

22.4 Reporting of Fraud

There have been no instances of fraud reported by the aforesaid Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

23. Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected and consistently applied accounting policies and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a 'going concern' basis;
- (v) proper internal financial controls are in place and that such controls are adequate and are operating effectively; and
- (vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

24. Details of Loans, Guarantees or Investments

Details of loans, guarantees or investments covered under section 186 of the Act, are provided in the Notes to the Financial Statements.

25. Deposits

During the year under review, there were no deposits as per the provisions of Companies Act, 2013.

26. Material Changes and Commitments

There were no material changes and commitments between the end of the year under review and the date of this report affecting the financial position of the Company.

27. Material Order Passed by Regulators or Courts

No material orders impacting the going concern status of the Company or its operations in future were passed.

Annexure 'A' to the Report of the Directors

BOSCH LIMITED - DIVIDEND DISTRIBUTION POLICY

I. Background

SEBI vide Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by inserting Regulation 43A, requiring the top 500 listed entities based on the market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy. The Company, being one of the top 500 listed Companies, has formulated this Dividend Distribution Policy.

II. Definition

Unless the context otherwise requires:

- (a) 'Act' means the Companies Act, 2013 and includes the rules framed thereunder;
- (b) 'Board' means the Board of Directors of the Company and includes any Committee thereof constituted or to be constituted.
- (c) 'Company' means Bosch Limited.
- (d) 'Dividend' shall have the meaning ascribed to it under the Act and includes an Interim Dividend but excludes Special Dividend.
- (e) 'Listing Regulations' or 'SEBI LODR' means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactments thereto.
- (f) 'Free Reserves' shall have the meaning ascribed to it under the Act.
- (g) 'Policy' means Bosch Limited - Dividend Distribution Policy.

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

Words in singular number include the plural and vice-versa.

III. Effective Date:

The policy shall come into force from the date of approval of the Board of Directors i.e. February 10, 2017.

IV. Parameters

Dividend payout is contingent upon various factors and their combination thereof, which are enumerated below and the Board of Directors shall before deciding the dividend consider these factors in the best interest of the Company and its shareholders.

1. Circumstances under which the shareholder may not expect dividend

The shareholder may not expect dividend, *inter-alia*, in the following circumstances, subject to discretion of the Board:

- a. In event of loss or inadequacy of profit or cash flow.
- b. Higher capital investments on account of expansion of business, etc. by the Company.
- c. Decision to undertake any acquisition, amalgamation, merger, takeover, etc. requiring significant capital outflow.
- d. Other business condition(s) in the opinion of the Board it would be prudent to plough back the profits of the Company.
- e. De-growth in the overall business.
- f. The Company has been prohibited to declare dividends by any regulatory authority.
- g. Any other extra-ordinary circumstances.

2. Financial Parameters

While determining the quantum of dividend the Board of Director shall, *inter-alia*, consider the following financial parameters:-

- (i) Profit After Tax considering write-off of accumulated losses, exceptional and extraordinary items, if any
- (ii) Accumulated reserves
- (iii) Cash flow and treasury position keeping in view the total debt to equity ratio
- (iv) Earnings Per Share
- (v) Dividend Payout during the previous years
- (vi) Capital Expenditure
- (vii) Contingent Liabilities

3. Factors to be considered while declaring dividend

The quantum of dividend is an outcome of due deliberation by the Board considering various Internal and External factors including, but not limited to:-

- (i) Internal Factors
 - (a) Business Forecast (near to medium term)
 - (b) Earning stability
 - (c) Availability of liquidity
 - (d) Accumulated Reserves
 - (e) Working capital requirements of the Company
 - (f) Capital Expenditure requirements of the Company

- (g) Investments in new line(s) of business
- (h) Expenditure on Research & Development of new products
- (i) Investment in technology
- (j) Acquisition of brands/businesses
- (k) Replacement cost of end-of-lifecycle products
- (ii) External Factors
 - (a) Statutory provisions, legal requirements, regulatory conditions or restrictions laid down under applicable laws
 - (b) Prevailing macro-economic environment
 - (c) Re-investment opportunities
 - (d) Investor Expectations
 - (e) Prevailing taxation structure including any amendments expected thereof.

Dividend will generally be recommended once a year by the Board, after the approval of the Audited Financial Statement and shall be subject to approval/confirmation of shareholders at the Annual General Meeting (AGM). In certain years and to commemorate special occasions, the Board may consider declaring special dividend for its shareholders.

Considering the above factors, the Company would endeavor to declare a dividend (excluding any special dividend or a payout in the form of a one-time/special dividend) resulting in a pay-out ratio upto 30% of the annual standalone Profits after Tax (PAT) of the Company.

V. Utilization of Retained Earnings

Subject to the applicable regulations, retained earnings may be applied for:

- (i) Funding the organic and inorganic growth of the Company
- (ii) Diversification of business
- (iii) Capacity Expansion
- (iv) Replacement of Capital Assets
- (v) Declaration of Dividend in future years
- (vi) Issue of Bonus Shares
- (vii) Buy-back of Shares/Capital Reduction
- (viii) Other permissible purposes

VI. Parameters that shall be adopted with regard to various classes of shares

The Company has only one class of shares viz., Equity Shares of Face Value of INR 10 each.

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of Dividend per share.

VII. Disclosure:

In terms of the requirements of the Listing Regulations, this policy has been uploaded on the website of the Company viz., www.bosch.in and will also form a part of the Annual Report of the Company.

In case the Company declares dividend on the basis of parameter in addition to the parameters stated in this Policy, such parameters will be disclosed on the website as well as in the Annual Report of the Company.

VIII. General

This Policy is subject to revision/amendments in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, SEBI or other regulatory authority from time to time, on the subject matter. Accordingly, the Company reserves the right to alter, modify, add, delete or amend any of the provisions of this Policy.

Notwithstanding anything contained herein but subject to the applicable laws, the Board may, at their discretion revise, amend or modify the policy, which they in their absolute discretion may deem fit.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

IX. Cautionary Statement

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy to pay, subject to the circumstances and factors enlisted herein above, which shall be consistent with the performance of the Company over the years.

This document does not solicit investment in the Company's shares nor is it an assurance of guaranteed returns (in any form), for investments in the Company's shares.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made generally every year after taking into consideration all the relevant circumstances contained in this Policy as may be decided by the Board.

Annexure 'B' to the Report of the Directors

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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

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

The CSR Policy can be accessed at:

https://www.bosch.in/media/our_company/shareholder_information/2017_2/csrpolicy_final.pdf

2. Composition of the CSR Committee:

- (i) Mr. Prasad Chandran, Chairman (erstwhile Independent Director)[@]
- (ii) Mr. Bhaskar Bhat, Chairman (Independent Director)[#]
- (iii) Ms. Hema Ravichandar (Independent Director)^{\$}
- (iv) Mr. Soumitra Bhattacharya (Managing Director)
- (v) Dr. Andreas Wolf (Joint Managing Director)

[@] Chairman of the CSR Committee upto September 01, 2017

[#] Member upto September 01, 2017; appointed as Chairman with effect from September 02, 2017

^{\$} Member with effect from September 02, 2017.

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

Mio INR 18,122

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above):

Mio INR 362

5. Details of CSR spent for the Financial Year:

- a. Total amount spent for the financial year: Mio INR 363
- b. Amount unspent, if any: Nil
- c. Manner in which amount spent in the financial year is detailed below:

[Mio INR]

Sl. No.	CSR Projects/ Activities	Sector in which the Project is Covered	Locations (State)	Amount Outlay (Budget) Project or Program for FY 2017-2018	Amount spent on the Project or Program during FY 2017-2018 (a) Direct expenditure (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Child Health Development Program (CHDP) for Government school children and Cleft Surgery	(i) Promoting Healthcare (ii) Promoting Education	Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	11.00	9.36	48.04	Implementing Agency - Karuna Trust and Akhila Bharatha Mahila Seva Samaja
2.	Primary Health Centre upgradation	Promoting health care including preventive healthcare	Bengaluru (Karnataka)	6.00	4.36	20.45	Implementing Agency - Karuna Trust

Sl. No.	CSR Projects/ Activities	Sector in which the Project is Covered	Locations (State)	Amount Outlay (Budget) Project or Program for FY 2017-2018	Amount spent on the Project or Program during FY 2017-2018 (a) Direct expenditure (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
3.	Science Education to Government school children	Promoting Education	Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	9.00	6.84	28.73	Implementing Agency – Agastya International Foundation
4.	English, Computer and Value Education in Government Schools	Promoting Education	Bengaluru (Karnataka)	5.00	3.99	17.14	Direct as well as through Implementing Agency - Children's Movement for Civic Awareness
5.	Model School Concept for upgrading infrastructure & Education quality in Government school	Promoting Education	Bengaluru (Karnataka)	3.00	4.83	19.96	Direct as well as through and Implementing Agency – Academy for Creative Teaching Trust
6.	Toilet construction in Government schools	(i) Promoting Education (ii) Sanitation	Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	15.00	21.04	78.29	Direct
7.	BRIDGE Skill development and employability enhancement for underprivileged youth	Promoting Education including employment enhancing vocational skills	All India	58.00	63.57	157.37	Direct
8.	Train the Trainers	Promoting Education	All India	8.00	8.20	12.38	Direct
9.	Infrastructure development for Vocational Training in Government ITI	Promoting Education including employment enhancing vocational skills	Bengaluru (Karnataka) Jaipur (Rajasthan) Nashik (Maharashtra)	10.00	7.88	57.44	Direct
10.	Model BRIDGE centers in PU colleges/ Institutes	Promoting Education including employment enhancing vocational skills	All India	17.00	15.86	19.22	Direct

[Mio INR]

Sl. No.	CSR Projects/ Activities	Sector in which the Project is Covered	Locations (State)	Amount Outlay (Budget) Project or Program for FY 2017-2018	Amount spent on the Project or Program during FY 2017-2018 (a) Direct expenditure (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
11.	Training center for tribal girls & Bosch circle maintenance	Promoting Education	Nashik (Maharashtra)	11.00	3.72	3.72	Direct
12.	Support to special children and medical support (Nashik Run)	Promoting Education	Nashik (Maharashtra)	2.00	2.00	7.60	Direct
13.	Check Dams (Water conservation in drought- prone area)	Environment sustainability	Nashik (Maharashtra)	33.00	32.08	61.90	Direct
14.	RO (Reverse Osmosis) Plants to provide clean drinking water facility to the Villagers	(i) Maintaining quality of water (ii) Rural development projects	Jaipur (Rajasthan)	10.00	17.21	36.31	Direct
15.	Garbage management / Cleanliness project at RICCO circle	Environment sustainability	Jaipur (Rajasthan)	3.00	4.04	6.62	Direct
16.	Mid-day meal kitchen setup	Promoting Education	Jigani (Karnataka)	7.00	6.00	77.82	Implementing Agency - The Akshaya Patra Foundation
17.	Lalbagh Aerators for the Lake rejuvenation and parking system	Environment sustainability	Bangalore (Karnataka)	21.00	20.98	20.98	Direct
18.	Shanmangala Lake rejuvenation in Bidadi	Environment sustainability	Bangalore (Karnataka)	10.00	16.59	16.59	Direct
19.	Administrative expenses	Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014	All India	18.00	18.00	36.80	Direct

[Mio INR]

Sl. No.	CSR Projects/ Activities	Sector in which the Project is Covered	Locations (State)	Amount Outlay (Budget) Project or Program for FY 2017-2018	Amount spent on the Project or Program during FY 2017-2018 (a) Direct expenditure (b) Overheads	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
20.	CSR Awareness and Volunteers Promotional activities	Promoting Education	Bengaluru (Karnataka)	15.00	6.45	12.28	Direct
21.	Holistic Village Development	Rural Development	Bidadi (Karnataka) Nashik (Maharashtra) Jaipur (Rajasthan)	66.00	66.00	66.00	Bosch India Foundation
22.	Contribution to the corpus fund of Bosch India Foundation	(i) Rule 7 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (ii) Rural development projects	All India	24.00	24.00	160.50	NA
	Total			362.00	363.00	966.16	

Details of the implementing agencies:-

Karuna Trust, a registered trust since 1986, is a Non-Government Organization of repute primarily providing free primary health care for the past 26 years in partnership with various State Governments and Funding Agencies.

Akhila Bharatha Mahila Seva Samaja (ABMSS) is a social organization set up in Bengaluru in 1993 primarily to work towards the betterment of women and children. Since 2013, they added cleft lip and palate treatment as one of their major programmes with the support of Deutsche Cleft Kinderilfe E.V Germany and local donors within the country.

Agastya International Foundation ("Agastya"), founded in 1999 in Bengaluru is an Indian education trust and non-profit organization whose mission is to spark curiosity, nurture creativity and build confidence among economically disadvantaged children and teachers in India. Agastya runs hands-on science and art education programs in rural and semi-urban regions across 18 states. It is one of the largest science education programs that caters to economically disadvantaged children and teachers in the world.

Children's Movement for Civic Awareness (CMCA) was founded in the year 2000 as a joint programme of Public Affairs Centre and Swabhimana, two Bengaluru based NGOs. CMCA was registered as a Public Charitable Trust on June 15, 2009.

Akshaya Patra Foundation is a not-for-profit organisation headquartered in Bengaluru. The Foundation strives to fight issues like hunger and malnutrition in India, by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools.

Academy for Creative Teaching Trust (ACT) is an institution for teacher training and educational consultancy set up in 2005. It has resources of academicians and academic administrators.

Bosch India Foundation (BIF) is a trust formed in 2008 by Bosch group companies in India for public purpose of community and societal development, with a clear focus on sustainability, thus sustaining the philanthropic values of the Bosch Group in India. The trust is governed by the Board of Trustees who are the heads of the entities of Bosch Group in India.

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

Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the company.

The CSR projects were designed, implemented and periodically reviewed in accordance with the CSR Policy of the Company framed pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

Soumitra Bhattacharya
DIN: 02783243
Managing Director

Andreas Wolf
DIN: 07088505
Joint Managing director

Bhaskar Bhat
DIN: 00148778
Chairman
Corporate Social Responsibility
Committee

Annexure 'C' to the Report of the Directors

Form AOC-I

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

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

Part "A": Subsidiaries

Name of the subsidiary: MICO Trading Private Limited

(Amount in TINR)

1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
2.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Not Applicable
3.	Share Capital	1,000
4.	Reserves & Surplus	(37)
5.	Total Assets	1,075
6.	Total Liabilities	112
7.	Investments	1,000
8.	Turnover*	Nil
9.	Profit/(Loss) before taxation	(51)
10.	Provision for taxation	Nil
11.	Profit/(Loss) after taxation	(51)
12.	Proposed Dividend	Nil
13.	% of shareholding	100

*Turnover - Nil. Income from Investments (Fixed Deposits) - TINR 68

1. Names of subsidiaries which are yet to commence operations: MICO Trading Private Limited

2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures

Name of Associate: NewTech Filter India Private Limited

1.	Latest audited Balance Sheet Date	March 31, 2018	March 31, 2017
2.	Shares of Associate/Joint Ventures held by the Company on the year end		
	• Nos.	17,500,000	17,500,000
	• Amount of Investment in Associates/Joint Venture (Amount in TINR)	175,000	175,000
	• Extent of Holding %	25%	25%
3.	Description of how there is significant influence	Voting Rights	Voting Rights
4.	Reasons why the Associate/Joint Venture is not consolidated	Consolidated*	Consolidated
5.	Net-worth attributable to the shareholding as per the latest audited Balance Sheet (Amount in TINR)	87,892	85,250
6.	Profit/(Loss) for the year (attributable to the shareholding) (Amount in TINR)	2,642	(8,948)
	i. Considered in consolidation (Amount in TINR)	2,642	(8,948)
	ii. Not considered in consolidation	NIL	NIL

* The financial statements for the financial year ended March 31, 2018 are unaudited and have been considered for the purpose of consolidation pursuant to Section 129 of the Companies Act, 2013.

1. Names of associates or joint ventures which are yet to commence operations: Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Bernhard Steinruecke	(DIN: 01122939)	Director
Renu S Karnad	(DIN: 00008064)	Director
Bhaskar Bhat	(DIN: 00148778)	Director
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & Chief Financial Officer
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Jan-Oliver Röhr	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Place : Bengaluru
Date : May 22, 2018

R Vijay
Company Secretary

Annexure 'D' to the Report of the Directors

NOMINATION AND REMUNERATION POLICY

1. Introduction:

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

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

2. Definitions:

In this policy unless the context otherwise requires:

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

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

3. Constitution of the Nomination & Remuneration Committee:

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

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

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

4. Key objectives of the Committee:

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

Executive / Whole-time Directors and/or Senior M&SS of the Company, as deemed necessary for proper and expeditious execution.

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

6. Committee members interest:

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

7. Effective Date:

This policy shall be effective 03.12.2014.

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

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

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

The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director, Key Managerial Personnel and Senior Management and accordingly recommend to the Board his/her appointment.

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

- a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Compensation and Benefit Policy of the Company as revised through the Annual Salary Review process from time to time.
- b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every ASR cycle / process including payouts for the variable part (Performance Incentive).
- c) The Compensation structure will also be based on the market salary survey. The survey for total remuneration would be commissioned with

external consultants. The basket of companies will be finalized by HR department after considering all the relevant aspects.

- d) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of identified senior management personnel from time to time.
- e) Remuneration to Non-Executive & Independent Directors

Sitting Fees

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

Profit-linked Commission

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

10. Policy on Board diversity:

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

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

The Committee may recommend to the Board, changes in Board, Key Managerial Personnel or Senior Management Personnel subject to the provisions of the Act and applicable

Company's policies i.e., Rules and Regulation of Service and Conduct for M&SS, Code of Business Conduct and Principles of legal compliance framed and adopted by the Company from time to time.

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

The Board of Directors will have the discretion to retain the Key Managerial Personnel and

Senior Management Personnel in the same position/remuneration or revised remuneration after attaining the age of superannuation for organizational development reasons.

12. Amendments to the Nomination and Remuneration Policy:

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

For and on behalf of the Board of Directors

V. K. Viswanathan
DIN: 01782934
Chairman
Date: May 22, 2018

Annexure 'E' to the Report of the Directors

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

Sl. No.	Name of the Director	Category	Ratio to median remuneration of employees*
1.	Mr. V. K. Viswanathan	Chairman, Non-Executive & Non-Independent Director	2.34
2.	Mr. Bernhard Steinruecke	Independent Director	2.26
3.	Ms. Renu S. Karnad	Independent Director	2.29
4.	Mr. Prasad Chandran	Erstwhile Independent Director [@]	0.86
5.	Mr. Bhaskar Bhat	Independent Director	2.13
6.	Ms. Hema Ravichandar	Independent Director ^{\$}	1.30
7.	Mr. Peter Tyroller	Non-Executive & Non-Independent Director	NA [%]
8.	Mr. Soumitra Bhattacharya	Managing Director & Chief Financial Officer	46.55
9.	Dr. Andreas Wolf	Joint Managing Director	43.98
10.	Mr. Jan-Oliver Röhl	Chief Technical Officer & Alternate Director	50.78

* Employees for the above purpose and Point No. III below includes all employees except employees/associates governed under Long-term wage settlement.

[@] resigned from the directorship of the Company with effect from the close of business hours on September 01, 2017.

^{\$} appointed as an Additional Director in capacity of an Independent Director with effect from September 02, 2017.

[%] Mr. Peter Tyroller has waived his remuneration as Director of the Company.

II. Percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year:

Sl. No.	Name of the Director / Key Managerial Personnel	Category / Designation	% increase in the remuneration during the financial year
1.	Mr. V. K. Viswanathan	Chairman, Non-Executive & Non-Independent Director	44.5%
2.	Mr. Bernhard Steinruecke	Independent Director	53.8%
3.	Ms. Renu S. Karnad	Independent Director	53.8%
4.	Mr. Prasad Chandran	Erstwhile Independent Director [@]	NA [@]
5.	Mr. Bhaskar Bhat	Independent Director	54.1%
6.	Ms. Hema Ravichandar	Independent Director	NA [#]
7.	Mr. Peter Tyroller	Non-Executive & Non-Independent Director	NA ^{\$}
8.	Mr. Soumitra Bhattacharya	Managing Director & Chief Financial Officer	36.1%
9.	Dr. Andreas Wolf	Joint Managing Director	18.8%
10.	Mr. Jan-Oliver Röhl	Chief Technical Officer & Alternate Director	8.5%*
11.	Mr. S Karthik	Joint Chief Financial Officer	14.5%
12.	Mr. R Vijay	Company Secretary	4.3% ^{&}

- @ Mr. Prasad Chandran resigned from the directorship of the Company with effect from the close of business hours on September 01, 2017. Hence, the remuneration drawn for the year under review is not comparable with the previous year.
- # Appointed as Additional Director in capacity of an Independent Director with effect from September 02, 2017.
- \$ Mr. Peter Tyroller has waived his remuneration as Director of the Company.
- * Appointed as Alternate Director to Mr. Peter Tyroller and consequently as a Whole-time Director with effect from February 11, 2017. The remuneration drawn for the previous year is for the period February 11, 2017 to March 31, 2017. The percentage increase in remuneration in the financial year is calculated on a proportionate basis.
- & Served as the Company Secretary for a part of the previous financial year. The remuneration drawn for the previous year as Company Secretary is for the period February 11, 2017 to March 31, 2017. The percentage increase in remuneration in the financial year is calculated on a proportionate basis.

III. The percentage increase in the median remuneration of employees in the Financial Year:

There was an increase of ~5.37% in the median remuneration of employees.

IV. The number of permanent employees on the rolls of the Company:

As at March 31, 2018, the Company had 9,934 permanent employees on its roll.

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Percentage increase made in the salaries of the employees other than the managerial personnel in the last Financial Year i.e. 2017-18 was ~8.9% whereas the increase in the managerial remuneration in the Financial Year 2017-18 was ~23.55%.

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Employees is as per the Nomination and Remuneration Policy of the Company.

Annexure 'F' to the Report of the Directors

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions pursuant to section 188(1):

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of related party and relationship:

Robert Bosch GmbH (Holding company)

Salient Terms:

Ongoing, repetitive, in ordinary course of business and on arm's length basis.

Date of approval by the Board, if any:

Approval of the Audit Committee and the shareholders have been obtained pursuant to the requirements of erstwhile Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, for an aggregate amount upto Mio INR 50,000 for each financial year.

[Mio INR]

Sl. No.	Nature of Transaction	Duration	Amount of transaction during FY 17-18
1.	Purchase of goods (trade goods, components, tools, spares, etc.)	Ongoing	12,579
2.	Purchase of assets	Ongoing	220
3.	Sale of goods (products, components, etc.)	Ongoing	4,501
4.	Sale of services (development income, etc.)	Ongoing	808
5.	Miscellaneous income	Ongoing	25
6.	Services received (royalty, development charges, IT charges, etc.)	Ongoing	1,380
	Total		19,513

For and on behalf of the Board of Directors

V. K. Viswanathan

DIN:01782934

Chairman

Date: May 22, 2018

Annexure 'G' to the Report of the Directors

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]

A. Conservation of energy

(i) The steps taken or impact on conservation of energy:

- Optimization of ventilation system.
- Use of energy efficient pumps and motors in Air Handling Units.
- Heat Pump utilization for Aqueous cleaning machine.
- Installation of centralized Programmable Logic Controller (PLC) control for ACs.
- Use of Carbon Fiber Composite (CFC) trays in place of Metallic trays for batch loading of heat treatment furnaces.
- Adoption of Auto Power Factor Control.
- Replacement of conventional luminaries with LED lights.
- Variable Frequency Drive (VFD) installed for Compressors, etc.
- 'Dew point' based control of compressed air dryers.
- Use of timers & motion sensors for office lighting.
- Energy Saver Panel for lightings to consume optimum electrical energy.
- Installation of solar thermal unit for generation of hot water at the kitchen block of canteen.
- Thermal imaging of the furnaces and leakage correction.
- Energy analytics to review energy conservation on line.
- Temperature optimization in Dürr cleaning machine.
- Interlocking of exhaust fans with machine controls.
- Elimination of standalone chiller unit for centralized oil filtration system.
- Batch quantity and charge grate weight optimization in furnace and heat treatment.
- Roof exhaust fan automation.

(ii) The steps taken by the Company for utilising alternate sources of energy:

- The Company has installed Solar Plants at its various manufacturing location for using solar energy as a source in place of conventional sources.
- The details of the installed solar capacity of the

various manufacturing facilities of the Company is given below:

Manufacturing facility's location	Cumulative Solar Capacity (per year)
Nashik	17,500 MWh
Bidadi	6,950 MWh
Jaipur	800 MWh
Gangaikondan	57.3 MWh

(iii) The capital investment on energy conservation equipment(s):

During the year under review, the Company focused on investments aiming to reduce usage of conventional energy, energy conservation projects and increase the generation of solar energy and/or optimization of energy utilisation. Location wise details of investment on energy conservation/solar energy equipment(s):

Manufacturing facility's location	[Mio INR]
Nashik	157.0
Bidadi	52.5
Jaipur	48.0
Naganathapura	4.7
Bengaluru	3.0
Chennai	2.4
Total	267.6

B. Technology absorption

(i) The efforts made towards technology absorption:

- Introduction of Heat Pumps in place of electrical heating.
- Introducing lean manufacturing concept for energy efficiency projects through leveling and auto loading for increasing utilization of machines.
- Smart LED lighting technology for street lighting and office areas.
- Energy analytics to monitor energy consumption and take energy conservation measures.
- Energy efficient chiller.
- Energy efficient control drives used for furnace.
- Quench oil optimization in conveyer brazing furnace.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

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

- Synchronization of Diesel Generator with purchased electricity to ensure the fuel economy which result in emission reduction.
- Reducing exhaust emissions.
- Improving fuel economy and consequent reduction in CO₂.
- Optimum cost/benefit ratio for system solutions.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Details of technology imported	Year of import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Rail including FDB (Product Class 0449)	2016	Yes	NA
327 Solar-Flat Plate Basic/Comfort/IN	2016	Yes	NA
Fuel Supply Module without Fuel level sender (Product Class 0449)	2016	Yes	NA
CP1H Station 338, CP4 Assembly Line (part) CRI12 Assembly line, CSI12-16 Station 5 & 6 (Product Class 0846)	2016	Yes	NA
PF4 Packaging Machine (HFFS, Product Class 0990)	2016	Yes	NA
Fuel Supply Module FSM D.30 SE (PDCL)	2017	Yes	NA
Global Rockwell Software for HFFS	2017	Yes	NA

(iv) The expenditure incurred on Research and Development:

Sl. No.	Particulars	[Mio INR]
a)	Capital	224
b)	Revenue	2,375
c)	Total	2,599
d)	Total R&D expenditure as a percentage of Gross Sales	2.3%

B. Technology absorption

Sl. No.	Particulars	[Mio INR]
a)	Export activities:	
	Exports	10,346
b)	Total foreign exchange used and earned:	
	Foreign exchange used (including capital assets)	41,421
	Foreign exchange earned	11,086

For and on behalf of the Board of Directors

V.K. Viswanathan
DIN: 01782934
Chairman
May 22, 2018

Annexure 'H' to the Report of the Directors

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bosch Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bosch Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder to the extent of foreign direct investment. The provisions of external commercial borrowings and overseas direct investment were not applicable to the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) As per the representation made by the Company, no law was applicable specifically to the Company.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd. and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

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

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

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

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

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

Place : Pune

Date: 9 May 2018

Sachin Bhagwat

ACS: 10189

CP: 6029

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To,
The Members,
Bosch Ltd.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune

Date: 9 May, 2018

Sachin Bhagwat

ACS:10189

CP 6029

Annexure 'I' to the Report of the Directors

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

(As on the Financial Year ended March 31, 2018)

[Pursuant to Section 92(3) of the Companies Act, 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended]

I. REGISTRATION AND OTHER DETAILS:

Sl. No.	Particulars	Details
1.	CIN	L85110KA1951PLC000761
2.	Registration Date	12.11.1951
3.	Name of the Company	Bosch Limited
4.	Category / Sub-Category of the Company	Public Limited Company having Share Capital
5.	Address of the Registered office and Contact details	P. B. No. 3000, Hosur Road, Aduodi, Bengaluru - 560 030 Tel : 080 6752 9652, 6752 5009 Website : www.bosch.in E-mail : investor@in.bosch.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent (RTA), if any	Integrated Registry Management Services Private Limited 30, Ramana Residency, 4 th Cross, Malleswaram, Bengaluru - 560003. Tel: 080 23460815 - 818 E-mail : irg@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Fuel Injection Equipment & Components	29104	75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Robert Bosch GmbH, Postfach 10 60 50 70049 Stuttgart Germany	NA (Body Corporate incorporated outside India)	Holding	69.0%	2(46) r/w 2(87)
2.	Robert Bosch Engineering and Business Solutions Private Limited, 123 Industrial Layout, Hosur Road, Bengaluru - 560 095	U72400KA1997PTC023164	Subsidiary of Holding Company	1.49%	2(46)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3.	MICO Trading Private Limited Hosur Road, Adugodi, Bengaluru - 560 030	U51109KA1992PTC013736	Subsidiary	100%	2(87)
4.	Newtech Filter India Private Limited (formerly known as MHB Filter India Private Limited) C/o ESys Information Technologies Private Limited Shed No. 5 Industrial Area, Village : Bairsen (Manjholi) Nalagarh Solan Himachal Pradesh - 174 101	U00291HP2006PTC001074	Associate	25%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
(a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Government(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)Bodies Corporate	454,000	Nil	454,000	1.49	454,000	Nil	454,000	1.49	Nil
(e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A)(1)	454,000	Nil	454,000	1.49	454,000	Nil	454,000	1.49	Nil
(2) Foreign									
(a)NRI- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corporate	21,058,705	Nil	21,058,705	69.00	21,058,705	Nil	21,058,705	69.00	Nil
(d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A)(2)	21,058,705	Nil	21,058,705	69.00	21,058,705	Nil	21,058,705	69	Nil
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	21,512,705	Nil	21,512,705	70.49	21,512,705	Nil	21,512,705	70.49	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
(a)Mutual Funds/UTI	973,802	150	973,952	3.19	718,690	150	718,840	2.36	(0.83)
(b) Banks/FI	26,807	5,090	31,897	0.10	54,789	5,090	59,879	0.20	0.10
(c) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d)State Government (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	2,829,474	250	2,829,724	9.27	3,315,497	250	3,315,747	10.86	1.59
FIIs	2,249,802	50	2249852	7.37	2,098,021	Nil	2,098,021	6.87	(0.50)
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others (specify)	Nil	Nil	Nil	Nil	3491	Nil	3491	0.01	0.01
Sub-Total (B)(1)	6,079,885	5540	6,085,425	19.94	6,190,488	5,490	6,195,978	20.29	0.36
(2)Non-Institutions									
(a)Bodies Corporate									
i. Indian	465,883	19,050	484,933	1.59	429,042	18,490	447,532	1.47	(0.12)
ii. Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Individuals									
i. Individual Shareholders holding nominal share capital up to INR 1 lakh	1,756,048	184,251	1,940,299	6.36	1,758,732	143,776	1,902,508	6.23	(0.13)
ii. Individual Sharehders holding nominal share capital in excess of INR 1 lakh	331,285	30,150	361,435	1.18	289,015	17,150	306,165	1	(0.18)
(c) Others (specify)									
Shares held by Pakistan citizens vested with the Custodian of enemy property	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Foreign Nationals	150	1,000	1,150	Nil	145	0	145	Nil	0.00
Foreign Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRI/OCBs	85,236	1,480	86,716	0.28	119,876	500	120,376	0.39	0.11
Clearing Members/ Clearing House	30,818	Nil	30,818	0.10	14,705	Nil	14,705	0.05	(0.05)
Trusts	17,259	Nil	17,259	0.06	20,626	Nil	20,626	0.07	0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Limited Liability Partnerships	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
Foreign Portfolio Investor (Corporate)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00
Sub Total (B)(2)	2,686,679	235,931	2,922,610	9.58	2,632,141	179,916	2,812,057	9.21	(0.37)
Total Public Shareholding (B)=(B)(1)+(B)(2)	8,766,564	241,471	9,008,035	29.51	8,822,629	185,406	9,008,035	29.51	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil								
GRAND TOTAL (A+B+C)	30,279,269	241,471	30,520,740	100.00	30,335,334	185,406	30,520,740	100.00	0.00

ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares pledged / encumbered to total shares	
Robert Bosch GmbH	21,058,705	69.00	Nil	21,058,705	69.00	Nil	Nil
Robert Bosch Engineering and Business Solutions Private Limited	454,000	01.49	Nil	454,000	01.49	Nil	Nil
Total	21,512,705	70.49	Nil	21,512,705	70.49	Nil	Nil

iii) Change in Promoter/Promoter Group's Shareholding:

Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company

1. Robert Bosch GmbH

At the beginning of the year	21,058,705	69.00	21,058,705	69.00
At the end of the year (1)	21,058,705	69.00	21,058,705	69.00

2. Robert Bosch Engineering and Business Solutions Private Limited

At the beginning of the year	454,000	1.49	454,000	1.49
At the end of the year (2)	454,000	1.49	454,000	1.49
Total (1)+(2)	21,512,705	70.49	21,512,705	70.49

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	General Insurance Corporation of India	965,000	3.161		3.161
2.	The New India Assurance Company Limited	867,291	2.841		2.841
3.	Life Insurance Corporation of India	415,384	1.361		
Date	Purchase/(Sale)				
05.05.17	Purchase	896		416,280	
12.05.17	Purchase	8,833		425,113	
19.05.17	Purchase	3,642		428,755	
26.05.17	Purchase	10,094		438,849	
02.06.17	Purchase	12,901		451,750	
09.06.17	Purchase	9,820		461,570	
16.06.17	Purchase	44,141		505,711	
23.06.17	Purchase	33,307		539,018	
30.06.17	Purchase	13,050		552,068	
07.07.17	Purchase	13,826		565,894	
14.07.17	Purchase	21,098		586,992	
21.07.17	Purchase	20,646		607,638	
28.07.17	Purchase	20,956		628,594	
04.08.17	Purchase	9,440		638,034	
11.08.17	Purchase	20,933		658,967	
18.08.17	Purchase	49,817		708,784	
30.09.17	Purchase	55		708,839	
13.10.17	Purchase	10,020		718,859	
20.10.17	Purchase	10,741		729,600	
27.10.17	Purchase	16,568		746,168	
03.11.17	Purchase	12,671		758,839	
17.11.17	Purchase	140		758,979	
24.11.17	Purchase	35		759,014	
				759,014	2.486
4.	United India Insurance Company Limited	291,455	0.954		
Date	Purchase/(Sale)				
04.08.17	Purchase	1,415		292,870	
11.08.17	Purchase	2,500		295,370	
18.08.17	Purchase	1,745		297,115	
25.08.17	Purchase	781		297,896	
01.09.17	Purchase	500		298,396	
08.09.17	Purchase	500		298,896	
15.09.17	Purchase	1,923		300,819	
22.09.17	Purchase	3,101		303,920	

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
30.09.17	Purchase	4,150		308,070	
06.10.17	Purchase	500		308,570	
13.10.17	Purchase	86		308,656	
20.10.17	Purchase	524		309,180	
27.10.17	Purchase	1,009		310,189	
03.11.17	Purchase	1,270		311,459	
10.11.17	Purchase	11,886		323,345	
17.11.17	Purchase	15,702		339,047	
24.11.17	Purchase	9,612		348,659	
01.12.17	Purchase	9,321		357,980	
02.03.18	Purchase	843		358,823	
09.03.18	Purchase	5,424		364,247	
16.03.18	Purchase	1,449		365,696	
23.03.18	Purchase	2,583		368,279	
31.03.18	Purchase	1,500		369,779	
				369,779	1.211
5.	Aberdeen Global Indian Equity (Mauritius) Limited	360,907	1.182		
Date	Purchase/(Sale)				
23.06.17	Sale	(7,281)		353,626	
14.07.17	Sale	(7,719)		345,907	
21.07.17	Sale	(8,050)		337,857	
28.07.17	Sale	(11,950)		325,907	
04.08.17	Sale	(2,716)		323,191	
11.08.17	Sale	(12,284)		310,907	
08.12.17	Sale	(30,000)		280,907	
				280,907	0.920
6.	The Oriental Insurance Company Limited	177,841	0.582		
Date	Purchase/(Sale)				
23.03.18	Purchase	4,069		181,910	
31.03.18	Purchase	4,000		185,910	
				185,910	0.609
7.	Reliance Capital Trustee Co. Ltd.- Reliance ETF NIFTY	6,837	0.022		
Date	Purchase/(Sale)				
07.04.17	Purchase	22		6,859	
14.04.17	Purchase	375		7,234	
21.04.17	Purchase	52		7,286	
28.04.17	Sale	(100)		7,186	
05.05.17	Sale	(13)		7,173	
12.05.17	Sale	(170)		7,003	

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
19.05.17	Sale	(939)		6,064	
26.05.17	Sale	(658)		5,406	
02.06.17	Purchase	5,396		10,802	
09.06.17	Sale	(636)		10,166	
16.06.17	Sale	(1,326)		8,840	
23.06.17	Purchase	6		8,846	
30.06.17	Sale	(525)		8,321	
07.07.17	Sale	(514)		7,807	
14.07.17	Sale	(2,164)		5,643	
21.07.17	Sale	(627)		5,016	
28.07.17	Sale	(1,166)		3,850	
04.08.17	Sale	(11)		3,839	
11.08.17	Sale	(15)		3,824	
18.08.17	Sale	(48)		3,776	
25.08.17	Sale	(6)		3,782	
01.09.17	Purchase	2		3,784	
08.09.17	Purchase	29		3,813	
15.09.17	Sale	(571)		3,242	
22.09.17	Sale	(8)		3,234	
30.09.17	Sale	(40)		3,194	
06.10.17	Sale	(36)		3,230	
13.10.17	Purchase	10		3,240	
20.10.17	Purchase	20		3,260	
27.10.17	Purchase	23		3,283	
03.11.17	Sale	(4)		3,279	
10.11.17	Sale	(4)		3,275	
17.11.17	Sale	(23)		3,252	
24.11.17	Purchase	1,469		4,721	
01.12.17	Purchase	51,870		56,591	
08.12.17	Purchase	56,644		113,235	
15.12.17	Purchase	26,927		140,162	
22.12.17	Purchase	297		140,459	
29.12.17	Sale	(1,174)		139,285	
05.01.18	Purchase	20,001		159,286	
12.01.18	Purchase	23,129		182,415	
19.01.18	Purchase	155		182,570	
25.01.18	Sale	(128)		182,442	
02.02.18	Sale	(156)		182,286	
09.02.18	Purchase	95		182,381	
16.02.18	Purchase	29		182,410	
23.02.18	Purchase	12		182,422	
02.03.18	Sale	(8)		182,414	
09.03.18	Purchase	6		182,420	
16.03.18	Purchase	2,611		185,031	
23.03.18	Purchase	76		185,107	
31.03.18	Purchase	88		185,195	
				185,195	0.607

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
8.	Birla Sun Life Trustee Company Private Limited	185,652	0.608		
Date	Purchase/(Sale)				
07.04.17	Sale	(1295)		184,357	
14.04.18	Purchase	1,385		185,742	
28.04.18	Sale	(17)		185,725	
05.05.17	Sale	(5,685)		180,040	
12.05.17	Sale	(1,650)		178,390	
19.05.17	Sale	(400)		177,990	
26.05.17	Sale	(2,925)		175,065	
09.06.17	Sale	(1,350)		173,715	
14.07.17	Sale	(750)		172,965	
04.08.17	Sale	(4,131)		168,834	
18.08.17	Sale	(65)		168,769	
25.08.17	Purchase	2		168,771	
01.09.17	Purchase	2		168,773	
30.09.17	Purchase	2		168,775	
20.10.17	Sale	(75)		168,700	
17.11.17	Purchase	19		168,719	
01.12.17	Purchase	795		169,514	
22.12.17	Sale	(1,000)		168,514	
12.01.18	Sale	(19)		168,495	
19.01.18	Purchase	2		168,497	
09.02.18	Sale	(1,650)		166,847	
02.03.18	Purchase	5,381		172,228	
09.03.18	Sale	(122)		172,106	
23.03.18	Purchase	1		172,107	
31.03.18	Sale	(33)		172,074	
				172,074	0.564
9.	National Insurance Company Limited	112,503	0.368		
Date	Purchase/(Sale)				
04.08.17	Sale	(2,000)		110,503	
01.09.17	Purchase	3,000		113,503	
08.09.17	Purchase	2,000		115,503	
12.01.18	Purchase	20,000		135,503	
19.01.18	Purchase	5,000		140,503	
02.02.18	Purchase	5,000		145,503	
09.02.18	Purchase	3,000		148,503	
16.02.18	Purchase	5,000		153,503	
23.02.18	Purchase	4,000		157,503	
02.03.18	Purchase	11,000		168,503	
				168,503	0.552

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10.	Vanguard Emerging Markets Stock Index Fund	131,363	0.430		
Date	Purchase/(Sale)				
07.04.17	Purchase	1,075		132,438	
28.04.17	Purchase	130		132,568	
05.05.17	Purchase	1,040		133,608	
12.05.17	Purchase	325		133,933	
19.05.17	Purchase	702		134,635	
02.06.17	Purchase	286		134,921	
07.07.17	Purchase	455		135,376	
14.07.17	Purchase	325		135,701	
04.08.17	Purchase	286		135,987	
11.08.17	Purchase	377		136,364	
01.09.17	Purchase	468		136,832	
08.09.17	Purchase	663		137,495	
15.09.17	Purchase	598		138,093	
06.10.17	Purchase	390		138,483	
13.10.17	Purchase	403		138,886	
20.10.17	Purchase	299		139,185	
27.10.17	Purchase	273		139,458	
22.12.17	Sale	(11,240)		128,218	
25.01.18	Purchase	611		128,829	
02.02.18	Purchase	546		129,375	
31.03.18	Sale	(650)		128,725	
				128,725	0.422

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	None of the Directors or Key Managerial Personnel hold shares in the Company			
Date wise increase/decrease in shareholding during the year specifying the reason for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.)				
At the end of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

[Mio INR]

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Indebtedness at the beginning of the financial year	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	-	-	-	-
Addition/ (Deletion)	-	-	-	-
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:**

[Mio INR]

Sl. no.	Particulars of Remuneration	Mr. Soumitra Bhattacharya (Managing Director)	Dr. Andreas Wolf (Joint Managing Director)	Mr. Jan-Oliver Röhl (Whole-Time Director)	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.29	23.89	30.41	74.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.52	8.79	11.90	30.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	27.40	25.22	24.73	77.35
	-As a % of profit	-	-	-	-
	-Others, specify	-	-	-	-
5.	Others –Contribution to funds	5.42	1.28	1.28	7.98
	TOTAL (A)	62.63	59.18	68.32	190.13
	Ceiling as per the Act				1,793.8
	(being 10% of the net profits of the Company as per Section 198 of the Companies Act,2013)				

B. Remuneration to other directors:

[Mio INR]

Sl. no.	Particulars of Remuneration	Mr. Bhaskar Bhat	Mr. Bernhard Steinruecke	Mrs. Renu Sud Karnad	Mr. Prasad Chandran	Mrs. Hema Ravichandar	Mr. V.K Viswanathan	Total
1.	Independent directors							
	Fee for attending board/ committee meetings	0.13	0.15	0.15	0.06	0.06	-	0.55
	Commission	2.73	2.89	2.93	1.09	1.68	-	11.32
	Others specify							
	Total (1)	2.86	3.04	3.08	1.15	1.74	-	11.87
	Other Non-Executive Directors	-	-	-	-	-		-
	Fee for attending board/ committee meetings	-	-	-	-	-	0.15	0.15
	Commission	-	-	-	-	-	3.00	3.00
	Others specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	3.15	3.15
	Total (B) =(1)+ (2)	2.86	3.04	3.08	1.15	1.74	3.15	15.02
	Total Managerial Remuneration #							205.15
	Over all Ceiling as per Act	(being 1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)						179.4

Note: Mr. Peter Tyroller, Non-Executive Director has waived his remuneration as director.

Total remuneration to Managing Director, Whole-time Director and other Directors [being the total of (A) and (B)]. The ceiling for the total remuneration to all directors is **Mio INR 1,973.2**, being 11 percent of the profits calculated as per Section 198 of the Companies Act, 2013.

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

[Mio INR]

Sl. No.	Particulars of Remuneration	R. Vijay (Company Secretary)	S. Karthik (Joint Chief Financial Officer)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.50	6.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
	Sweat Equity	Nil	
	Commission	0.54	2.97
	- as % of profit		
	- others, specify	0.54	2.97
	Others- Contribution to funds	0.17	0.82
	Total (C)	4.23	11.10

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (Give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 22, 2018

V. K. Viswanathan
DIN: 01782934
Chairman

Independent Auditor's Report

To the Members of Bosch Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BOSCH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BOSCH LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure B to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets,
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for one immovable property with gross book value of Rs. 2 million and net book value of Rs. 1 million, whose title deed is not yet registered in the name of the Company.
- In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 - The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of clause 3(v) of the Order is not applicable.
 - The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty, interest and penalty	26	1985-88	Supreme Court
		35*	1998-01, 2005-2013	Customs, Excise and Service Tax Appellate Tribunal
		194	1992-94, 2002-04, 2009-2016	Upto Commissioner level
Customs Act, 1962	Customs duty and interest	17*	2008-12, 2014-2015	Customs, Excise and Service Tax Appellate Tribunal
		90	1991-92, 2009-10, 2011-13, 2014-15	Upto Commissioner level
Income-tax Act, 1961	Income tax and interest	4*	2001-03	High Court
		0*	2012-13	Income Tax Appellate Tribunal
		0*	1979-80, 2011-12, 2013-14	Commissioner of Income Tax (Appeals)
		1*	1983-84	Upto commissioner level
Sales Tax Act and VAT laws	Sales tax, interest and penalty	76*	1996-97, 1998-99, 2000-01, 2002-06, 2009-11, 2013-14, 2017-18	Sales Tax Appellate Tribunal
		166*	1995-2018	Upto commissioner level

* Net of amount paid under protest.

- (viii) The company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause 3 (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors to which Section 192 of the Companies Act, 2013 applies and accordingly reporting under clause (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Balance Sheet

[₹ in Millions (Mio INR)]

	Note No.	As at March 31, 2018	As at March 31, 2017
A Assets			
1. Non-current assets			
Property, plant and equipment	4(a)	11,411	13,194
Capital work-in progress	4(b)	3,132	1,289
Investment properties	5	1,764	1,943
Investments in subsidiary and associate	6	176	176
Financial assets			
(i) Investments	7(a)(i)	42,939	36,409
(ii) Loans	7(c)	1,100	1,174
Deferred tax assets (net)	8	4,905	4,676
Other non-current assets	9	501	143
Total non-current assets		65,928	59,004
2. Current assets			
Inventories	10	12,258	11,804
Financial assets			
(i) Investments	7(a)(ii)	9,289	2,681
(ii) Trade receivables	7(b)	16,156	11,862
(iii) Cash and cash equivalents	7(d)	3,633	1,312
(iv) Bank balances other than (iii) above	7(e)	15,245	15,864
(v) Loans	7(c)	3,647	3,205
(vi) Other financial assets	7(f)	9,181	7,955
Other current assets	11	3,937	4,311
Total current assets		73,346	58,994
Total assets (1+2)		139,274	117,998
B Equity and Liabilities			
1. Equity			
Equity share capital	12(a)	305	305
Other equity			
(i) Reserves and surplus	12(b)	92,298	81,729
(ii) Other reserves	12(c)	7,210	5,962
Total equity		99,813	87,996
2. Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	13(a)	66	60
Provisions	14	4,204	3,642
Total non-current liabilities		4,270	3,702
Current liabilities			
Financial liabilities			
(i) Trade payables	13(b)	20,231	13,399
(ii) Other financial liabilities	13(a)	4,237	2,748
Provisions	14	7,450	7,543
Current tax liabilities (net)	15	906	651
Other current liabilities	16	2,367	1,959
Total current liabilities		35,191	26,300
Total liabilities		39,461	30,002
Total equity and liabilities (1+2)		139,274	117,998
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)
Soumitra Bhattacharya (DIN: 02783243)
Andreas Wolf (DIN: 07088505)
Bhaskar Bhat (DIN: 00148778)
Renu Sud Karnad (DIN: 00008064)
Bernhard Steinruecke (DIN: 01122939)
Jan Oliver Röhl (DIN: 07706011)
S Karthik

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Statement of Profit and Loss

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Revenue from operations :			
Sale of products (including excise duty)	44	113,929	107,500
Sale of services	17	2,685	2,334
Other operating revenue	18	2,108	2,592
		118,722	112,426
Other income	19	5,118	6,174
Total revenue		123,840	118,600
Expenses :			
Cost of materials consumed	20	27,341	30,070
Purchases of stock-in-trade	21	35,278	24,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	395	(1,197)
Excise duty		1,821	8,074
Employee benefit expense	23	13,565	13,428
Finance costs	24	33	272
Depreciation and amortisation expense	25	4,672	4,562
Other expenses	26	19,390	18,228
Total expenses		102,495	97,656
Profit before exceptional item and tax		21,345	20,944
Exceptional item	45	939	-
Profit before tax from continuing operations		20,406	20,944
Tax expense :			
Current tax	28		
(i) for the year		7,030	6,169
(ii) relating to earlier years		(14)	(6)
Deferred tax charge/ (credit)		(318)	340
Total tax expense		6,698	6,503
Profit after tax from continuing operations		13,708	14,441
Discontinued operation			
Profit before tax from discontinued operation	34	-	3,711
Tax expense of discontinued operation	34	-	741
Profit after tax from discontinued operation		-	2,970
Profit for the year		13,708	17,411
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Changes in fair value of the equity instruments	12(c)	1,248	1,510
Remeasurement of post-employment benefit obligations	12(b)	256	(167)
Income tax relating to above	8	(89)	58
Other comprehensive income for the year (Net of tax)		1,415	1,401
Total comprehensive income for the year		15,123	18,812
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations	38	449	465
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from discontinued operation	38	-	96
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations and discontinued operation	38	449	561
Summary of significant accounting policies	2		
Details of R&D expenses/ (income)	27		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered AccountantsS Sundaresan
PartnerPlace: Bengaluru
Date: May 22, 2018R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)
Soumitra Bhattacharya (DIN: 02783243)
Andreas Wolf (DIN: 07088505)
Bhaskar Bhat (DIN: 00148778)
Renu Sud Karnad (DIN: 00008064)
Bernhard Steinruecke (DIN: 01122939)
Jan Oliver Röhl (DIN: 07706011)
S Karthik

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Cash Flow Statement

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before income tax from continuing operations		20,406	20,944
Profit before income tax from discontinued operation		-	3,711
Adjustments for :			
Depreciation and amortisation expense		4,672	4,604
Unrealised exchange loss (net)		13	(26)
(Profit)/ Loss on sale of fixed assets	19	(32)	22
Provision for doubtful debts	26	492	140
Bad debts written off	26	121	32
Provision/ Liabilities no longer required written back	18	(165)	(713)
Rental income	18	(994)	(875)
Gain on sale of business	34	-	(3,971)
Dividend from equity investments designated at FVOCI	19	(71)	(81)
Interest income	19	(2,720)	(2,762)
Net gain on financial assets measured at FVTPL	19	(2,185)	(3,172)
Amortisation of deferred government grant income	19	(55)	(160)
Government grant	19	(55)	-
Finance cost	24	33	272
Operating profit before working capital changes		19,460	17,965
Changes in working capital:			
(Increase)/ decrease in inventories		(454)	(905)
(Increase)/ decrease in trade receivables		(4,844)	201
(Increase)/ decrease in other financial assets		(104)	(254)
(Increase)/ decrease in other current assets		374	158
(Increase)/ decrease in loans		77	81
(Increase)/ decrease in other non-current assets		9	(24)
(Increase)/ decrease in other bank balances		(11)	-
Increase/ (decrease) in trade payables		6,676	1,711
Increase/ (decrease) in other financial liabilities		1,538	(301)
Increase/ (decrease) in provisions		890	2,751
Increase/ (decrease) in other current liabilities		437	430
Net cash generated from operations		24,048	21,813
Income taxes paid (net of refunds)	15	(6,761)	(7,246)
Net cash from operating activities		17,287	14,567
B. Cash flow from investing activities			
Additions to property, plant and equipment		(4,925)	(6,367)
Additions to investment properties		(7)	(305)
Proceeds from sale of property, plant and equipment		86	51
Purchase of investments		(26,705)	(28,750)
Proceeds from sale of investments		17,000	38,658
Inter corporate deposit given		(7,900)	(7,550)
Inter corporate deposit repayment received		6,800	6,900
Loan to fellow subsidiaries given		(1,215)	(2,560)
Loan to fellow subsidiaries repayment received		770	2,300
Investment in deposit accounts (original maturity of more than 3 months)		(16,850)	(15,730)
Maturity of deposit accounts (original maturity of more than 3 months)		17,480	17,200
Maturity of deposit accounts (original maturity of more than 12 months)		-	100
Purchase consideration received towards sale of business	34	-	4,376
Dividends received	19	71	81
Rental income received	18	994	875
Interest received		2,698	3,181
Net cash from/ (used in) investing activities		(11,703)	12,460
C. Cash flow from financing activities			
Repayment of borrowings		-	(500)
Dividends paid		(2,736)	(4,958)
Dividend distribution tax	12(b)(v)	(559)	(1,009)
Buy Back of shares		-	(20,198)
Government grant received	19	55	-
Interest paid		(6)	(32)
Net cash from/ (used in) financing activities		(3,246)	(26,697)
Net cash flows during the year (A+B+C)		2,338	330
Unrealised exchange gain/(loss) on cash and cash equivalents		(0)	(0)
Cash and cash equivalents at the beginning of the year		1,289	959
Cash and cash equivalents at the end of the year		3,627	1,289
	Note No.	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	7(d)	3,633	1,312
Bank overdraft	13(a)	(6)	(23)
Balance as per statement of cash flows		3,627	1,289

Notes: (a) Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

(b) Mutual Fund dividend reinvested has not been considered above as there was no cash inflow/ outflow.

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhr	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Statement of changes in equity

A Equity share capital

[₹ in Millions (Mio INR)]

	Note No.	Amount
As at April 1, 2016		314
Changes in equity share capital	13(a)	(9)
As at March 31, 2017		305
Changes in equity share capital	13(a)	-
As at March 31, 2018		305

B Other equity

[₹ in Millions (Mio INR)]

	Note No.	Reserves and surplus					Other reserves		
		Capital Reserve	Share Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Total	FVOCI - equity instruments	Total other equity
Balance at April 1, 2016		39	8	67	42,060	48,409	90,583	4,452	95,035
Profit for the year		-	-	-	-	17,411	17,411	-	17,411
Other comprehensive income		-	-	-	-	(109)	(109)	1,510	1,401
Total comprehensive income for the year		-	-	-	-	17,302	17,302	1,510	18,812
Buy back of shares		-	-	9	(20,198)	-	(20,189)	-	(20,189)
Dividend	12(b)(v)	-	-	-	-	(4,958)	(4,958)	-	(4,958)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(1,009)	(1,009)	-	(1,009)
		-	-	9	(20,198)	(5,967)	(26,156)	-	(26,156)
Balance at March 31, 2017		39	8	76	21,862	59,744	81,729	5,962	87,691
Balance at April 1, 2017		39	8	76	21,862	59,744	81,729	5,962	87,691
Profit for the year		-	-	-	-	13,708	13,708	-	13,708
Other comprehensive income		-	-	-	-	167	167	1,248	1,415
Total comprehensive income for the year		-	-	-	-	13,875	13,875	1,248	15,123
Buy back of shares		-	-	-	-	-	-	-	-
Dividend	12(b)(v)	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(559)	(559)	-	(559)
Balance at March 31, 2018		39	8	76	21,862	70,313	92,298	7,210	99,508

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)
Soumitra Bhattacharya (DIN: 02783243)
Andreas Wolf (DIN: 07088505)
Bhaskar Bhat (DIN: 00148778)
Renu Sud Karnad (DIN: 00008064)
Bernhard Steinruecke (DIN: 01122939)
Jan Oliver Röhl (DIN: 07706011)
S Karthik

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Notes to the Financial Statements for the year ended March 31, 2018

Note 1: General Information

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

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2018.

Amounts for the year ended and as at March 31, 2017 were audited by the previous statutory auditor - Price Waterhouse & Co Bangalore LLP. The report of the previous auditor on these financial statements dated May 25, 2017 expressed an unmodified opinion.

Note 2: Summary of Significant Accounting Policies

(a) Basis of preparation:

(i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value at the end of each reporting period; and
- defined benefit plans (plan assets measured at fair value at the end of each reporting period)

(iii) 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 the Schedule III to the Companies Act, 2013. 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.

(iv) Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Company is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

(b) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as mentioned below:

- (i) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are inclusive of excise duty upto June 30, 2017 and are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.
- (ii) Sale of services with respect to fixed price contracts is recognised based on agreements/ arrangements with the concerned parties using the proportionate completion method and revenue with respect to time-and-material contracts is recognised as and when the related services are performed.
- (iii) Rental income arising from operating lease of investment properties is accounted on accrual basis based on contractual terms with the lessee and is disclosed under other operating revenue in Statement of Profit and Loss.

Notes to the Financial Statements for the year ended March 31, 2018

(c) Investments and other financial assets:

(i) Classification

The Company classifies its financial assets under the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial recognition and measurement

All financial assets are recognised initially at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

(iii) Subsequent measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/ associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

(iv) Impairment of financial assets

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Company assesses the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the company determines whether there has been a significant increase credit risk. The losses arising from impairment are recognised in Statement of the Profit or Loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

(vi) Income recognition

Interest income

Interest income from financial assets measured at amortised cost is recognised using the effective interest rate method and are disclosed in Statement of Profit and Loss.

Dividends

Dividends from equity instruments are recognised as other income in Statement of Profit and Loss only when the right to receive payment is established.

(d) Property, plant and equipment:

Freehold land is carried at historical cost and other items of property, plant and equipment including capital spares are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Notes to the Financial Statements for the year ended March 31, 2018

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of Profit or Loss within other income or expense.

Depreciation on property, plant and equipments is provided using the written down value method. As required under Schedule II to the Companies Act 2013, the Company periodically assesses the estimated useful life of its tangible assets based on the technical evaluation considering anticipated technological changes and actual usage of the assets. The estimated useful life is either equal to or lower than those prescribed under Part C of Schedule II to the Companies Act, 2013.

The estimated useful life for various property, plant and equipments is given below:

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

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

Low value assets not exceeding INR 15,000/- per unit and all Research and Development assets (except for Buildings) are depreciated at 100% in the quarter of addition.

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.

(e) Investment properties:

Property that is held for rental income and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 Property, Plant and Equipment's requirements for cost model.

Land is carried at historical cost, however, buildings are depreciated using the written down value method over their estimated useful lives as mentioned in 2(d) above.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the property is derecognised.

(f) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

(g) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. Cost of raw materials, traded goods and indirect materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete/ slow moving inventories are adequately provided for.

Notes to the Financial Statements for the year ended March 31, 2018

(h) Employee benefits:

(i) Short term employee benefits:

All employee benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits, which include salaries, wages, short term compensated absences and performance incentives and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet. These are recognised as expenses in the period in which the employee renders the related service.

(ii) Post-employment benefits:

Contributions towards Superannuation Fund, Pension Fund and government administered Provident Fund are treated as defined contribution schemes. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. Such contributions are recognised as expense in the period in which the employee renders related service.

Provident Fund contributions made to Trusts administered by the Company are treated as defined benefit plan. The interest 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 Other Comprehensive Income (OCI).

(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, and ex-gratia are determined based on actuarial valuation carried out at each Balance Sheet date. Estimated liability on account of long term employee benefits is discounted to the present value using the yield on government bonds as the discounting rate for the term of obligations as on the date of the Balance Sheet. Actuarial gains and losses in respect of the same are charged to the Statement of Profit and Loss.

(iv) Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(i) Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

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.

(j) Leases:

As a lessee

Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as finance 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.

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.

Leases in which the Company doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are charged to Statement of Profit and Loss on a straight line basis.

As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Notes to the Financial Statements for the year ended March 31, 2018

Lease income from operating leases where the Company is a lessor is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

(k) Income tax :

(i) Current tax:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

(l) 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which that are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(m) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

(n) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method.

(o) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present legal or constructive 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(p) Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as

Notes to the Financial Statements for the year ended March 31, 2018

deferred income and are credited to the Statement of Profit or Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(q) Segment Reporting

Segment reporting is based on the management approach with regard to segment identification, under which information regularly provided to the chief operating decision maker (CODM) for decision-making purposes is considered decisive. The executive directors are the chief operating decision maker of the company, who assess the financial position, performance and make strategic decisions.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/ income".

(r) Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Derivatives and hedging activities:

The Company uses derivative financial instruments such as forward exchange contracts and currency option contracts to hedge its risks associated with foreign currency fluctuations. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss.

(t) Embedded derivatives:

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 Financial Instruments are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to host contracts are not separated.

(u) Discontinued operation:

A discontinued operation is a component of the entity that has been disposed and that represents a separate line of business. The results of discontinued operation is presented separately in the Statement of Profit and Loss.

(v) Earning per share (basic and diluted):

Earning per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

Note 3: Critical estimates and judgements

The preparation of financial statements in accordance with Ind AS requires that assumptions and estimates be made for some line items. This note provides the areas that involve a higher degree of judgement or complexity.

(a) Estimation of current tax expense and payable - Note 28

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income tax Act, 1961. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The recognition of deferred tax assets is premised on their future recoverability being probable.

(b) Estimation of defined benefit obligation - Note 29

Employee benefit obligations are measured using actuarial methods. This requires various assumptions, including with respect to salary trends, attrition rate, discounting factor, etc.

(c) Estimation of provision for warranty claims - Note 14

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.

Note 4 (a) : Property, plant and equipment

[₹ in Millions (Mio INR)]



Notes to the Financial Statements for the year ended March 31, 2018

Note 5 : Investment properties

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Gross carrying amount		
Opening gross carrying amount	2,079	1,849
Transfer from property, plant and equipments	-	48
Additions	81	182
Closing gross carrying amount	2,160	2,079
Accumulated depreciation		
Opening accumulated depreciation	265	69
Transfer from property, plant and equipments	-	2
Depreciation charge	186	194
Closing accumulated depreciation	451	265
Opening Capital work-in-progress	129	6
Closing Capital work-in-progress	55	129
	1,764	1,943

(i) Amounts recognised in Statement of Profit and Loss for investment properties

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income	994	875
Direct operating expenses from property that generated rental income	(30)	(97)
Profit from investment properties before depreciation	964	778
Depreciation charge	(186)	(194)
Profit from investment properties	778	584

(ii) Contractual obligations: Refer note no 41 for disclosure of contractual obligations relating to investment properties.

(iii) Fair value of investment properties:

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Land	9,649	9,146
Building	5,953	6,380
	15,602	15,526

Note 6 : Investments in subsidiary and associate :

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unquoted equity investments valued at cost (all fully paid)				
Associate (also a fellow subsidiary): Newtech Filter India Private Limited, equity shares of Rs.10/- each fully paid	17,500,000	17,500,000	175	175
Subsidiary : MICO Trading Private Limited, equity shares of Rs.10/- each fully paid	100,000	100,000	1	1
			176	176

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted investments				
(a) Investment in equity instruments valued at FVOCI:				
ICICI Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	2,404,105	2,185,550	669	606
Housing Development Finance Corporation Limited (Quoted) Equity shares of Rs.2/- each fully paid	3,404,800	3,404,800	6,216	5,115
HDFC Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	188,500	188,500	357	272
(b) Investment in bonds at amortised cost:				
India Infrastructure Finance Corporation Limited				
8.41% Tax Free secured bonds of Rs.1,000/- each	100,000	100,000	100	100
8.16% Tax Free secured bonds of Rs.1,000/- each	850,000	850,000	850	850
Indian Railway Finance Corporation Limited				
7.55% Tax Free secured bonds of Rs.100,000/- each	200	200	20	20
8.00% Tax Free secured bonds of Rs.1,000/- each	54,445	54,445	54	54
8.23% Tax Free secured bonds of Rs.1,000/- each	1,500,000	1,500,000	1,500	1,500
6.70% Tax Free secured bonds of Rs.100,000/- each	5,000	5,000	500	500
7.07% Tax Free secured bonds of Rs.1,000/- each	90,600	90,600	91	91
Power Finance Corporation Limited				
8.20% Tax Free secured bonds of Rs.1,000/- each	71,197	71,197	71	71
National Highway Authority of India Limited				
8.20% Tax Free secured bonds of Rs.1,000/- each	433,981	433,981	434	434
7.14% Tax Free secured bonds of Rs.1,000/- each	85,709	85,709	86	86
National Thermal Power Corporation Limited				
8.19% Tax Free secured bonds of Rs.1,000,000/- each	400	400	400	400
7.11% Tax Free secured bonds of Rs.1,000/- each	37,474	37,474	37	37
National Housing Bank				
8.25% Tax Free secured bonds of Rs.5,000/- each	63,843	63,843	319	319
Rural Electrification Corporation Limited				
8.19% Tax Free secured bonds of Rs.1,000/- each	750,000	750,000	750	750
National Highway Authority Of India Limited (unquoted) 5.25% Capital Gain Bonds of Rs.10,000/- each	500	-	5	-
(c) Investment in Mutual Funds at FVTPL:				
ICICI Prudential Mutual Fund				
ICICI Prudential FMP series 76 - 1142 Days Plan M Growth Option of Rs.10/- each	-	15,000,000	-	179
ICICI Prudential FMP Series 76 - 1108 Days Plan V Growth Option of Rs.10/- each	-	5,000,000	-	59
ICICI Prudential FMP Series 76 - 1127 Days Plan W Growth Option of Rs.10/- each	-	25,000,000	-	297
ICICI Prudential FMP Series 76 - 1135 Days Plan Z Growth Option of Rs.10/- each	-	25,000,000	-	294
ICICI Prudential FMP Series 77 - 1132 Days Plan A Growth Option of Rs.10/- each	-	10,000,000	-	118
ICICI Prudential FMP Series 77 - 1130 Days Plan D Growth Option of Rs.10/- each	-	30,000,000	-	353
ICICI Prudential FMP Series 77 - 1134 Days Plan H Growth Option of Rs.10/- each	-	10,000,000	-	116
ICICI Prudential FMP Series 77 - 1151 Days Plan S Growth Option of Rs.10/- each	-	15,000,000	-	171

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
ICICI Prudential FMP Series 78 - 1212 Days Plan A Growth Option of Rs.10/- each	20,000,000	20,000,000	240	224
ICICI Prudential FMP Series 78 -1190 Days Plan E Growth Option of Rs.10/- each	15,000,000	15,000,000	179	167
ICICI Prudential FMP Series 78 -1185 Days Plan F Growth Option of Rs.10/- each	20,000,000	20,000,000	239	222
ICICI Prudential FMP Series 78 - 1170 Days Plan I Growth Option of Rs.10/- each	20,000,000	20,000,000	239	223
ICICI Prudential FMP Series 78 - 1168 Days Plan J Growth Option of Rs.10/- each	15,000,000	15,000,000	179	167
ICICI Prudential FMP Series 82 - 1215 Days Plan H Growth Option of Rs.10/- each	10,000,000	-	101	-
ICICI Prudential FMP Series 82 - 1185 Days Plan M Growth Option of Rs.10/- each	30,000,000	-	303	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth Units of Rs.100/- each	1,573,795	-	527	-
ICICI Prudential Short Term-Direct Plan - Growth Option Units of Rs.10/- each	35,075,812	17,579,818	1,315	616
HDFC Mutual Fund				
HDFC FMP - 1157 days February 2015 (1) - Growth Option of Rs.10/- each	-	35,000,000	-	420
HDFC FMP 1112 days June 2015 (1) - Direct - Growth - Series 33 of Rs.10/- each	-	20,000,000	-	233
HDFC FMP 1108 days September 2015 (1) - Direct - Growth - Series 34 of Rs.10/- each	-	10,000,000	-	114
HDFC FMP 1111 days November 2015 (1) - Direct - Growth - Series 34 of Rs.10/- each	-	15,000,000	-	168
HDFC FMP 1105 days December 2015 (1) - Direct - Growth - Series 35 of Rs.10/- each	-	10,000,000	-	112
HDFC FMP 1183 days January 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	120	112
HDFC FMP 1167 days January 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	119	112
HDFC FMP 1155 days February 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	15,000,000	15,000,000	179	167
HDFC FMP 1132 days February 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	119	111
HDFC FMP 1158D February 2018 (1)-Direct - Growth - Series 39 Units of Rs.10/- each	35,000,000	-	354	-
"HDFC Floating Rate Income Fund - Short Term Plan - Growth - Direct Plan Units of Rs.10/- each "	39,467,989	16,821,282	1,199	477
HDFC Floating Rate Income Fund-Short Term Plan-Regular Plan-Wholesale Option-Growth Option units of Rs.10/- each	12,218,255	-	370	-
HDFC Short Term Opportunities Fund - Direct Plan - Growth Option units of Rs.10/- each	21,138,968	-	408	-
HDFC High Interest Fund - Direct Plan - Short Term Plan - Growth Option units of Rs.10/- each	23,986,704	23,986,704	853	801
HDFC Medium Term opportunities Fund - Growth - Regular - Units of Rs10/- each	37,727,708	37,727,708	729	683
DHFL Pramerica Mutual Fund				
DHFL Pramerica FMP Series 87 - Direct Plan - Growth option Units of Rs. 10/- each	-	35,000,000	-	417
DHFL Pramerica FMP Series 91 - Direct Plan - Growth option Units of Rs. 10/- each	-	25,000,000	-	293
DHFL Pramerica Short Maturity Fund - Direct Plan - Growth Option Units of Rs.10/- each	32,558,404	32,558,404	1,083	1,005

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
State Bank Mutual Fund				
SBI Debt Fund Series B - 8 (1105 Days) Growth Option of Rs.10/- each	-	25,000,000	-	297
SBI Debt Fund Series B - 9 (1105 Days) Growth Option of Rs.10/- each	-	50,000,000	-	592
SBI Debt Fund Series B - 16 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	20,000,000	-	235
SBI Debt Fund Series B - 17 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 18 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	15,000,000	-	175
SBI Debt Fund Series B - 19 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 20 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 26 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	25,000,000	-	282
SBI Debt Fund Series B - 28 (1100 Days) - Direct Growth of Rs.10/- each	-	12,000,000	-	134
SBI Debt Fund Series B - 31 (1200 Days) - Direct Growth of Rs.10/- each	15,000,000	15,000,000	178	167
SBI Treasury Advantage Fund-Direct Plan - Growth Units of Rs.10/- each	368,600	-	729	-
SBI Short Term Debt Fund - Direct Plan - Growth Units of Rs.10/- each	92,072,122	45,194,070	1,888	869
UTI Mutual Fund				
UTI Fixed Term Income Fund Series XXII - III (1099 days) - Direct Growth Plan Option of Rs.10/- each	-	20,000,000	-	236
UTI Fixed Term Income Fund Series XXII - IX (1098 days) - Direct Growth Plan Option of Rs.10/- each	-	65,000,000	-	759
UTI - Fixed Term Income Fund Series - XXIII - VII (1098 days) - Direct Growth Plan Option of Rs.10/- each	-	50,000,000	-	564
UTI Fixed Term Income Fund Series XXIII - XI (1100 days) - Direct Growth Plan Option of Rs.10/- each	-	13,000,000	-	146
UTI Fixed Term Income Fund Series XXIV - VI (1181 days) - Direct Growth Plan Option of Rs.10/- each	10,000,000	10,000,000	119	111
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth Units of Rs.1,000/- each	56,839	56,839	137	128
UTI Treasury Advantage Fund- Institutional Plan - Growth - Regular Units of Rs.1,000/- each	181,942	181,942	436	408
UTI Short Term Income Fund - Growth - Institutional Option - Direct Plan - Growth Units of Rs.10/- each	116,413,235	15,257,112	2,519	310
DSP Black Rock Mutual Fund				
DSP BlackRock Money Manager Fund - Growth - Direct Units of Rs.1,000/- each	515,761	515,761	1,233	1,152
DSP BlackRock Low Duration Fund - Growth - Direct Units of Rs.10/- each	86,546,643	-	1,103	-
IDFC Mutual Fund				
IDFC Fixed Term Plan - Series 140 Direct Plan - Growth (1145 Days) Units of Rs.10/- each	10,000,000	-	101	-
IDFC Fixed Term Plan - Series 108 Direct Plan (1144 Days) Units of Rs.10/- each	-	15,000,000	-	177
IDFC Ultra Short Term Fund - Growth - Direct Plan units of Rs.10/- each	39,525,043	33,308,277	980	771
IDFC Ultra Short Term Fund - Growth - Regular Plan units of Rs.10/- each	16,449,528	7,804,289	405	180

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
IDFC Super Saver Income Fund - Short Term - Direct Plan - Growth units of Rs.10/- each	44,897,920	37,931,493	1,641	1,302
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth units of Rs.10/- each	13,118,625	13,118,625	396	375
Tata Mutual Fund				
Tata Fixed Maturity Plan Series 53 Scheme A - Direct Plan - Growth Units of Rs.10/- each	10,000,000	-	101	-
Tata Ultra Short Term Fund - Direct Plan - Growth Units of Rs.1000/- each	723,224	521,988	1,922	1,295
Tata Short Term Bond Fund - Growth - Direct Plan Units of Rs.10/- each	69,422,732	52,754,903	2,328	1,661
Birla Mutual Fund				
Aditya Birla Sun Life Fixed Term Plan - Series PD (1177 days) - Direct Growth Units of Rs.10/- each	10,000,000	-	101	-
Aditya Birla Sun Life Fixed Term Plan - Series PG (1148 days) - Direct Growth Units of Rs.10/- each	10,000,000	-	101	-
Birla Sun Life Fixed Term Plan - Series MP (1141 Days) - Growth Direct Units of Rs.10/- each	-	35,000,000	-	410
Birla Sun Life Fixed Term Plan - Series MR (1153 days) - Growth Direct Units of Rs.10/- each	-	20,000,000	-	234
Birla Sun Life Fixed Term Plan - Series MX(1128 days) Growth Regular Units of Rs.10/- each	-	35,000,000	-	399
Birla Sun Life Fixed Term Plan - Series MY (1107 days) - Growth Direct Units of Rs.10/- each	-	30,000,000	-	339
Birla Sun Life Fixed Term Plan - Series NI (1163 days) - Growth Regular Units of Rs.10/- each	25,000,000	25,000,000	298	278
Birla Sunlife Floating Rate Fund- Long Term Plan -Growth - Direct plan Units of Rs.10/- each	1,982,165	751,475	427	151
Birla Sun Life Short Term Fund - Growth - Regular Plan Units of Rs.10/- each	17,484,586	12,893,345	1,162	803
Birla Sun Life Short Term Fund - Direct - Growth - Plan Units of Rs.10/- each	22,991,964	20,700,594	1,536	1,295
Birla Sunlife Treasury Optimizer Plan - Growth - Direct Plan units of Rs.100 each	891,278	891,278	200	187
Franklin Templeton Mutual Fund				
Franklin India Fixed Maturity Plans - Series 2-Plan C - Direct - Growth Plan Units of Rs.10/- each	10,000,000	-	102	-
Franklin India Fixed Maturity Plans - Series 3-Plan B - Direct Growth Plan Units of Rs.10/- each	15,000,000	-	152	-
Franklin India Fixed Maturity Plans - Series 3-Plan C - Direct Growth Plan Units of Rs.10/- each	10,000,000	-	101	-
Kotak Mutual Fund				
Kotak Bond - Direct plan -Growth Units of Rs.10/- each	36,482,204	-	1,229	-
Total			42,939	36,409
Aggregate amount of quoted investments				
Investments carried at amortised cost			5,212	5,212
Investments carried at FVOCI			7,242	5,993
Investments carried at FVTPL			30,480	25,205
Aggregate amount of unquoted investments				
Investments carried at amortised cost			5	-
Aggregate amount of market value of quoted investments			43,478	36,742
Aggregate amount of market value of unquoted investments			5	-
Aggregate amount of impairment in the value of investments			-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(ii) Current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted investments				
(a) Investment in mutual funds at FVTPL:				
ICICI Prudential Mutual Fund				
ICICI Prudential FMP series 76 - 1142 Days Plan M Growth Option of Rs.10/- each	15,000,000	-	192	-
ICICI Prudential FMP Series 76 - 1108 Days Plan V Growth Option of Rs.10/- each	5,000,000	-	63	-
ICICI Prudential FMP Series 76 - 1127 Days Plan W Growth Option of Rs.10/- each	25,000,000	-	317	-
ICICI Prudential FMP Series 76 - 1135 Days Plan Z Growth Option of Rs.10/- each	25,000,000	-	313	-
ICICI Prudential FMP Series 77 - 1132 Days Plan A Growth Option of Rs.10/- each	10,000,000	-	124	-
ICICI Prudential FMP Series 77 - 1130 Days Plan D Growth Option of Rs.10/- each	30,000,000	-	378	-
ICICI Prudential FMP Series 77 - 1134 Days Plan H Growth Option of Rs.10/- each	10,000,000	-	125	-
ICICI Prudential FMP Series 77 - 1151 Days Plan S Growth Option of Rs.10/- each	15,000,000	-	183	-
ICICI Prudential FMP Series 75 - 1100 Days Plan N Growth Option of Rs.10/- each	-	25,000,000	-	310
ICICI Prudential FMP Series 76 - 1100 Days Plan G Growth Option of Rs.10/- each	-	20,000,000	-	240
ICICI Prudential FMP Series 76 - 1100 Days Plan T Growth Option of Rs.10/- each	-	30,000,000	-	358
DHFL Pramerica Mutual Fund				
DHFL Pramerica Fixed Maturity Plan Series 87 -Direct Plan - Growth option Units of Rs. 10/- each	35,000,000	-	447	-
DHFL Pramerica Fixed Maturity Plan Series 91- Direct Plan - Growth option Units of Rs. 10/- each	25,000,000	-	314	-
IDFC Mutual Fund				
IDFC Fixed Term Plan - Series 108(1144 Days) Units of Rs.10/- each	15,000,000	-	189	-
Adithya Birla Mutual Fund				
Aditya Birla Sun Life Fixed Term Plan Series MP (1141 Days) - Direct Growth Units of Rs.10/- each	35,000,000	-	440	-
Aditya Birla Sun Life Fixed Term Plan - Series MR (1153 days) - Direct Growth Units of Rs.10/- each	20,000,000	-	251	-
Aditya Birla Sunlife FTP Series MX(1128 days) - Regular Growth Units of Rs.10/- each	35,000,000	-	427	-
Aditya Birla Sun Life Fixed Term Plan - Series MY (1107 days) - Direct Growth Units of Rs.10/- each	30,000,000	-	364	-
HDFC Mutual Fund				
HDFC FMP 1157D February 2015 (1)-Direct - Growth Series 33 Units of Rs.10/- each	35,000,000	-	450	-
HDFC FMP 1112Days June 2015 (1)-Direct - Growth Series 33 Units of Rs.10/- each	20,000,000	-	250	-
HDFC FMP 1108D September 2015 (1) -Direct - Growth Series 34 Units of Rs.10/- each	10,000,000	-	122	-
HDFC FMP 1111 Days November 2015 (1)-Direct - Growth-series 34 Units of Rs.10/- each	15,000,000	-	180	-
HDFC FMP 1105D December 2015 (1)-Direct - Growth-series 35 Units of Rs.10/- each	10,000,000	-	120	-
HDFC Fixed Maturity Plan - Series 31 (367 Days) - Growth Option of Rs.10/- each	-	18,000,000	-	229

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments**(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
"HDFC Fixed Maturity Plan - Series 31 (366 Days) May 2014 (1) - Growth Option of Rs.10/- each "	-	20,000,000	-	253
State Bank of India Mutual Fund				
SBIMF - SBI Debt Fund Series B - 8(1105 Days) Growth Option of Rs.10/- each	25,000,000	-	319	-
SBI Debt Fund Series B – 9 (1105 Days) Growth Option of Rs.10/- each	50,000,000	-	634	-
SBI Debt Fund Series B – 16 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	20,000,000	-	251	-
SBI Debt Fund Series B – 17 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 18 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	15,000,000	-	188	-
SBI Debt Fund Series B – 19 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 20 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 26 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	25,000,000	-	302	-
SBI Debt Fund Series B – 28 (1100 Days)-Direct Growth Option of Rs.10/- each	12,000,000	-	144	-
SBI Debt Fund - Series A 18 (366 Days) - Growth Option of Rs.10/- each	-	11,916,548	-	151
SBI Debt Fund - Series A 24 (366 Days) - Growth Option of Rs.10/- each	-	10,000,000	-	127
SBI Debt Fund - Series A 28 (367 Days) - Growth Option of Rs.10/- each	-	10,000,000	-	126
UTI Mutual Fund				
UTI Fixed Term Income Fund Series XXII-III (1099 days)- Direct Growth Plan Option of Rs.10/- each	20,000,000	-	254	-
UTI Fixed Term Income Fund Series XXII - IX (1098 days)- Direct Growth Plan Option of Rs.10/- each	65,000,000	-	813	-
UTI – Fixed Term Income Fund Series – XXIII – VII (1098 days)- Direct Growth Plan Option of Rs.10/- each	50,000,000	-	604	-
UTI Fixed Term Income Fund Series XXIII - XI (1100 days)-Direct Growth Plan Option of Rs.10/- each	13,000,000	-	156	-
UTI Fixed Income Fund - Series XVIII - XII (366 days) - Growth Option of Rs.10/- each	-	25,000,000	-	318
UTI Fixed Income Fund - Series XVIII - XIII (366 days) - Growth Option of Rs.10/- each	-	30,000,000	-	380
UTI Fixed Income Fund - Series XIX - IV (366 days) - Growth Option of Rs.10/- each	-	15,000,000	-	189
Total			9,289	2,681
Aggregate amount of quoted investments				
Investments carried at FVTPL			9,289	2,681
Aggregate amount of market value of quoted investments			9,289	2,681
Aggregate amount of impairment in the value of investments			-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (b) : Trade receivables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
- Related parties [refer note (a) below and note 35]	2,339	1,528
- Others	15,007	11,032
Less: Allowance for doubtful debts	(1,190)	(698)
	16,156	11,862

(a) Includes dues from private companies where directors are interested 374 429

Details of secured and unsecured

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Secured, considered good		
Unsecured, considered good	16,156	11,862
Doubtful	1,190	698
Total	17,346	12,560
Allowance for doubtful debts	(1,190)	(698)
Total trade receivables	16,156	11,862

Note 7 (c) : Loans

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to fellow subsidiaries (refer note 35)	3,505	500	3,060	500
Loan to directors (refer note 35)	0	2	0	3
Loan to employees	142	259	145	342
Security deposits	-	339	-	329
	3,647	1,100	3,205	1,174

Note 7 (d) : Cash and cash equivalents

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	237	207
- deposit accounts with original maturity of less than 3 months	3,133	875
Cash on hand	0	0
Cheques on hand	263	230
	3,633	1,312

Note 7 (e) : Other bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (maturity less than 12 months)	15,200	15,830
Unpaid dividend accounts	45	34
	15,245	15,864

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (f) : Other financial assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Inter-corporate deposit	7,900	6,800
Interest accrued on financial assets at amortised cost	804	782
Others (include non-trade receivables, etc.)	477	373
	9,181	7,955

Note 8 : Deferred tax assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Difference between books and Income tax written down value (WDV) of depreciable property, plant and equipment and intangible assets	3,049	2,808
Expenses allowable for tax purposes when paid and other timing differences	1,856	1,868
	4,905	4,676

Movement in deferred tax assets

[₹ in Millions (Mio INR)]

	WDV of depreciable property, plant and equipment	Expenses allowable on payment basis	Tax losses	Total
As at April 1, 2016	2,995	1,533	430	4,958
(Charged)/ Credited				
- to Statement of Profit and Loss	(187)	277	(430)	(340)
- to Other Comprehensive Income	-	58	-	58
As at March 31, 2017	2,808	1,868	-	4,676
(Charged)/ Credited				
- to Statement of Profit and Loss	241	77	-	318
- to Other Comprehensive Income	-	(89)	-	(89)
As at March 31, 2018	3,049	1,856	-	4,905

Note 9 : Other non-current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital advances	412	45
Security deposits	89	98
	501	143

Note 10 : Inventories

(at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	2,854	2,098
Work-in-progress	1,329	958
Finished goods	2,603	3,939
Stock-in-trade	4,823	4,253
Stores and spares	184	182
Loose tools	465	374
	12,258	11,804

Notes to the Financial Statements for the year ended March 31, 2018

(a) Inventories include the following as goods-in-transit

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	986	541
Stock-in-trade	1,512	1,063
Loose tools	0	10
	2,498	1,614

(b) Amount of inventories recognised as an expense/(income) is Mio INR 36 [2016-17 Mio INR (238)].

(c) Write-down/(reversal of write-down of earlier year) of the inventories to net realisable value amounted to Mio INR 14 [2016-17 Mio INR 70]. These were recognised as an expense during the year and included in Note 22 in the Statement of Profit and Loss.

Note 11 : Other current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balance with customs, excise and sales tax authorities, etc.	584	2,852
Deferred expense	97	91
Others (include vendor advances, claims receivable, etc.)	3,256	1,368
	3,937	4,311

Note 12 : Equity share capital and other equity**Note 12(a) : Equity Share capital**

Authorised equity share capital

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2016	38,051,460	381
Increase during the year	-	-
As at March 31, 2017	38,051,460	381
Increase during the year	-	-
As at March 31, 2018	38,051,460	381

(i) Movements in equity share capital (issued, subscribed and fully paid up) (with voting rights):

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2016	31,398,900	314
Increase/ (decrease) during the year	(878,160)	(9)
As at March 31, 2017	30,520,740	305
Increase/ (decrease) during the year	-	-
As at March 31, 2018	30,520,740	305

Rights, preferences and restrictions attached to shares:

The Equity shares of the Company, having face value of Rs. 10/- per share, rank pari passu in all respects including voting rights, entitlement to dividend and share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

(ii) Equity shares held by the holding company and subsidiary of the holding company (with voting rights):

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	211	21,058,705	211
Robert Bosch Engineering and Business Solutions Private Ltd., India, subsidiary of Holding company	454,000	5	454,000	5

Notes to the Financial Statements for the year ended March 31, 2018

- (iii) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company (with voting rights):

	As at March 31, 2018		As at March 31, 2017	
	No of shares	Shareholding %	No of shares	Shareholding %
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	68.99%	21,058,705	68.99%

- (iv) There are no shares reserved for issue under options and contracts/ commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares.
- (v) The Company has bought back 878,160 shares during the year ended March 31, 2017 at buy-back price determined at Rs.23,000/- per share which was approved by the board of directors and shareholders of the Company. Shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2018	As at March 31, 2017
Number of equity shares bought back by the Company	-	878,160

Note 12(b) : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital reserve [refer note (i)]	39	39
Share premium [refer note (ii)]	8	8
Capital redemption reserve [refer note (iii)]	76	76
General reserve [refer note (iv)]	21,862	21,862
Retained earnings [refer note (v)]	70,313	59,744
	92,298	81,729

(i) Capital reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	39	39
Additions/(deletions) during the year	-	-
Closing balance	39	39

(ii) Share premium

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	8	8
Additions/(deletions) during the year	-	-
Closing balance	8	8

Notes to the Financial Statements for the year ended March 31, 2018

(iii) Capital redemption reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	76	67
Additions/(deletions) during the year	-	9
Closing balance	76	76

(iv) General reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	21,862	42,060
Less: Utilisation for buy back of shares	-	(20,198)
Closing balance	21,862	21,862

(v) Retained earnings

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	59,744	48,409
Net profit for the year	13,708	17,411
Dividends (refer note no. 32(b))	(2,747)	(4,958)
Dividend distribution taxes	(559)	(1,009)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligations, net of tax	167	(109)
Closing balance	70,313	59,744

Note 12(c) : Other reserves

[₹ in Millions (Mio INR)]

	FVOCI - Equity Instruments	Total other reserves
As at April 1, 2016	4,452	4,452
Change in fair value of FVOCI equity instruments	1,510	1,510
As at March 31, 2017	5,962	5,962
Change in fair value of FVOCI equity instruments	1,248	1,248
As at March 31, 2018	7,210	7,210

Note 13(a) : Other financial liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unpaid dividend [refer note (a) below]	45	-	34	-
Book overdraft	6	-	23	-
Capital creditors	347	-	305	-
Other payables (includes employee dues, derivative liabilities, etc.)	3,839	66	2,386	60
	4,237	66	2,748	60

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Notes to the Financial Statements for the year ended March 31, 2018

Note 13(b) : Trade payables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	395	212
- Related parties (refer note 35)	11,880	7,666
- Others	7,956	5,521
	20,231	13,399

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

[₹ in Millions (Mio INR)]

	As at March 31, 2018 and for the year ended March 31, 2018	As at March 31, 2017 and for the year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	395	212
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5	3
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	22	12
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	83	56
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	13	-

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the letters circularised by the Company.

Note 14 : Provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	2,566	4,188	2,933	3,626
Trade demand and others [refer note (a) below]	3,541	16	3,455	16
Warranty [refer note (a) below]	1,343	-	1,155	-
	7,450	4,204	7,543	3,642

(a) Disclosure under Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" :
[₹ in Millions (Mio INR)]

Description	As at April 1, 2017	Additions during the year	Utilised/ reversed during the year	As at March 31, 2018
Trade demand and others [refer note (i) and (ii) below]	3,471	2,215	2,129	3,557
	(2,319)	(2,380)	(1,228)	(3,471)
Warranty [refer note (i) and (ii) below]	1,155	757	569	1,343
	(1,284)	(332)	(461)	(1,155)

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

(ii) Figures in brackets relate to previous year.

Notes to the Financial Statements for the year ended March 31, 2018

Note 15 : Current tax liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	651	762
Add: Provision for tax (including earlier years)	7,016	7,135
Less: Taxes paid (net of refund)	(6,761)	(7,246)
Closing balance (net of advance tax of Mio INR 25,941 (March 31, 2017: Mio INR 23,482))	906	651

Note 16 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Statutory dues	1,171	1,142
Deferred income	67	107
Indirect taxes	483	427
Others (advance from customers, etc.)	646	283
	2,367	1,959

Note 17 : Sale of services

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Research and development income	1,516	1,456
Others	1,169	878
	2,685	2,334

Note 18 : Other operating revenue

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Scrap sales	162	177
Export incentives	350	361
Provision/ liabilities no longer required written back	165	713
Rental income	994	875
Miscellaneous income	437	466
	2,108	2,592

Notes to the Financial Statements for the year ended March 31, 2018

Note 19 : Other income

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- Bank and inter corporate deposits	1,697	1,664
- Loans to related parties	330	352
- On financial assets at amortised cost	418	417
- Others	275	328
Government grant (refer note (a) below)	55	-
Amortisation of deferred government grant income	55	160
Dividend from equity investments designated at FVOCI	71	81
Net gain on financial assets measured at FVTPL	2,185	3,172
Profit on sale of property, plant and equipment (net)	32	-
	5,118	6,174

(a) Government grant represents subsidy received/ accrued during the year under the Package Scheme of Incentives, 2001 from the Government of Maharashtra.

Note 20 : Cost of materials consumed

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials consumed	27,555	30,103
Less: Issues capitalised	(214)	(33)
	27,341	30,070

Note 21 : Purchases of stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	35,278	24,219
	35,278	24,219

Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock		
Finished goods	3,939	2,736
Work-in-progress	958	1,236
Stock-in-trade	4,253	3,981
Closing stock		
Finished goods	2,603	3,939
Work-in-progress	1,329	958
Stock-in-trade	4,823	4,253
	395	(1,197)

Notes to the Financial Statements for the year ended March 31, 2018

Note 23 : Employee benefit expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus etc.	11,946	11,754
Contributions to provident and other funds [refer note 29]	839	783
Staff welfare	780	891
	13,565	13,428

Note 24 : Finance costs

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- on financial liability at amortised cost	-	25
- others	33	246
Net interest on defined benefit liability	0	1
	33	272

Note 25 : Depreciation and amortisation expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment [refer note 4(a)]	4,486	4,368
Depreciation on investment properties [refer note 5]	186	194
	4,672	4,562

Note 26 : Other expenses

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	338	798
Consumption of tools	2,458	1,808
Power and fuel	1,097	1,080
Repairs to plant and machinery	899	1,167
Repairs to building	538	518
Royalty and technical service fee	2,131	1,519
Rent [refer note 36]	804	549
Rates and taxes	182	619
Insurance	144	137
Expenditure towards Corporate Social Responsibility [refer note (a) below]	363	332
Packing, freight and forwarding	1,974	1,685
Warranty and service expenses	494	284
Travelling and conveyance	1,071	996
Professional and consultancy charges	1,823	1,470
Advertisement and sales promotion expenses	460	780
Miscellaneous expenses [refer note (b) below]	4,797	4,496
Less: Expenses capitalised	(183)	(10)
	19,390	18,228

Notes to the Financial Statements for the year ended March 31, 2018

(a) Expenditure towards Corporate Social Responsibility :

- Gross amount required to be spent by the Company during the year is Mio INR 363 (2016-17 Mio INR 332).
- Amount spent during the year is Mio INR 363 (2016-17 Mio INR 332).

[₹ in Millions (Mio INR)]

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	256 (309)	107 (23)	363 (332)

- Total amount paid during the year Mio INR 279 includes Mio INR 23 relating to previous year.
- Figures in brackets relate to previous year.

(b) Miscellaneous expenses include :

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee	8	11
Tax account and audit fees	1	2
Other services	2	9
Reimbursement of expenses	0	0
(ii) Loss on sale of property, plant and equipment (net)	-	22
(iii) Provision for doubtful debts (net)	492	190
(iv) Bad debts written off	121	32
(v) Exchange loss [including exchange gain of Mio INR 80 (2016-17: Mio INR 64) on account of mark-to-market valuation of outstanding forward and option contracts]	301	34

Note 27 : R & D expenses/ (income) *

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses :		
Cost of materials consumed	109	124
Employee benefit expenses	888	667
Other expenses	1,190	833
	2,187	1,624
R & D Income :		
Sale of services	(1,516)	(1,456)
Other income	0	0
	(1,516)	(1,456)

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

Notes to the Financial Statements for the year ended March 31, 2018

Note 28: Income tax expense

This note provides an analysis of the Company's income tax expense, showing how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Current tax		
Current tax on profits for the year	7,030	6,910
Adjustments for current tax of prior periods	(14)	(6)
Total current tax expenses	7,016	6,904
Deferred tax		
Decrease/ (Increase) in deferred tax assets	(318)	340
(Decrease)/ Increase in deferred tax liabilities	-	-
Total deferred tax expenses/(benefit)	(318)	340
Income tax expense	6,698	7,244
Income tax expense attributable to:		
Profit from continuing operations	6,698	6,503
Profit from discontinued operation	-	741
	6,698	7,244

(b) Reconciliation of tax expenses and the accounting profit multiplied by tax rate:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expense	20,406	20,944
Profit from discontinuing operation before income tax expense	-	3,711
	20,406	24,655
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	7,062	8,533
Effect of non-deductible expense	513	379
Effect of exempt other income/ weighted deduction	(911)	(1,338)
Effect of difference in tax rate for long term capital gain on sale of business	-	(324)
Adjustments for current tax of prior periods	(14)	(6)
Effect due to difference in future tax rate for deferred tax	48	-
Income tax expense	6,698	7,244

Note 29: Employee Retirement Benefits:

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

(a) Post Employment Benefit - Defined Contribution Plans

The Company has recognised an amount of Mio INR 321* (2016-17: Mio INR 277*) 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 Bosch Employees' Gratuity Fund and makes monthly contributions to Bosch Employees (Bangalore) Provident Fund Trust and Bosch Workmen's (Nashik) Provident Fund Trust, funded defined benefit plans for qualifying employees. The Gratuity Scheme provides for lumpsum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability.

The Provident Fund Scheme provides for lumpsum payment/transfer to the member employees at retirement/ death while in employment or on termination of employment of an amount equivalent to the credit standing in his account maintained by the Trusts. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

Notes to the Financial Statements for the year ended March 31, 2018

(c) Total expense recognised in the statement of profit and loss

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost*	357	347	161	159
Past service cost	-	-	939	-
Net interest cost				
a. Interest expense on defined benefit obligation (DBO)	649	617	283	276
b. Interest (income) on plan assets	(649)	(617)	(283)	(275)
c. Total net interest cost	-	-	0	1
Defined benefit cost included in Statement of Profit and Loss	357	347	1,100	160

* Total charge recognised in Statement of Profit and Loss is Mio INR 839 (2016-17: Mio INR 783) [Refer note no 23].

(d) Remeasurement effects recognised in other comprehensive income (OCI)

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss due to demographic assumption changes in DBO	-	3
b. Actuarial (gain)/ loss due to financial assumption changes in DBO	(163)	96
c. Actuarial (gain)/ loss due to experience on DBO	(162)	175
d. Return on plan assets (greater)/ less than discount rate	69	(107)
Total actuarial (gain)/ loss included in OCI	(256)	167

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss on liability	527	(257)
b. Actuarial (gain)/ loss on plan assets	(527)	257
Total actuarial (gain)/ loss included in OCI	-	-

(e) Total cost recognised in comprehensive income

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cost recognised in Statement of Profit and Loss	357	347	1,100	160
Remeasurements effects recognised in OCI	-	-	(256)	167
Total cost recognised in Comprehensive Income	357	347	844	327

(f) Change in defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	3,996	3,772
Service cost	1,100	159
Interest cost	283	276
Benefit payments from plan assets	(168)	(180)
Acquisition / divestiture		(306)
Actuarial (gain)/ loss - demographic assumptions		3
Actuarial (gain)/ loss - financial assumptions	(163)	96
Actuarial (gain)/ Loss - experience	(162)	176
Defined benefit obligation as at year end	4,886	3,996

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	8,740	7,950
Current service cost	357	347
Interest cost	649	617
Benefits paid and transfer out	(970)	(797)
Transfer in	59	41
Participant contributions	859	839
Actuarial (gain)/ loss	527	(257)
Defined benefit obligation as of current year end	10,221	8,740

(g) Change in fair value of plan assets

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fair value of plan assets at end of prior year	8,740	7,950	3,874	3,642
Expected return on plan assets	649	617	283	275
Employer contributions	357	347	278	278
Participant contributions	859	839	-	-
Benefit payments from plan assets	-	-	(168)	(180)
Transfer in/ transfer out	59	41	-	-
Settlements	(970)	(797)	-	-
Acquisition/ divestiture	-	-	-	(248)
Actuarial gain/ (loss) on plan assets	527	(257)	(69)	107
Fair value of plan assets at end of year	10,221	8,740	4,198	3,874

(h) Net defined benefit asset/ (liability)

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation	10,221	8,740	4,886	3,996
Fair value of plan assets	10,221	8,740	4,198	3,874
(Surplus)/ deficit recognised in Balance Sheet	-	-	688	122

(i) Expected company contributions for the next year

[₹ in Millions (Mio INR)]

	Provident Fund	Gratuity
	March 31, 2018	March 31, 2017
Expected company contributions for the next year	400	226

(j) Reconciliation of amounts in balance sheet

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Net defined benefit liability (asset) at prior year end	122	130
Defined benefit cost included in Statement of Profit and Loss	1,100	160
Total remeasurements included in OCI	(256)	167
Acquisition/ divestment	-	(57)
Employer contributions	(278)	(278)
Net defined benefit liability (asset)	688	122

Notes to the Financial Statements for the year ended March 31, 2018

(k) Reconciliation of Statement of Other Comprehensive Income

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Cumulative OCI - (Income)/Loss, beginning of period	108	(59)
Total remeasurements included in OCI	(256)	167
Cumulative OCI - (Income)/Loss	(148)	108

(l) Current/ non current liability

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Current liability	-	-
Non current liability	688	122
Total	688	122

(m) Assumptions :

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount factor [refer note (i) below]	7.70%	7.30%	7.70%	7.30%
Weighted average rate of escalation in salary per annum [refer note (ii) below]	NA	NA	10.6%	10.6%

Notes:

- (i) 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.
- (ii) 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.

(n) Risk exposures:

A large portion of assets consists of government and corporate bonds and small portion of assets consists in mutual funds and special deposit account in banks. Through its defined plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility: The plan liabilities are calculated using a discount rate with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income government securities with high grades and public sector corporate bonds. A small portion of the funds are invested in equity securities.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(o) Sensitivity analysis on defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Discount rate		
a. Discount rate - 50 basis points	5,104	4,151
b. Discount rate + 50 basis points	4,639	3,805
Weighted average increase in salary		
a. Rate - 50 basis points	4,781	3,854
b. Rate + 50 basis points	4,974	4,095

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur. This sensitivity analysis shows how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date.

Notes to the Financial Statements for the year ended March 31, 2018

(p) Plan assets

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	% Invested	% Invested	% Invested	% Invested
Government Securities (Central and State)	52	49	51	49
Corporate Bonds (including Public Sector bonds)	41	39	36	33
Mutual Funds	2	2	1	2
Cash and bank balances				
(including Special Deposits Scheme, 1975)	5	10	12	16
Total	100	100	100	100

(q) Expected future cashflows

The weighted average duration of the defined benefit obligation is 14.27 years (2016-17 -14.45 years). The expected maturity analysis is as follows:

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within 1 year	399	338	226	231
Between 1-2 years	450	401	188	235
Between 2-5 years	1,687	1,627	793	699
From 6 to 10	4,141	8,558	2,322	1,869
Total	6,677	10,924	3,529	3,034

Note 30: Fair value measurements:**(i) Financial instruments by category and hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

[₹ in Millions (Mio INR)]

	Level	March 31, 2018			March 31, 2017		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	1	-	7,242	-	-	5,993	-
- Bonds	1	-	-	5,217	-	-	5,212
- Mutual funds	1	39,769	-	-	27,885	-	-
Interest accrued on financial assets							
at amortised cost	3	-	-	804	-	-	782
Trade receivables	3	-	-	16,156	-	-	11,862
Loans	3	-	-	4,747	-	-	4,379
Cash and cash equivalents		-	-	3,633	-	-	1,312
Other bank balances		-	-	15,245	-	-	15,864
Inter-corporate deposit	3	-	-	7,900	-	-	6,800
Others (include non-trade receivables, etc.)	3	-	-	477	-	-	373
Derivative assets	2	1	-	-	-	-	-
Total financial assets		39,770	7,242	54,179	27,885	5,993	46,584

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	Level	March 31, 2018			March 31, 2017		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities							
Trade payables	3	-	-	20,231	-	-	13,399
Unpaid dividend	3	-	-	45	-	-	34
Book overdraft		-	-	6	-	-	23
Other payables (includes employee dues, etc.)	3	-	-	3,905	-	-	2,367
Capital creditors	3	-	-	347	-	-	305
Derivative liabilities	2	-	-	-	79	-	-
Total financial liabilities		-	-	24,534	79	-	16,128

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, tax free bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for market, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There are no transfers between levels during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of remaining financial instruments is determined using the discounted cash flow analysis

(iii) Valuation process

The finance and accounts department of the company performs the valuation of financial assets and liabilities required for financial reporting purposes, and report to the Executive Director (ED). Discussions on valuation processes and results are held between the ED and valuation team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs are derived and evaluated as follows:

- Discount rate for loans to employees are determined using prevailing bank lending rate.
- The fair values of financial assets and liabilities are determined using the discounted cash flow analysis.

(iv) Fair value of financial assets and liabilities measured at amortised cost

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Tax free bonds	5,217	5,763	5,212	5,546
Loans	1,100	1,100	1,174	1,174
Total financial assets	6,317	6,863	6,386	6,720
Financial liabilities				
Other financial liabilities	66	66	60	60
Total financial liabilities	66	66	60	60

With respect to trade receivables, other receivables, inter-corporate deposit, current portion of loans, cash and cash equivalents, other bank balance, trade payables, capital creditors, employee payables, the carrying amount is considered to be the same as their fair value due to their short-term nature.

Notes to the Financial Statements for the year ended March 31, 2018

Note 31: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are entered into by the Company to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.

(A) Credit Risk

Credit risk arises from cash and cash equivalents, instruments carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks which have high credit ratings assigned by external agencies. Investments primarily include investment in debt based mutual funds whose portfolios have instruments with high credit rating and government bonds. The Board of Directors periodically review the investment portfolio of the Company. Credit risk on loans given to fellow subsidiaries is guaranteed by the holding company. Credit risk with respect to trade receivable is managed by the Company through setting up credit limits for customers and also periodically reviewing the credit worthiness of major customers.

Expected credit loss for trade receivables under simplified approach

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	15,552	1,794	11,300	1,260
Expected credit losses (Loss allowance provision)	(78)	(1,112)	(63)	(635)
Carrying amount of trade receivables (net of impairment)	15,474	682	11,237	625

The gross carrying amount of trade receivables is Mio INR 17,346 (March 31, 2017 - Mio INR 12,560). During the period, the Company made no significant write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from trade receivables previously written off.

(ii) Reconciliation of loss allowance provision - Trade Receivables

[₹ in Millions (Mio INR)]

Loss allowance as at April 1, 2016	558
Changes in loss allowance	140
Loss allowance as at March 31, 2017	698
Changes in loss allowance	492
Loss allowance as at March 31, 2018	1,190

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of funds.

Management monitors daily and monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The company has liquidity reserves in the form of highly liquid assets like cash and cash equivalents, debt based mutual funds, deposit accounts, etc.

(i) Financing arrangements: The company had access to the following undrawn borrowing facilities at the end of the reporting period

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	20	20
- Expiring beyond one year (bank loans)	-	-
	20	20

Notes to the Financial Statements for the year ended March 31, 2018

(ii) Maturity of Financial liabilities

The table below summarises the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

	[₹ in Millions (Mio INR)]			
	March 31, 2018		March 31, 2017	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	20,231	-	13,399	-
Other financial liabilities	4,237	66	2,748	60
Total non-derivative liabilities	24,468	66	16,147	60
Foreign exchange forward contracts	1,044	-	2,763	-
Options contracts	-	-	-	-
Total derivative liabilities	1,044	-	2,763	-

(C) Market risk

(i) Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transaction.

The Company imports and exports goods and services which are predominantly denominated in USD and EUR. This exposes the Company to foreign currency risk. To minimise this risk, the Company hedges using forward contracts and foreign currency option contracts on a net exposure basis.

(a) Foreign currency risk exposure: The company exposure to foreign currency risk at the end of the reporting period expressed in Mio INR are as follows:

	[₹ in Millions (Mio INR)]			
	March 31, 2018		March 31, 2017	
	USD	EUR	USD	EUR
Financials assets				
Trade receivables	1,684	303	1,141	112
Exposure to foreign currency risk - assets	1,684	303	1,141	112
Financial liabilities				
Trade payables	6,235	1,381	4,681	1,489
Exposure to foreign currency risk - liabilities	6,235	1,381	4,681	1,489
Derivative liabilities				
Foreign exchange forward contracts	1,044	-	2,763	-
Net exposure to foreign currency risk	3,507	1,078	777	1,377

Notes to the Financial Statements for the year ended March 31, 2018

- (b) Sensitivity: The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

[₹ in Millions (Mio INR)]

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%*	(35)	(8)
INR/USD - Decrease by 1%*	35	8
EUR Sensitivity		
INR/EUR - Increase by 1%*	(11)	(14)
INR/EUR - Decrease by 1%*	11	14

* Holding all other variable constant

(ii) Cash flow and fair value interest rate risk

(a) Interest rate risk exposure: The company does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Company analyses it based on the sensitivity analysis and manages it by portfolio diversification.

(b) Sensitivity: Profit or loss is sensitive to changes in interest rate for tax free bonds. A change in the market interest level by 100 basis points would have the following effect on the profit after tax:

[₹ in Millions (Mio INR)]

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 100 basis points*	(370)	(338)
Interest rates - decrease by 100 basis points*	370	338

* Holding all other variable constant

(iii) Price risk

(a) Exposure: The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the balance sheet as fair value through OCI.

(b) Sensitivity: The table below summarises the impact of increase/decrease of the index in the company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 10% with all other variables held constant, and that all the company's equity instruments moved in line with the index.

[₹ in Millions (Mio INR)]

	Impact on other components of equity	
	March 31, 2018	March 31, 2017
Price - increase by 10%	724	599
Price - decrease by 10%	(724)	(599)

Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through Other Comprehensive Income.

Note 32: Capital management**(a) Risk management**

The Company has equity capital and other reserves attributable to the equity shareholders, as the only source of capital and the company does not have any interest bearing borrowings/ debts.

Notes to the Financial Statements for the year ended March 31, 2018

(b) Dividends

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
(i) Dividends recognised		
Final dividend for the year ended March 31, 2017 of INR 90/- (March 31, 2016 - INR 85/-) per fully paid share	2,747	2,669
Interim dividend for the year ended March 31, 2018 of INR NIL (March 31, 2017 - INR 75/-)	-	2,289
	2,747	4,958
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of INR 100/- per fully paid equity share (March 31, 2017 - INR 90/-).	3,052	2,747
This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,052	2,747

Note 33: Segment Information**(a) Description of segments and principal activities**

The Company's operations predominantly relate to operating segments in the automotive business which consists of diesel systems, gasoline systems and automotive aftermarket products and services and are aggregated into one reportable segment 'Automotive Products' in accordance with the aggregation criteria. Aggregation is done due to the similarities of the products and services provided to the customers, similar production processes and similarities in the regulatory environment. The Company also operates in other businesses consisting of Industrial technology, consumer goods, energy and building technology products and services which are non-automotive and do not meet the threshold criteria for reporting as separate segments. Therefore, the reportable segment consists of "Automotive Products" and "Others".

Revenue by geographical areas is stated on the basis of origin and there are no non-current assets located 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 revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

(b) Details of operating segment

[₹ in Millions (Mio INR)]

	Automotive Products		Others		Eliminations		Discontinued Operation		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue										
Gross sale of product	98,536	92,060	15,393	15,440	-	-	-	3,020	113,929	110,520
Sale of services	2,619	2,261	66	73	-	-	-	1	2,685	2,335
Other operating revenue	711	1,660	1,397	932	-	-	-	263	2,108	2,855
Inter-segment revenue		-	650	1,128	(650)	(1,128)	-	-	-	-
Total Revenue	101,866	95,981	17,506	17,573	(650)	(1,128)	-	3,284	118,722	115,710
Result										
Segment result	16,521	15,331	3,314	1,401	-	-	-	3,711	19,835	20,443

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Revenue from external customers		
India	107,636	105,532
Other countries	11,086	10,178
Total	118,722	115,710

(c) Reconciliation of profit

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment results	19,835	20,443
Less: Depreciation and amortisation	(129)	(320)
Less: Non-cash expenses other than depreciation and amortisation	-	(2)
Less: Unallocated corporate expenses	(4,385)	(1,368)
Add: Other income (refer note 19)	5,118	6,174
Less: Finance costs (refer note 24)	(33)	(272)
Profit before tax	20,406	24,655

(d) Details of segment assets and liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment assets		
Automotive Products	38,078	36,220
Others	8,287	6,951
Total segment assets	46,365	43,171
Segment liabilities		
Automotive Products	30,031	24,341
Others	6,252	3,936
Total segment liabilities	36,283	28,277

(e) Reconciliation of assets

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment assets	46,365	43,171
Property, plant and equipment	1,984	1,543
Capital work-in progress	755	116
Investments	52,228	39,090
Investments in subsidiary and associate	176	176
Deferred tax assets	4,905	4,676
Cash and cash equivalents	3,633	1,312
Bank balance other than cash and cash equivalents	15,245	15,864
Loans	4,268	3,671
Other financial assets	9,053	8,112
Other current assets	662	267
Total assets	139,274	117,998

Notes to the Financial Statements for the year ended March 31, 2018

(f) Reconciliation of liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment liabilities	36,283	28,277
Trade payables	24	266
Provisions	741	620
Unpaid dividend	45	34
Other current liabilities	416	80
Other financial liabilities	1,046	74
Current tax liabilities	906	651
Total liabilities	39,461	30,002

Note 34: Discontinued operation :

Consequent to the approvals received from the Board of Directors on February 5, 2016 and from the shareholders on April 4, 2016, the Company has executed a Business Transfer Agreement on August 1, 2016 and has sold/ transferred the business of Starter Motors and Generators under the automotive products segment of the Company on a going concern basis by way of Slump sale to Robert Bosch Starter Motors Generators India Private Limited, a fellow subsidiary. Gain on sale of business amounting to Mio INR 3,971 has been recognised during the previous year and disclosed under discontinued operation in the Statement of Profit and Loss.

(a) Financial performance and cash flow information:

The financial performance and cash flow information presented are for the period ended August 1, 2016 (March 31, 2017 column).

[₹ in Millions (Mio INR)]

	March 31, 2017
Revenue including other income	3,284
Expenses	(3,544)
Profit before income tax	(260)
Income tax (expense)/ credit	90
Profit after income tax	(170)
Gain on sale of division after income tax [refer (b) below]	3,140
Profit from discontinued operation	2,970
Other comprehensive income from discontinued operation	-
Net cash flow from operating activities	(170)
Net cash flow from investing activities (from sale of business)	4,376
Net cash flow from financing activities	-
Net cash generated from discontinued operation	4,206

(b) Details of sale of business:

[₹ in Millions (Mio INR)]

	March 31, 2017
Consideration received	4,376
Carrying amount of net assets sold	(405)
Gain on sale before income tax	3,971
Income tax expense on gain	(831)
Gain on sale after income tax	3,140

Notes to the Financial Statements for the year ended March 31, 2018

(c) The carrying amount of assets and liabilities as at the date of transfer (August 1, 2016) are as follows:

[₹ in Millions (Mio INR)]

	August 1, 2016
Property, plant and equipment	311
Capital work-in-progress	28
Trade receivable	1,013
Inventories	1,014
Employee loans	47
Other current assets	104
Total Assets	2,517
Trade payables	(1,282)
Other financial liabilities	(40)
Provision for employee benefits	(310)
Trade demand and others	(480)
Total Liabilities	(2,112)
Net assets	405

(d) There are no assets and liabilities of disposal group to be classified as assets held for sale on either of the reporting dates.

Note 35: Related Party Disclosure :

Holding Company : Robert Bosch GmbH, Federal Republic of Germany

Subsidiary Company : MICO Trading Private Limited, India

Associate (also a fellow subsidiary) : Newtech Filter India Private Limited, India

Whole time directors : Dr. Steffen Berns (till December 31, 2016), Mr. Soumitra Bhattacharya, Dr. Andreas Wolf and Mr. Jan Oliver Röhl (from February 11, 2017)

Non-whole time directors : Mr. V.K. Viswanathan, Mr. Peter Tyroller, Mr. Bernhard Steinruecke, Mr. Prasad Chandran (till September 1, 2017), Ms. Renu S. Karnad, Mr. Bhaskar Bhat & Mrs. Hema Ravichandar (From September 2, 2017)

Other related entities: Bosch India Foundation

(a) Key management personnel compensation:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Short-term employee benefits	182	157
Post-employment benefits	8	6
	190	163

Notes to the Financial Statements for the year ended March 31, 2018

(b) Related Party transactions/ balances - summary:

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Associate	Key Management Personnel	Other related entities	Total
Net sale of product	4,501	2,914	-	-	-	-	7,415
	(3,809)	(3,487)	(-)	(3)	(-)	(-)	(7,299)
Sale of services	808	543	-	2	-	-	1,353
	(903)	(656)	(-)	(1)	(-)	(-)	(1,560)
Sale of property, plant and equipments	0	61	-	-	-	-	61
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rental income	-	932	-	-	-	-	932
	(-)	(875)	(-)	(-)	(-)	(-)	(875)
Consideration towards sale of business	-	-	-	-	-	-	-
	(-)	(4,376)	(-)	(-)	(-)	(-)	(4,376)
Miscellaneous income (including reimbursements received)	24	848	-	8	-	-	880
	(82)	(462)	(-)	(-)	(-)	(-)	(544)
Interest earned	-	330	-	-	-	-	330
	(-)	(352)	(-)	(-)	(-)	(-)	(352)
Purchases of :							
Property, plant and equipment	220	554	-	-	-	-	774
	(1,382)	(550)	(-)	(-)	(-)	(-)	(1,932)
Goods	12,579	22,594	-	588	-	-	35,761
	(10,874)	(12,458)	(-)	(550)	(-)	(-)	(23,882)
Dividend paid	1,895	41	-	-	-	-	1,936
	(3,479)	(34)	(-)	(-)	(-)	(-)	(3,513)
Amount paid for shares bought back	-	-	-	-	-	-	-
	(19,244)	(-)	(-)	(-)	(-)	(-)	(19,244)
Services received:							
Royalty and technical service fee	-	2,116	-	-	-	-	2,116
	(0)	(1,639)	(-)	(-)	(-)	(-)	(1,639)
Professional, consultancy and other charges	1,380	2,175	-	-	-	-	3,555
	(1,693)	(1,170)	(-)	(-)	(-)	(-)	(2,863)
Liability written back	1	48	-	-	-	-	49
	(10)	(310)	(-)	(-)	(-)	(-)	(320)
Donation expense	-	-	-	-	-	90	90
	(-)	(-)	(-)	(-)	(-)	(73)	(73)
Loan given (*)	-	1,215	-	-	-	-	1,215
	(-)	(2,560)	(-)	(-)	(-)	(-)	(2,560)
Loan repaid	-	770	-	-	-	-	770
	(-)	(2,300)	(-)	(-)	(-)	(-)	(2,300)
Loan to related parties (*)	-	4,005	-	-	-	-	4,005
As at March 31, 2017	(-)	(3,560)	(-)	(-)	(-)	(-)	(3,560)
Trade receivables	840	1,499	-	0	-	-	2,339
As at March 31, 2017	(426)	(1,102)	(-)	(-)	(-)	(-)	(1,528)
Other financial assets (non-trade receivables)	118	351	-	0	-	-	469
As at March 31, 2017	(51)	(301)	(-)	(14)	(-)	(-)	(366)

(*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Associate	Key Management Personnel	Other related entities	Total
Trade payables	3,912	7,925	-	43	-	-	11,880
As at March 31, 2017	(2,178)	(5,449)	(-)	(39)	(-)	(-)	(7,666)
Other financial liabilities	39	55	-	-	-	-	94
As at March 31, 2017	(62)	(38)	(-)	(-)	(-)	(7)	(107)
Contributions made to Employees' Benefit plans	-	-	774	-	-	-	774
	(-)	(-)	(764)	(-)	(-)	(-)	(764)
Managerial Remuneration:							
Dr. Steffen Berns	-	-	-	-	-	-	-
(upto December 31, 2016)	(-)	(-)	(-)	(-)	(49)	(-)	(49)
Mr. Soumitra Bhattacharya	-	-	-	-	63	-	63
	(-)	(-)	(-)	(-)	(46)	(-)	(46)
Dr. Andreas Wolf	-	-	-	-	59	-	59
	(-)	(-)	(-)	(-)	(50)	(-)	(50)
Mr. Jan Oliver Röhl	-	-	-	-	68	-	68
(from February 11, 2017)	(-)	(-)	(-)	(-)	(8)	(-)	(8)
Sitting fees/ commissions to non-executive directors	-	-	-	-	15	-	15
	(-)	(-)	(-)	(-)	(10)	(-)	(10)
Unpaid Bonus/ Commission as at the year end	-	-	-	-	97	-	97
As at March 31, 2017	(-)	(-)	(-)	(-)	(10)	(-)	(10)
Loan and Advances transactions :							
Loan/Advances given	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(4)	(-)	(4)
Loan/Advances recovered	-	-	-	-	1	-	1
	(-)	(-)	(-)	(-)	(4)	(-)	(4)
Amount outstanding at the year end	-	-	-	-	2	-	2
As at March 31, 2017	(-)	(-)	(-)	(-)	(3)	(-)	(3)

Figures in brackets relate to previous year.

Notes to the Financial Statements for the year ended March 31, 2018

(c) Names and details of fellow subsidiaries having transaction value in excess of 10% in line transactions during the year:

Particulars	Name of the related party	March 31, 2018	March 31, 2017
Sale of services	Bosch Automotive Service Solutions Inc., United States	191	190
Rental income	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	751	715
	Bosch Automotive Electronics India Pvt. Ltd., India	143	135
Consideration towards sale of business	Robert Bosch Starter Motors Generators India Pvt. Ltd., India	-	4,376
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	264	133
	Bosch Automotive Electronics India Pvt. Ltd., India	216	63
	Bosch Chassis Systems India Private Ltd.	95	7
Interest earned	Bosch Rexroth (India) Pvt. Ltd., India	261	278
	BSH Home Appliances Private Limited	39	30
Purchase of goods	Bosch Automotive Electronics India Pvt. Ltd., India	6,031	3,826
	Bosch Automotive Diesel Systems Co., Ltd., China	4,448	974
Purchase of property, plant and equipment	Moehwald GmbH, Germany	-	239
	Bosch Sanayi ve Ticaret A.S., Turkey	-	226
	Robert Bosch Manufacturing Solutions GmbH	347	-
Professional, consultancy and other charges received	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	1,436	845
	Bosch Corporation	442	17
Royalty and technical service fee	Bosch Technology Licensing Administration GmbH, Germany	2,105	1,182
	Robert Bosch Asset Managing C.V., Netherlands	-	435
Loan given	BSH Household Appliances Manufacturing Pvt. Ltd., India	1,000	100
	Bosch Rexroth (India) Pvt. Ltd., India	200	1,100
Loan repaid	Bosch Rexroth (India) Pvt. Ltd., India	200	950
Contributions made to Employees' Benefit plans	Bosch Employees' Gratuity Fund., India	278	278
	Bosch Superannuation Fund Trust., India	137	137
	Bosch Employees (Bangalore) Provident Fund Trust., India	282	270
	Bosch Workmen's (Nashik) Provident Fund Trust., India	75	77
Sale of property, plant and equipments	Bosch Automotive Diesel Systems Co., Ltd., China	61	-
Liability written back	Bosch Automotive Electronics India Pvt. Ltd., India	48	-

Note 36: Leases

Information on leases as per Indian Accounting Standard (Ind AS) 17 on "Leases":

(a) Operating Lease Expense :

The Company has various operating leases ranging from 2 years to 10 years for office facilities, warehouses, guest houses and residential premises for employees that are renewable on a periodic basis. Non-cancellable periods range from 8 months to 108 months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is Mio INR 804 (2016-17: Mio INR 549).

Disclosure in respect of Non-cancellable lease is as given below

[₹ in Millions (Mio INR)]

Future minimum lease payments	March 31, 2018	March 31, 2017
- Not later than 1 year	139	144
- Later than 1 year and not later than 5 years	251	278
- Later than 5 years	8	-

(b) Operating Lease Income :

The Company has leased out certain office spaces that are renewable on a periodic basis. All leases are cancellable with 3 months notice. Rental income received during the year in respect of operating lease is Mio INR 994 (2016-17: Mio INR 875). Details of assets given on operating lease as at year end are as below.

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Land	38	38	-	-	38	38	-	-
Buildings	2,122	2,041	451	265	1,671	1,776	186	194
Plant and machinery	506	458	332	197	174	261	125	141
Furniture and fixtures	2	-	0	-	2	-	0	-
Office equipment	2	2	2	2	-	-	-	-
Total	2,670	2,539	785	464	1,885	2,075	311	335

Note 37: Research and Development expenses

Total gross Research and Development expenditure recognised in the Statement of Profit and Loss (including amounts shown under Note 4 and Note 27 to the Financial Statements) amounts to Mio INR 2,599 (2016-17: Mio INR 2,961)

Note 38: Earnings Per Share

(a) Basic and diluted earning per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders from continuing operations	13,708	14,441
Profit attributable to Equity Shareholders from discontinued operation	-	2,970
Weighted average number of Equity Shares outstanding during the year	3,05,20,740	3,10,42,824
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted earnings per Share (Rs.) from continuing operations	449	465
Basic and Diluted earnings per Share (Rs.) from discontinued operation	-	96
Basic and Diluted earnings per Share (Rs.) from continuing operations and discontinued operation	449	561

(b) Reconciliation of earnings used in calculating earnings per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	13,708	14,441
From discontinued operation	-	2,970

(c) Weighted average number of shares used as the denominator

	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	3,05,20,740	3,10,42,824

Note 39: Contingent liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debts:		
(a) Excise/ Customs		
Net of tax	110	0
Gross	169	0
(b) Income tax [refer note (i) below]	547	370

Notes to the Financial Statements for the year ended March 31, 2018

- (i) Relates to adjustments made by the Income Tax Department for the financial year 2011-12 and 2012-13 which are disputed by the Company and the matters are lying under appeal with CIT (Appeals).

Note 40: The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note 41: Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Property, plant and equipment	1,967	2,117
Investment properties	165	159

Note 42: Advances include dues from directors and officers of the Company 2 4

Note 43: Offsetting financial assets and financial liabilities

The Company provides the incentives to selected customers under the terms of the agreements, the amounts payable by the Company are offset against receivables from the customers and only the net amounts are settled. The amounts offset as at March 31, 2018 is Mio INR 1,036 (March 31, 2017: Mio INR 960) which is disclosed under note 7(b).

Note 44: Excise duty on sale of products

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity, consequently revenue for the year ended March 31, 2018 is presented net of GST. Accordingly, the gross sales figures for the year are not comparable with the previous year ended March 31, 2017. Gross sales and net sales (net of excise duty) for these years are mentioned below:

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	1,13,929	1,07,500
Excise duty	(1,821)	(8,074)
Sale of products (Net of excise duty)	1,12,108	99,426

Note 45: Exceptional item

The Government of India, vide notification No.S-42012/02/2016-SS-II dated March 29, 2018, has increased the maximum amount of gratuity payable to an employee under the Payment of Gratuity (Amendment) Act, 1972 from rupees ten lakhs to rupees twenty lakhs. The impact of this on past service cost has been disclosed as exceptional item for the year ended March 31, 2018 in the Statement of Profit and Loss.

Note 46: 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 46

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)

Soumitra Bhattacharya (DIN: 02783243)

Andreas Wolf (DIN: 07088505)

Bhaskar Bhat (DIN: 00148778)

Renu Sud Karnad (DIN: 00008064)

Bernhard Steinruecke (DIN: 01122939)

Jan Oliver Röhl (DIN: 07706011)

S Karthik

Chairman

Managing Director & CFO

Joint Managing Director

Director

Director

Director

Alternate Director

Joint Chief Financial Officer

Independent Auditor's Report

To The Members of Bosch Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of BOSCH LIMITED (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of profit in its associate, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and its subsidiary company and its associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary company and associate company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of BOSCH LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary company, its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary company, its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company, its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Consolidated Balance Sheet

[₹ in Millions (Mio INR)]

	Note No.	As at March 31, 2018	As at March 31, 2017
A Assets			
1. Non-current assets			
Property, plant and equipment	4(a)	11,411	13,194
Capital work-in progress	4(b)	3,132	1,289
Investment properties	5	1,764	1,943
Investments accounted for using the equity method	6	88	85
Financial assets			
(i) Investments	7(a)(i)	42,939	36,409
(ii) Loans	7(c)	1,100	1,174
Deferred tax assets (net)	8	4,905	4,676
Other non-current assets	9	501	143
Total non-current assets		65,840	58,913
2. Current assets			
Inventories	10	12,258	11,804
Financial assets			
(i) Investments	7(a)(ii)	9,289	2,681
(ii) Trade receivables	7(b)	16,156	11,862
(iii) Cash and cash equivalents	7(d)	3,633	1,312
(iv) Bank balances other than (iii) above	7(e)	15,246	15,865
(v) Loans	7(c)	3,647	3,205
(vi) Other financial assets	7(f)	9,181	7,955
Other current assets	11	3,937	4,311
Total current assets		73,347	58,995
Total assets (1+2)		1,39,187	1,17,908
B Equity and Liabilities			
1. Equity			
Equity share capital	12(a)	305	305
Other equity			
(i) Reserves and surplus	12(b)	92,211	81,639
(ii) Other reserves	12(c)	7,210	5,962
Total equity		99,726	87,906
2. Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	13(a)	66	60
Provisions	14	4,204	3,642
Total non-current liabilities		4,270	3,702
Current liabilities			
Financial liabilities			
(i) Trade payables	13(b)	20,231	13,399
(ii) Other financial liabilities	13(a)	4,237	2,748
Provisions	14	7,450	7,543
Current tax liabilities (net)	15	906	651
Other current liabilities	16	2,367	1,959
Total current liabilities		35,191	26,300
Total liabilities		39,461	30,002
Total equity and liabilities (1+2)		1,39,187	1,17,908
Summary of significant accounting policies	2		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)
Soumitra Bhattacharya (DIN: 02783243)
Andreas Wolf (DIN: 07088505)
Bhaskar Bhat (DIN: 00148778)
Renu Sud Karnad (DIN: 00008064)
Bernhard Steinruecke (DIN: 01122939)
Jan Oliver Röhrh (DIN: 07706011)
S Karthik

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Consolidated Statement of Profit and Loss

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Revenue from operations :			
Sale of products (including excise duty)	45	1,13,929	1,07,500
Sale of services	17	2,685	2,334
Other operating revenue	18	2,108	2,592
		1,18,722	1,12,426
Other income	19	5,118	6,174
Total revenue		1,23,840	1,18,600
Expenses :			
Cost of materials consumed	20	27,341	30,070
Purchases of stock-in-trade	21	35,278	24,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	395	(1,197)
Excise duty		1,821	8,074
Employee benefit expense	23	13,565	13,428
Finance costs	24	33	272
Depreciation and amortisation expense	25	4,672	4,562
Other expenses	26	19,390	18,228
Total expenses		1,02,495	97,656
Profit before exceptional item and tax		21,345	20,944
Exceptional item	46	939	-
Profit before tax from continuing operations		20,406	20,944
Tax expense :			
Current tax	28		
(i) for the year		7,030	6,169
(ii) relating to earlier years		(14)	(6)
Deferred tax charge/ (credit)		(318)	340
Total tax expense		6,698	6,503
Profit after tax from continuing operations		13,708	14,441
Discontinued operation			
Profit before tax from discontinued operation	33	-	3,711
Tax expense of discontinued operation	33	-	741
Profit after tax from discontinued operation		-	2,970
Profit for the year before share of net profit/(loss) of associate		-	2,970
Share of net profit/(loss) of associate accounted for using equity method		3	(9)
Profit for the year		13,711	17,402
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Changes in fair value of the equity instruments	12(c)	1,248	1,510
Remeasurement of post-employment benefit obligations	12(b)	256	(167)
Income tax relating to above	8	(89)	58
Other comprehensive income for the year (Net of tax)		1,415	1,401
Total comprehensive income for the year		15,126	18,803
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations	37	449	465
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from discontinued operation	37	-	96
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations and discontinued operation	37	449	561
Summary of significant accounting policies	2		
Details of R&D expenses/ (income)	27		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered AccountantsS Sundaresan
PartnerPlace: Bengaluru
Date: May 22, 2018R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)
Soumitra Bhattacharya	(DIN: 02783243)
Andreas Wolf	(DIN: 07088505)
Bhaskar Bhat	(DIN: 00148778)
Renu Sud Karnad	(DIN: 00008064)
Bernhard Steinruecke	(DIN: 01122939)
Jan Oliver Röhl	(DIN: 07706011)
S Karthik	

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Consolidated Cash Flow Statement

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before income tax from continuing operations		20,406	20,944
Profit before income tax from discontinued operation		-	3,711
Adjustments for :			
Depreciation and amortisation expense		4,672	4,604
Unrealised exchange loss (net)		13	(26)
(Profit)/ Loss on sale of fixed assets	19	(32)	22
Provision for doubtful debts	26	492	140
Bad debts written off	26	121	32
Provision/ Liabilities no longer required written back	18	(165)	(713)
Rental income	18	(994)	(875)
Gain on sale of business	33	-	(3,971)
Dividend from equity investments designated at FVOCI	19	(71)	(81)
Interest income	19	(2,720)	(2,762)
Net gain on financial assets measured at FVTPL	19	(2,185)	(3,172)
Amortisation of deferred government grant income	19	(55)	(160)
Government grant	19	(55)	-
Finance cost	24	33	272
Operating profit before working capital changes		19,460	17,965
Changes in working capital:			
(Increase)/ decrease in inventories		(454)	(905)
(Increase)/ decrease in trade receivables		(4,844)	201
(Increase)/ decrease in other financial assets		(104)	(254)
(Increase)/ decrease in other current assets		374	158
(Increase)/ decrease in loans		77	81
(Increase)/ decrease in other non-current assets		9	(24)
(Increase)/ decrease in other bank balances		(11)	-
Increase/ (decrease) in trade payables		6,676	1,711
Increase/ (decrease) in other financial liabilities		1,538	(301)
Increase/ (decrease) in provisions		890	2,751
Increase/ (decrease) in other current liabilities		437	430
Net cash generated from operations		24,048	21,813
Income taxes paid (net of refunds)	15	(6,761)	(7,246)
Net cash from operating activities		17,287	14,567
B. Cash flow from investing activities			
Additions to property, plant and equipment		(4,925)	(6,367)
Additions to investment properties		(7)	(305)
Proceeds from sale of property, plant and equipment		86	51
Purchase of investments		(26,705)	(28,750)
Proceeds from sale of investments		17,000	38,658
Inter corporate deposit given		(7,900)	(7,550)
Inter corporate deposit repayment received		6,800	6,900
Loan to fellow subsidiaries given		(1,215)	(2,560)
Loan to fellow subsidiaries repayment received		770	2,300
Investment in deposit accounts (original maturity of more than 3 months)		(16,850)	(15,730)
Maturity of deposit accounts (original maturity of more than 3 months)		17,480	17,200
Maturity of deposit accounts (original maturity of more than 12 months)		-	100
Purchase consideration received towards sale of business	33	-	4,376
Dividends received	19	71	81
Rental income received	18	994	875
Interest received		2,698	3,181
Net cash from/ (used in) investing activities		(11,703)	12,460
C. Cash flow from financing activities			
Repayment of borrowings		-	(500)
Dividends paid		(2,736)	(4,958)
Dividend distribution tax	12(b)(v)	(559)	(1,009)
Buy Back of shares		-	(20,198)
Government grant received	19	55	-
Interest paid		(6)	(32)
Net cash from/ (used in) financing activities		(3,246)	(26,697)
Net cash flows during the year (A+B+C)		2,338	330
Unrealised exchange gain/(loss) on cash and cash equivalents		(0)	(0)
Cash and cash equivalents at the beginning of the year		1,289	959
Cash and cash equivalents at the end of the year		3,627	1,289
	Note No.	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	7(d)	3,633	1,312
Bank overdraft	13(a)	(6)	(23)
Balance as per statement of cash flows		3,627	1,289

Notes: (a) Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

(b) Mutual Fund dividend reinvested has not been considered above as there was no cash inflow/ outflow.

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhr	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Consolidated Statement of changes in equity

A Equity share capital

[₹ in Millions (Mio INR)]

	Note No.	Amount
As at April 1, 2016		314
Changes in equity share capital	13(a)	(9)
As at March 31, 2017		305
Changes in equity share capital	13(a)	-
As at March 31, 2018		305

B Other equity

[₹ in Millions (Mio INR)]

	Note No.	Reserves and surplus					Other reserves		
		Capital Reserve	Share Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Total	FVOCI - equity instruments	Total other equity
Balance at April 1, 2016		39	8	67	41,957	48,431	90,502	4,452	94,954
Profit for the year		-	-	-	-	17,402	17,402	-	17,402
Other comprehensive income		-	-	-	-	(109)	(109)	1,510	1,401
Total comprehensive income for the year		-	-	-	-	17,293	17,293	1,510	18,803
Buy back of shares		-	-	9	(20,198)	-	(20,189)	-	(20,189)
Dividend	12(b)(v)	-	-	-	-	(4,958)	(4,958)	-	(4,958)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(1,009)	(1,009)	-	(1,009)
		-	-	9	(20,198)	(5,967)	(26,156)	-	(26,156)
Balance at March 31, 2017		39	8	76	21,759	59,757	81,639	5,962	87,601
Balance at April 1, 2017		39	8	76	21,759	59,757	81,639	5,962	87,601
Profit for the year		-	-	-	-	13,711	13,711	-	13,711
Other comprehensive income		-	-	-	-	167	167	1,248	1,415
Total comprehensive income for the year		-	-	-	-	13,878	13,878	1,248	15,126
Buy back of shares		-	-	-	-	-	-	-	-
Dividend	12(b)(v)	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(559)	(559)	-	(559)
Balance at March 31, 2018		39	8	76	21,759	70,329	92,211	7,210	99,421

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan (DIN: 01782934)
Soumitra Bhattacharya (DIN: 02783243)
Andreas Wolf (DIN: 07088505)
Bhaskar Bhat (DIN: 00148778)
Renu Sud Karnad (DIN: 00008064)
Bernhard Steinruecke (DIN: 01122939)
Jan Oliver Röhr (DIN: 07706011)
S Karthik

Chairman
Managing Director & CFO
Joint Managing Director
Director
Director
Director
Alternate Director
Joint Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 1: General Information

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

The consolidated financial statements are approved for issue by the Board of Directors on May 22, 2018.

The Company, its subsidiary and its associate (jointly referred to as the "Group" herein under) considered in these consolidated financial statements are mentioned below including the nature of interest:

Relationship	Name of the Company	Country of Incorporation	% voting power held as at March 31, 2018
Subsidiary	MICO Trading Private Limited	India	100
Associate	Newtech Filter India Private Limited	India	25

Amounts for the year ended and as at March 31, 2017 were audited by the previous statutory auditor - Price Waterhouse & Co Bangalore LLP. The report of the previous auditor on these financial statements dated May 25, 2017 expressed an unmodified opinion.

Note 2: Summary of Significant Accounting Policies**(a) Basis of preparation:****(i) Compliance with Ind AS**

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Consolidated financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value at the end of each reporting period; and

- defined benefit plans (plan assets measured at fair value at the end of each reporting period)

(iii) The assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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 Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Group is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

(b) Basis of consolidation:

In respect of subsidiary company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Indian Accounting Standard - Ind AS 110 "Consolidated Financial Statements".

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Investment in associate company has been accounted under the equity method as per Indian Accounting Standard (Ind AS) 23 "Investments in Associates and Joint Ventures", whereby the investment is initially recorded at cost, and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit and loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances, except in case of depreciation as mentioned in note 42.

(c) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as mentioned below:

- (i) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are inclusive of excise duty upto June 30, 2017 and are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.
- (ii) Sale of services with respect to fixed price contracts is recognised based on agreements/ arrangements with the concerned parties using the proportionate completion method and revenue with respect to time-and-material contracts is recognised as and when the related services are performed.
- (iii) Rental income arising from operating lease of investment properties is accounted on accrual basis based on contractual terms with the lessee and is disclosed under other operating revenue in Statement of Profit and Loss.

(d) Investments and other financial assets:

(i) Classification

The Group classifies its financial assets under the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Initial recognition and measurement

All financial assets are recognised initially at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

(iii) Subsequent measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

(iv) Impairment of financial assets

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group assesses the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Group determines whether there has been a significant increase in credit risk. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

(vi) Income recognition

Interest income

Interest income from financial assets measured at amortised cost is recognised using the effective interest rate method and are disclosed in Statement of Profit and Loss.

Dividends

Dividends from equity instruments are recognised as other income in Statement of Profit and Loss only when the right to receive payment is established.

(e) Property, plant and equipment:

Freehold land is carried at historical cost and other items of property, plant and equipment including capital spares are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Group and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of Profit or Loss within other income or expense.

Depreciation on property, plant and equipments is provided using the written down value method. As required under Schedule II to the Companies Act 2013, the Group periodically assesses the estimated useful life of its tangible assets based on the technical evaluation considering anticipated technological changes and actual usage of the assets. The estimated useful life is either equal to or lower than those prescribed under Part C of Schedule II to the Companies Act, 2013.

The estimated useful life for various property, plant and equipments is given below:

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

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

Low value assets not exceeding INR 15,000/- per unit and all Research and Development assets (except for Buildings) are depreciated at 100% in the quarter of addition.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(f) Investment properties:

Property that is held for rental income and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 Property, Plant and Equipment's requirements for cost model.

Land is carried at historical cost, however, buildings are depreciated using the written down value method over their estimated useful lives as mentioned in 2(e) above.

An investment property is derecognised upon disposal and when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the property is derecognised.

(g) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

(h) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. Cost of raw materials, traded goods and indirect materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete/ slow moving inventories are adequately provided for.

(i) Employee benefits:

(i) Short term employee benefits:

All employee benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits, which include salaries, wages, short term compensated absences and performance incentives and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet. These 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 Group 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 Group are treated as defined benefit plan. The interest 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 Group. The Group 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 Other Comprehensive Income (OCI).

(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, and ex-gratia are determined based on actuarial valuation carried out at each Balance Sheet date. Estimated liability on account of long term employee benefits is discounted to the present value using the yield on government bonds as the discounting rate for the term of obligations as on the date of the Balance Sheet. Actuarial gains and losses in respect of the same are charged to the Statement of Profit and Loss.

(iv) Termination benefits:

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

AS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(j) Foreign currency transactions:

Items included in the financial statements are measured using the currency of the primary economic environment in which entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

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.

(k) Leases:

As a lessee

Leases in which the Group has substantial portion of the risks and rewards of ownership are classified as finance 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.

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.

Leases in which the Group doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are charged to Statement of Profit and Loss on a straight line basis.

As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Lease income from operating leases where the Group is a lessor is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

(l) Income tax :

(i) Current tax:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

(m) Impairment of assets:

At each Balance Sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which that are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(n) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

(o) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method.

(p) Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present legal or constructive 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(q) Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit or Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(r) Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Derivatives and hedging activities:

The Group uses derivative financial instruments such as forward exchange contracts and currency option contracts to hedge its risks associated with foreign currency fluctuations. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss.

(t) Embedded derivatives:

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 Financial Instruments are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to host contracts are not separated.

(u) Discontinued operation:

A discontinued operation is a component of the entity that has been disposed and that represents a separate line of business. The results of discontinued operation is presented separately in the Statement of Profit and Loss.

(v) Earning per share (basic and diluted):

Earning per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year.

Note 3: Critical estimates and judgements

The preparation of financial statements in accordance with Ind AS requires that assumptions and estimates be made for some line items. This note provides the areas that involve a higher degree of judgement or complexity.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(a) Estimation of current tax expense and payable - Note 28

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income tax Act, 1961. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The recognition of deferred tax assets is premised on their future recoverability being probable.

(b) Estimation of defined benefit obligation - Note 29

Employee benefit obligations are measured using actuarial methods. This requires various assumptions, including with respect to salary trends, attrition rate, discounting factor, etc.

(c) Estimation of provision for warranty claims - Note 14

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 4 (a) : Property, plant and equipment

[₹ in Millions (Mio INR)]

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land - Freehold	92 (127)	97 (0)	- (35)	189 (92)	- (-)	- (-)	- (-)	- (-)	189 (92)	92 (127)
- Leasehold	1,653 (1,653)	- (-)	- (-)	1,653 (1,653)	20 (10)	10 (10)	- (-)	30 (20)	1,623 (1,633)	1,633 (1,643)
Buildings [refer note (a) below]	4,619 (4,035)	24 (597)	5 (13)	4,638 (4,619)	806 (388)	388 (421)	1 (3)	1,193 (806)	3,445 (3,813)	3,813 (3,647)
Buildings - R & D*	20 (5)	6 (15)	- (-)	26 (20)	1 (-)	2 (1)	- (-)	3 (1)	23 (19)	19 (5)
Plant and machinery [refer note (d) below]	14,508 (9,698)	2,271 (5,407)	203 (597)	16,576 (14,508)	7,214 (3,952)	3,681 (3,546)	158 (284)	10,737 (7,214)	5,839 (7,294)	7,294 (5,746)
Plant and machinery - R & D*	362 (133)	209 (231)	- (2)	571 (362)	362 (133)	209 (231)	- (2)	571 (362)	- (-)	- (-)
Office equipment	164 (143)	22 (29)	4 (8)	182 (164)	103 (67)	36 (42)	3 (6)	136 (103)	46 (61)	61 (76)
Office equipment - R & D*	3 (1)	5 (2)	- (0)	8 (3)	3 (1)	5 (2)	- (0)	8 (3)	- (-)	- (-)
Furniture and fixtures	209 (164)	37 (56)	6 (11)	240 (209)	102 (49)	48 (62)	3 (9)	147 (102)	93 (107)	107 (115)
Furniture and fixtures - R & D*	5 (-)	4 (5)	- (0)	9 (5)	5 (-)	4 (5)	- (-)	9 (5)	- (-)	- (-)
Vehicles	331 (208)	82 (142)	9 (19)	404 (331)	156 (80)	103 (89)	8 (13)	251 (156)	153 (175)	175 (128)
Vehicles - R & D*	2 (1)	- (1)	1 (-)	1 (2)	2 (1)	0 (1)	1 (-)	1 (2)	- (-)	- (-)
Total	21,968 (16,168)	2,757 (6,485)	228 (685)	24,497 (21,968)	8,774 (4,681)	4,486 (4,410)	174 (317)	13,086 (8,774)	11,411 (13,194)	13,194 (11,487)

Note 4 (b) : Capital work in progress

3,132 (1,289)	1,289 (1,507)
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* Relating to certain DSIR approved R&D facilities, considered eligible for Income tax benefit.

- (a) Buildings include Mio INR 0 (2016-17: Mio INR 0) being the value of shares in co-operative housing societies.
- (b) Deductions/ adjustments includes transfer of Mio INR Nil (2016-17: Mio INR 311) as part of sale of starter motors and generators business (refer note 33) and transfer of Mio INR Nil (2016-17: Mio INR 46) to investment properties (refer note 5).
- (c) Depreciation for the year includes depreciation for discontinued operation amounting to Mio INR NIL (2016-17: Mio INR 42).
- (d) Plant and machinery includes capital spares and government grant capitalised on transition to Ind AS.
- (e) Capital work-in-progress mainly comprises plant and machinery and building under construction.
- (f) Refer note 40 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
- (g) Figures in brackets relate to previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 5 : Investment properties

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Gross carrying amount		
Opening gross carrying amount	2,079	1,849
Transfer from property, plant and equipments	-	48
Additions	81	182
Closing gross carrying amount	2,160	2,079
Accumulated depreciation		
Opening accumulated depreciation	265	69
Transfer from property, plant and equipments	-	2
Depreciation charge	186	194
Closing accumulated depreciation	451	265
Opening Capital work-in-progress	129	6
Closing Capital work-in-progress	55	129
	1,764	1,943

(i) Amounts recognised in Statement of Profit and Loss for investment properties

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income	994	875
Direct operating expenses from property that generated rental income	(30)	(97)
Profit from investment properties before depreciation	964	778
Depreciation charge	(186)	(194)
Profit from investment properties	778	584

(ii) Contractual obligations: Refer note no 40 for disclosure of contractual obligations relating to investment properties.

(iii) Fair value of investment properties:

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Land	9,649	9,146
Building	5,953	6,380
	15,602	15,526

Note 6 : Investments Accounted for using the equity method :

[₹ in Millions (Mio INR)]

	Amount	
	As at March 31, 2018	As at March 31, 2017
Unquoted equity investments valued at cost		
Associate (also a fellow subsidiary):		
Newtech Filter India Private Limited, equity shares of Rs.10/- each fully paid	175	175
Less: Share of profit/ (loss) for earlier years in Associate	(90)	(81)
Add: Share of profit/ (loss) for current year in Associate	3	(9)
	88	85

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 7 (a) : Investments

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Investment in equity instruments carried at FVOCI	7,242	-	5,993	-
Investment in bonds measured at amortised cost (quoted)	5,212	-	5,212	-
Investment in bonds measured at amortised cost (unquoted)	5	-	-	-
Investment in mutual funds (quoted) carried at FVTPL	30,480	9,289	25,204	2,681
	42,939	9,289	36,409	2,681
Aggregate amount of market value of quoted investments	43,478	9,289	36,409	2,681
Aggregate amount of market value of unquoted investments	5	9,289	36,742	2,681
Aggregate amount of impairment in the value of investments	-	-	-	-

Note 7 (b) : Trade receivables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
- Related parties [refer note (a) below and note 34]	2,339	1,528
- Others	15,007	11,032
Less: Allowance for doubtful debts	(1,190)	(698)
	16,156	11,862

(a) Includes dues from private companies where directors are interested.

374

429

Details of secured and unsecured

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	16,156	11,862
Doubtful	1,190	698
Total	17,346	12,560
Allowance for doubtful debts	(1,190)	(698)
Total trade receivables	16,156	11,862

Note 7 (c) : Loans

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to fellow subsidiaries (refer note 34)	3,505	500	3,060	500
Loan to directors (refer note 34)	0	2	0	3
Loan to employees	142	259	145	342
Security deposits	-	339	-	329
	3,647	1,100	3,205	1,174

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 7 (d) : Cash and cash equivalents

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	237	207
- deposit accounts with original maturity of less than 3 months	3,133	875
Cash on hand	0	0
Cheques on hand	263	230
	3,633	1,312

Note 7 (e) : Other bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (maturity less than 12 months)	15,201	15,831
Unpaid dividend accounts	45	34
	15,246	15,865

Note 7 (f) : Other financial assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Inter-corporate deposit	7,900	6,800
Interest accrued on financial assets at amortised cost	804	782
Others (include non-trade receivables, etc.)	477	373
	9,181	7,955

Note 8 : Deferred tax assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Difference between books and Income tax written down value (WDV) of depreciable property, plant and equipment and intangible assets	3,049	2,808
Expenses allowable for tax purposes when paid and other timing differences	1,856	1,868
	4,905	4,676

Movement in deferred tax assets

[₹ in Millions (Mio INR)]

	WDV of depreciable property, plant and equipment	Expenses allowable on payment basis	Tax losses	Total
As at April 1, 2016	2,995	1,533	430	4,958
(Charged)/ Credited				
- to Statement of Profit and Loss	(187)	277	(430)	(340)
- to Other Comprehensive Income	-	58	-	58
As at March 31, 2017	2,808	1,868	-	4,676
(Charged)/ Credited				
- to Statement of Profit and Loss	241	77	-	318
- to Other Comprehensive Income	-	(89)	-	(89)
As at March 31, 2018	3,049	1,856	-	4,905

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 9 : Other non-current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital advances	412	45
Security deposits	89	98
	501	143

Note 10 : Inventories

(at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	2,854	2,098
Work-in-progress	1,329	958
Finished goods	2,603	3,939
Stock-in-trade	4,823	4,253
Stores and spares	184	182
Loose tools	465	374
	12,258	11,804

(a) Inventories include the following as goods-in-transit

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	986	541
Stock-in-trade	1,512	1,063
Loose tools	0	10
	2,498	1,614

(b) Amount of inventories recognised as an expense/(income) is Mio INR 36 [2016-17 Mio INR (238)].

(c) Write-down/(reversal of write-down of earlier year) of the inventories to net realisable value amounted to Mio INR 14 [2016-17 Mio INR 70]. These were recognised as an expense during the year and included in Note 22 in the Statement of Profit and Loss.

Note 11 : Other current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balance with customs, excise and sales tax authorities, etc.	584	2,852
Deferred expense	97	91
Others (include vendor advances, claims receivable, etc.)	3,256	1,368
	3,937	4,311

Note 12 : Equity share capital and other equity**Note 12(a) : Equity Share capital**

Authorised equity share capital

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2016	38,051,460	381
Increase during the year	-	-
As at March 31, 2017	38,051,460	381
Increase during the year	-	-
As at March 31, 2018	38,051,460	381

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(i) Movements in equity share capital (issued, subscribed and fully paid up) (with voting rights):

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2016	31,398,900	314
Increase/ (decrease) during the year	(878,160)	(9)
As at March 31, 2017	30,520,740	305
Increase/ (decrease) during the year	-	-
As at March 31, 2018	30,520,740	305

Rights, preferences and restrictions attached to shares:

The Equity shares of the Company, having face value of Rs. 10/- per share, rank pari passu in all respects including voting rights, entitlement to dividend and share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

(ii) Equity shares held by the holding company and subsidiary of the holding company (with voting rights):

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	211	21,058,705	211
Robert Bosch Engineering and Business Solutions Private Ltd., India, subsidiary of Holding company	454,000	5	454,000	5

(iii) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company (with voting rights):

	As at March 31, 2018		As at March 31, 2017	
	No of shares	Shareholding %	No of shares	Shareholding %
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	68.99%	21,058,705	68.99%

(iv) There are no shares reserved for issue under options and contracts/ commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares.

(v) The Company has bought back 878,160 shares during the year ended March 31, 2017 at buy-back price determined at Rs.23,000/- per share which was approved by the board of directors and shareholders of the Company. Shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2018	As at March 31, 2017
Number of equity shares bought back by the Company	-	878,160

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 12(b) : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital reserve [refer note (i)]	39	39
Share premium [refer note (ii)]	8	8
Capital redemption reserve [refer note (iii)]	76	76
General reserve [refer note (iv)]	21,759	21,759
Retained earnings [refer note (v)]	70,329	59,757
	92,211	81,639

(i) Capital reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	39	39
Additions/(deletions) during the year	-	-
Closing balance	39	39

(ii) Share premium

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	8	8
Additions/(deletions) during the year	-	-
Closing balance	8	8

(iii) Capital redemption reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	76	67
Additions/(deletions) during the year	-	9
Closing balance	76	76

(iv) General reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	21,759	41,957
Less: Utilisation for buy back of shares	-	(20,198)
Closing balance	21,759	21,759

(v) Retained earnings

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	59,757	48,431
Net profit for the year	13,711	17,402
Dividends (refer note no. 32(b))	(2,747)	(4,958)
Dividend distribution taxes	(559)	(1,009)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligations, net of tax	167	(109)
Closing balance	70,329	59,757

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 12(c) : Other reserves

[₹ in Millions (Mio INR)]

	FVOCI - Equity Instruments	Total other reserves
As at April 1, 2016	4,452	4,452
Change in fair value of FVOCI equity instruments	1,510	1,510
As at March 31, 2017	5,962	5,962
Change in fair value of FVOCI equity instruments	1,248	1,248
As at March 31, 2018	7,210	7,210

Note 13(a) : Other financial liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unpaid dividend [refer note (a) below]	45	-	34	-
Book overdraft	6	-	23	-
Capital creditors	347	-	305	-
Other payables (includes employee dues, derivative liabilities, etc.)	3,839	66	2,386	60
	4,237	66	2,748	60

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 13(b) : Trade payables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	395	212
- Related parties (refer note 34)	11,837	7,666
- Others	7,999	5,521
	20,231	13,399

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

[₹ in Millions (Mio INR)]

	As at March 31, 2018 and for the year ended March 31, 2018	As at March 31, 2017 and for the year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	395	212
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5	3
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	22	12
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	83	56
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	13	-

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the letters circularised by the Company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 14 : Provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	2,566	4,188	2,933	3,626
Trade demand and others [refer note (a) below]	3,541	16	3,455	16
Warranty [refer note (a) below]	1,343	-	1,155	-
	7,450	4,204	7,543	3,642

(a) Disclosure under Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" :
[₹ in Millions (Mio INR)]

Description	As at April 1, 2017	Additions during the year	Utilised/ reversed during the year	As at March 31, 2018
Trade demand and others [refer note (i) and (ii) below]	3,471	2,215	2,129	3,557
	(2,319)	(2,380)	(1,228)	(3,471)
Warranty [refer note (i) and (ii) below]	1,155	757	569	1,343
	(1,284)	(332)	(461)	(1,155)

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

(ii) Figures in brackets relate to previous year.

Note 15 : Current tax liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	651	762
Add: Provision for tax (including earlier years)	7,016	7,135
Less: Taxes paid (net of refund)	(6,761)	(7,246)
Closing balance (net of advance tax of Mio INR 25,941) (March 31, 2017: Mio INR 23,482)	906	651

Note 16 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Statutory dues	1,171	1,142
Deferred income	67	107
Indirect taxes	483	427
Others (advance from customers, etc.)	646	283
	2,367	1,959

Note 17 : Sale of services

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Research and development income	1,516	1,456
Others	1,169	878
	2,685	2,334

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 18 : Other operating revenue

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Scrap sales	162	177
Export incentives	350	361
Provision/ liabilities no longer required written back	165	713
Rental income	994	875
Miscellaneous income	437	466
	2,108	2,592

Note 19 : Other income

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- Bank and inter corporate deposits	1,697	1,664
- Loans to related parties	330	352
- On financial assets at amortised cost	418	417
- Others	275	328
Government grant (refer note (a) below)	55	-
Amortisation of deferred government grant income	55	160
Dividend from equity investments designated at FVOCI	71	81
Net gain on financial assets measured at FVTPL	2,185	3,172
Profit on sale of property, plant and equipment (net)	32	-
	5,118	6,174

(a) Government grant represents subsidy received/ accrued during the year under the Package Scheme of Incentives, 2001 from the Government of Maharashtra.

Note 20 : Cost of materials consumed

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials consumed	27,555	30,103
Less: Issues capitalised	(214)	(33)
	27,341	30,070

Note 21 : Purchases of stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	35,278	24,219
	35,278	24,219

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock		
Finished goods	3,939	2,736
Work-in-progress	958	1,236
Stock-in-trade	4,253	3,981
Closing stock		
Finished goods	2,603	3,939
Work-in-progress	1,329	958
Stock-in-trade	4,823	4,253
	395	(1,197)

Note 23 : Employee benefit expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus etc.	11,946	11,754
Contributions to provident and other funds [refer note 29]	839	783
Staff welfare	780	891
	13,565	13,428

Note 24 : Finance costs

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- on financial liability at amortised cost	-	25
- others	33	246
Net interest on defined benefit liability	0	1
	33	272

Note 25 : Depreciation and amortisation expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment [refer note 4(a)]	4,486	4,368
Depreciation on investment properties [refer note 5]	186	194
	4,672	4,562

Note 26 : Other expenses

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	338	798
Consumption of tools	2,458	1,808
Power and fuel	1,097	1,080
Repairs to plant and machinery	899	1,167
Repairs to building	538	518
Royalty and technical service fee	2,131	1,519
Rent [refer note 35]	804	549
Rates and taxes	182	619
Insurance	144	137
Expenditure towards Corporate Social Responsibility [refer note (a) below]	363	332
Packing, freight and forwarding	1,974	1,685
Warranty and service expenses	494	284
Travelling and conveyance	1,071	996
Professional and consultancy charges	1,823	1,470
Advertisement and sales promotion expenses	460	780
Miscellaneous expenses [refer note (b) below]	4,797	4,496
Less: Expenses capitalised	(183)	(10)
	19,390	18,228

(a) Expenditure towards Corporate Social Responsibility :

- Gross amount required to be spent by the Company during the year is Mio INR 363 (2016-17 Mio INR 332).
- Amount spent during the year is Mio INR 363 (2016-17 Mio INR 332).

[₹ in Millions (Mio INR)]

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee	8	11
Tax account and audit fees	1	2
Other services	2	9
Reimbursement of expenses	0	0
(ii) Loss on sale of property, plant and equipment (net)	-	22
(iii) Provi563 ant 2(opr doubtful debts(ne)12.12t)	494	919

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 27 : R & D expenses/ (income) *

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses :		
Cost of materials consumed	109	124
Employee benefit expenses	888	667
Other expenses	1,190	833
	2,187	1,624
R & D Income :		
Sale of services	(1,516)	(1,456)
Other income	0	0
	(1,516)	(1,456)

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

Note 28: Income tax expense

This note provides an analysis of the Group's income tax expense, showing how the tax expense is affected by non-as sessable and non-deductible items.

(a) Income tax expense

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Current tax		
Current tax on profits for the year	7,030	6,910
Adjustments for current tax of prior periods	(14)	(6)
Total current tax expenses	7,016	6,904
Deferred tax		
Decrease/ (Increase) in deferred tax assets	(318)	340
(Decrease)/ Increase in deferred tax liabilities	-	-
Total deferred tax expenses/(benefit)	(318)	340
Income tax expense	6,698	7,244
Income tax expense attributable to:		
Profit from continuing operations	6,698	6,503
Profit from discontinued operation	-	741
	6,698	7,244

(b) Reconciliation of tax expenses and the accounting profit multiplied by tax rate:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expense	20,406	20,944
Profit from discontinuing operation before income tax expense	-	3,711
	20,406	24,655
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	7,062	8,533
Effect of non-deductible expense	513	379
Effect of exempt other income/ weighted deduction	(911)	(1,338)
Effect of difference in tax rate for long term capital gain on sale of business	-	(324)
Adjustments for current tax of prior periods	(14)	(6)
Effect due to difference in future tax rate for deferred tax	48	-
Income tax expense	6,698	7,244

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 29: Employee Retirement Benefits:

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

(a) Post Employment Benefit - Defined Contribution Plans

The Group has recognised an amount of Mio INR 321* (2016-17: Mio INR 277*) as expense under the defined contribution plans in the Statement of Profit and Loss.

(b) Post Employment Benefit - Defined Benefit Plans

The Group makes annual contributions to the Bosch Employees' Gratuity Fund and makes monthly contributions to Bosch Employees (Bangalore) Provident Fund Trust and Bosch Workmen's (Nashik) Provident Fund Trust, funded defined benefit plans for qualifying employees. The Gratuity Scheme provides for lumpsum payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability.

The Provident Fund Scheme provides for lumpsum payment/transfer to the member employees at retirement/death while in employment or on termination of employment of an amount equivalent to the credit standing in his account maintained by the Trusts. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at each balance sheet date.

(c) Total expense recognised in the statement of profit and loss

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost*	357	347	161	159
Past service cost	-	-	939	-
Net interest cost				
a. Interest expense on defined benefit obligation (DBO)	649	617	283	276
b. Interest (income) on plan assets	(649)	(617)	(283)	(275)
c. Total net interest cost	-	-	0	1
Defined benefit cost included in Statement of Profit and Loss	357	347	1,100	160

* Total charge recognised in Statement of Profit and Loss is Mio INR 839 (2016-17: Mio INR 783) [Refer note no 23].

(d) Remeasurement effects recognised in other comprehensive income (OCI)

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss due to demographic assumption changes in DBO	-	3
b. Actuarial (gain)/ loss due to financial assumption changes in DBO	(163)	96
c. Actuarial (gain)/ loss due to experience on DBO	(162)	175
d. Return on plan assets (greater)/ less than discount rate	69	(107)
Total actuarial (gain)/ loss included in OCI	(256)	167

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss on liability	527	(257)
b. Actuarial (gain)/ loss on plan assets	(527)	257
Total actuarial (gain)/ loss included in OCI	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(e) Total cost recognised in comprehensive income

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cost recognised in Statement of Profit and Loss	357	347	1,100	160
Remeasurements effects recognised in OCI	-	-	(256)	167
Total cost recognised in Comprehensive Income	357	347	844	327

(f) Change in defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	3,996	3,772
Service cost	1,100	159
Interest cost	283	276
Benefit payments from plan assets	(168)	(180)
Acquisition / divestiture	-	(306)
Actuarial (gain)/ loss - demographic assumptions	-	3
Actuarial (gain)/ loss - financial assumptions	(163)	96
Actuarial (gain)/ Loss - experience	(162)	176
Defined benefit obligation as at year end	4,886	3,996

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	8,740	7,950
Current service cost	357	347
Interest cost	649	617
Benefits paid and transfer out	(970)	(797)
Transfer in	59	41
Participant contributions	859	839
Actuarial (gain)/ loss	527	(257)
Defined benefit obligation as of current year end	10,221	8,740

(g) Change in fair value of plan assets

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fair value of plan assets at end of prior year	8,740	7,950	3,874	3,642
Expected return on plan assets	649	617	283	275
Employer contributions	357	347	278	278
Participant contributions	859	839	-	-
Benefit payments from plan assets	-	-	(168)	(180)
Transfer in/ transfer out	59	41	-	-
Settlements	(970)	(797)	-	-
Acquisition/ divestiture	-	-	-	(248)
Actuarial gain/ (loss) on plan assets	527	(257)	(69)	107
Fair value of plan assets at end of year	10,221	8,740	4,198	3,874

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(h) Net defined benefit asset/ (liability)

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation	10,221	8,740	4,886	3,996
Fair value of plan assets	10,221	8,740	4,198	3,874
(Surplus)/ deficit recognised in Balance Sheet	-	-	688	122

(i) Expected Group's contributions for the next year

[₹ in Millions (Mio INR)]

	Provident Fund	Gratuity
	March 31, 2018	March 31, 2018
Expected Group's contributions for the next year	400	226

(j) Reconciliation of amounts in balance sheet

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Net defined benefit liability (asset) at prior year end	122	130
Defined benefit cost included in Statement of Profit and Loss	1,100	160
Total remeasurements included in OCI	(256)	167
Acquisition/ divestment	-	(57)
Employer contributions	(278)	(278)
Net defined benefit liability (asset)	688	122

(k) Reconciliation of Statement of Other Comprehensive Income

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Cumulative OCI - (Income)/Loss, beginning of period	108	(59)
Total remeasurements included in OCI	(256)	167
Cumulative OCI - (Income)/Loss	(148)	108

(l) Current/ non current liability

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Current liability	-	-
Non current liability	688	122
Total	688	122

(m) Assumptions :

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount factor [refer note (i) below]	7.70%	7.30%	7.70%	7.30%
Weighted average rate of escalation in salary per annum [refer note (ii) below]	NA	NA	10.6%	10.6%

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Notes:

- (i) 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.
- (ii) 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.

(n) Risk exposures:

A large portion of assets consists of government and corporate bonds and small portion of assets consists in mutual funds and special deposit account in banks. Through its defined plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility: The plan liabilities are calculated using a discount rate with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income government securities with high grades and public sector corporate bonds. A small portion of the funds are invested in equity securities.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(o) Sensitivity analysis on defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Discount rate		
a. Discount rate - 50 basis points	5,104	4,151
b. Discount rate + 50 basis points	4,639	3,805
Weighted average increase in salary		
a. Rate - 50 basis points	4,781	3,854
b. Rate + 50 basis points	4,974	4,095

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur. This sensitivity analysis shows how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date.

(p) Plan assets

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	% Invested	% Invested	% Invested	% Invested
Government Securities (Central and State)	52	49	51	49
Corporate Bonds (including Public Sector bonds)	41	39	36	33
Mutual Funds	2	2	1	2
Cash and bank balances (including Special Deposits Scheme, 1975)	5	10	12	16
Total	100	100	100	100

(q) Expected future cashflows

The weighted average duration of the defined benefit obligation is 14.27 years (2016-17 -14.45 years). The expected maturity analysis is as follows:

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within 1 year	399	338	226	231
Between 1-2 years	450	401	188	235
Between 2-5 years	1,687	1,627	793	699
From 6 to 10	4,141	8,558	2,322	1,869
Total	6,677	10,924	3,529	3,034

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 30: Fair value measurements:**(i) Financial instruments by category and hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

[₹ in Millions (Mio INR)]							
	Level	March 31, 2018			March 31, 2017		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	1	-	7,242	-	-	5,993	-
- Bonds	1	-	-	5,217	-	-	5,212
- Mutual funds	1	39,769	-	-	27,885	-	-
Interest accrued on financial assets at amortised cost	3	-	-	804	-	-	782
Trade receivables	3	-	-	16,156	-	-	11,862
Loans	3	-	-	4,747	-	-	4,379
Cash and cash equivalents		-	-	3,633	-	-	1,312
Other bank balances		-	-	15,246	-	-	15,865
Inter-corporate deposit	3	-	-	7,900	-	-	6,800
Others (include non-trade receivables, etc.)	3	-	-	477	-	-	373
Derivative assets	2	1	-	-	-	-	-
Total financial assets		39,770	7,242	54,180	27,885	5,993	46,585
Financial liabilities							
Trade payables	3	-	-	20,231	-	-	13,399
Unpaid dividend	3	-	-	45	-	-	34
Book overdraft		-	-	6	-	-	23
Other payables (includes employee dues, etc.)	3	-	-	3,905	-	-	2,367
Capital creditors	3	-	-	347	-	-	305
Derivative liabilities	2	-	-	-	79	-	-
Total financial liabilities		-	-	24,534	79	-	16,128

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, tax free bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for market, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There are no transfers between levels during the year.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of remaining financial instruments is determined using the discounted cash flow analysis

(iii) Valuation process

The finance and accounts department of the Group performs the valuation of financial assets and liabilities required for financial reporting purposes, and report to the Executive Director (ED). Discussions on valuation processes and results are held between the ED and valuation team at least once every three months, in line with the Group's quarterly reporting periods.

The main level 3 inputs are derived and evaluated as follows:

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

- a) Discount rate for loans to employees are determined using prevailing bank lending rate.
b) The fair values of financial assets and liabilities are determined using the discounted cash flow analysis.

(iv) Fair value of financial assets and liabilities measured at amortised cost

[₹ in Millions (Mio INR)]				
	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Tax free bonds	5,217	5,763	5,212	5,546
Loans	1,100	1,100	1,174	1,174
Total financial assets	6,317	6,863	6,386	6,720
Financial liabilities				
Other financial liabilities	66	66	60	60
Total financial liabilities	66	66	60	60

With respect to trade receivables, other receivables, inter-corporate deposit, current portion of loans, cash and cash equivalents, other bank balance, trade payables, capital creditors, employee payables and current maturities of long-term debt, the carrying amount is considered to be the same as their fair value due to their short-term nature.

Note 31: Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are entered into by the Group to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.

(A) Credit Risk

Credit risk arises from cash and cash equivalents, instruments carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks which have high credit ratings assigned by external agencies. Investments primarily include investment in debt based mutual funds whose portfolios have instruments with high credit rating and government bonds. The Board of Directors periodically review the investment portfolio of the Group. Credit risk on loans given to fellow subsidiaries is guaranteed by the holding company. Credit risk with respect to trade receivable is managed by the Group through setting up credit limits for customers and also periodically reviewing the credit worthiness of major customers.

Expected credit loss for trade receivables under simplified approach

[₹ in Millions (Mio INR)]				
	March 31, 2018		March 31, 2017	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	15,552	1,794	11,300	1,260
Expected credit losses (Loss allowance provision)	(78)	(1,112)	(63)	(635)
Carrying amount of trade receivables (net of impairment)	15,474	682	11,237	625

The gross carrying amount of trade receivables is Mio INR 17,346 (March 31, 2017 - Mio INR 12,560). During the period, the Group made no significant write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from trade receivables previously written off.

(ii) Reconciliation of loss allowance provision - Trade Receivables

[₹ in Millions (Mio INR)]	
Loss allowance as at April 1, 2016	558
Changes in loss allowance	140
Loss allowance as at March 31, 2017	698
Changes in loss allowance	492
Loss allowance as at March 31, 2018	1,190

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability of funds.

Management monitors daily and monthly rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The Group has liquidity reserves in the form of highly liquid assets like cash and cash equivalents, debt based mutual funds, deposit accounts, etc.

(i) Financing arrangements: The Group had access to the following undrawn borrowing facilities at the end of the reporting period

[₹ in Millions (Mio INR)]		
	March 31, 2018	March 31, 2017
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	20	20
- Expiring beyond one year (bank loans)	-	-
	20	20

(ii) Maturity of Financial liabilities

The table below summarises the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- a) all non-derivative financial liabilities
- b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

[₹ in Millions (Mio INR)]				
	March 31, 2018		March 31, 2017	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	20,231	-	13,399	-
Other financial liabilities	3,839	66	2,748	60
Total non-derivative liabilities	24,070	66	16,147	60
Foreign exchange forward contracts	1,044	-	2,763	-
Options contracts	-	-	-	-
Total derivative liabilities	1,044	-	2,763	-

(C) Market risk**(i) Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transaction.

The Group imports and exports goods and services which are predominantly denominated in USD and EUR. This exposes the Group to foreign currency risk. To minimise this risk, the Group hedges using forward contracts and foreign currency option contracts on a net exposure basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

- (a) Foreign currency risk exposure: The Group exposure to foreign currency risk at the end of the reporting period expressed in Mio INR are as follows:

	[₹ in Millions (Mio INR)]			
	March 31, 2018		March 31, 2017	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	1,684	303	1,141	112
Exposure to foreign currency risk - assets	1,684	303	1,141	112
Financial liabilities				
Trade payables	6,235	1,381	4,681	1,489
Exposure to foreign currency risk - liabilities	6,235	1,381	4,681	1,489
Derivative liabilities				
Foreign exchange forward contracts	1,044	-	2,763	-
Net exposure to foreign currency risk	3,507	1,078	777	1,377

- (b) Sensitivity: The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	[₹ in Millions (Mio INR)]	
	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%*	(35)	(8)
INR/USD - Decrease by 1%*	35	8
EUR Sensitivity		
INR/EUR - Increase by 1%*	(11)	(14)
INR/EUR - Decrease by 1%*	11	14

* Holding all other variable constant

(ii) Cash flow and fair value interest rate risk

- (a) Interest rate risk exposure: The Group does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Group analyses it based on the sensitivity analysis and manages it by portfolio diversification.
- (b) Sensitivity: Profit or loss is sensitive to changes in interest rate for tax free bonds. A change in the market interest level by 100 basis points would have the following effect on the profit after tax:

	[₹ in Millions (Mio INR)]	
	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 100 basis points*	(370)	(338)
Interest rates - decrease by 100 basis points*	370	338

* Holding all other variables constant

(iii) Price risk

- (a) Exposure: The Group has invested in equity securities and the exposure is equity securities price risk from investments held by the Group and classified in the balance sheet as fair value through OCI.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

- (b) Sensitivity: The table below summarises the impact of increase/decrease of the index in the Group's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

[₹ in Millions (Mio INR)]

	Impact on other components of equity	
	March 31, 2018	March 31, 2017
Price - increase by 10%	724	599
Price - decrease by 10%	(724)	(599)

Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through Other Comprehensive Income.

Note 32 : Capital management**(a) Risk management**

The Group has equity capital and other reserves attributable to the equity shareholders, as the only source of capital and the Group does not have any interest bearing borrowings/ debts.

(b) Dividends

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
(i) Dividends recognised		
Final dividend for the year ended March 31, 2017 of INR 90/- (March 31, 2016 - INR 85/-) per fully paid share	2,747	2,669
Interim dividend for the year ended March 31, 2018 of INR NIL (March 31, 2017 - INR 75/-)	-	2,289
	2,747	4,958
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended the directors have recommended the payment of a final dividend of INR 100/- per fully paid equity share (March 31, 2017 - INR 90/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,052	2,747
	3,052	2,747

Note 33: Discontinued operation :

Consequent to the approvals received from the Board of Directors on February 5, 2016 and from the shareholders on April 4, 2016, the Group has executed a Business Transfer Agreement on August 1, 2016 and has sold/ transferred the business of Starter Motors and Generators under the automotive products segment of the Group on a going concern basis by way of Slump sale to Robert Bosch Starter Motors Generators India Private Limited, a fellow subsidiary. Gain on sale of business amounting to Mio INR 3,971 has been recognised during the previous year and disclosed under discontinued operation in the Statement of Profit and Loss.

(a) Financial performance and cash flow information:

The financial performance and cash flow information presented are for the period ended August 1, 2016 (March 31, 2017 column).

[₹ in Millions (Mio INR)]

	March 31, 2017
Revenue including other income	3,284
Expenses	(3,544)
Profit before income tax	(260)
Income tax (expense)/ credit	90
Profit after income tax	(170)
Gain on sale of division after income tax [refer (b) below]	3,140
Profit from discontinued operation	2,970
Other comprehensive income from discontinued operation	-
Net cash flow from operating activities	(170)
Net cash flow from investing activities (from sale of business)	4,376
Net cash flow from financing activities	-
Net cash generated from discontinued operation	4,206

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(b) Details of sale of business:

[₹ in Millions (Mio INR)]

	March 31, 2017
Consideration received	4,376
Carrying amount of net assets sold	(405)
Gain on sale before income tax	3,971
Income tax expense on gain	(831)
Gain on sale after income tax	3,140

(c) The carrying amount of assets and liabilities as at the date of transfer (August 1, 2016) are as follows:

[₹ in Millions (Mio INR)]

	August 1, 2016
Property, plant and equipment	311
Capital work-in-progress	28
Trade receivable	1,013
Inventories	1,014
Employee loans	47
Other current assets	104
Total Assets	2,517
Trade payables	(1,282)
Other financial liabilities	(40)
Provision for employee benefits	(310)
Trade demand and others	(480)
Total Liabilities	(2,112)
Net assets	405

(d) There are no assets and liabilities of disposal group to be classified as assets held for sale on either of the reporting dates.

Note 34: Related Party Disclosure :**Holding Company :** Robert Bosch GmbH, Federal Republic of Germany**Whole time directors :** Dr. Steffen Berns (till December 31, 2016), Mr. Soumitra Bhattacharya, Dr. Andreas Wolf and Mr. Jan Oliver Röhrh (from February 11, 2017)**Non-whole time directors :** Mr. V.K. Viswanathan, Mr. Peter Tyroller, Mr. Bernhard Steinruecke, Mr. Prasad Chandran (till September 1, 2017), Ms. Renu S. Karnad, Mr. Bhaskar Bhat & Mrs. Hema Ravichandar (From September 2, 2017)**Other related entities:** Bosch India Foundation

(a) Key management personnel compensation:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Short-term employee benefits	182	157
Post-employment benefits	8	6
	190	163

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(b) Related Party transactions/ balances - summary:

[₹ in Millions (Mio INR)]						
Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Key Management Personnel	Other related entities	Total
Net sale of product	4,501	2,914	-	-	-	7,415
	(3,809)	(3,487)	(-)	(-)	(-)	(7,296)
Sale of services	808	543	-	-	-	1,351
	(903)	(656)	(-)	(-)	(-)	(1,559)
Sale of property, plant and equipments	0	61	-	-	-	61
	(-)	(-)	(-)	(-)	(-)	(-)
Rental income	-	932	-	-	-	932
	(-)	(875)	(-)	(-)	(-)	(875)
Consideration towards sale of business	-	-	-	-	-	-
	(-)	(4,376)	(-)	(-)	(-)	(4,376)
Miscellaneous income (including reimbursements received)	24	848	-	-	-	872
	(82)	(462)	(-)	(-)	(-)	(544)
Interest earned	-	330	-	-	-	330
	(-)	(352)	(-)	(-)	(-)	(352)
Purchases of :						
Property, plant and equipment	220	554	-	-	-	774
	(1,382)	(550)	(-)	(-)	(-)	(1,932)
Goods	12,579	22,594	-	-	-	35,173
	(10,874)	(12,458)	(-)	(-)	(-)	(23,332)
Dividend paid	1,895	41	-	-	-	1,936
	(3,479)	(34)	(-)	(-)	(-)	(3,513)
Amount paid for shares bought back	-	-	-	-	-	-
	(19,244)	(-)	(-)	(-)	(-)	(19,244)
Services received:						
Royalty and technical service fee	-	2,116	-	-	-	2,116
	(0)	(1,639)	(-)	(-)	(-)	(1,639)
Professional, consultancy and other charges	1,380	2,175	-	-	-	3,555
	(1,693)	(1,170)	(-)	(-)	(-)	(2,863)
Liability written back	1	48	-	-	-	49
	(10)	(310)	(-)	(-)	(-)	(320)
Donation expense	-	-	-	-	90	90
	(-)	(-)	(-)	(-)	(73)	(73)
Loan given (*)	-	1,215	-	-	-	1,215
	(-)	(2,560)	(-)	(-)	(-)	(2,560)
Loan repaid	-	770	-	-	-	770
	(-)	(2,300)	(-)	(-)	(-)	(2,300)
Loan to related parties (*)	-	4,005	-	-	-	4,005
As at March 31, 2017	(-)	(3,560)	(-)	(-)	(-)	(3,560)
Trade receivables	840	1,499	-	-	-	2,339
As at March 31, 2017	(426)	(1,102)	(-)	(-)	(-)	(1,528)
Other financial assets (non-trade receivables)	118	351	-	-	-	469
As at March 31, 2017	(51)	(301)	(-)	(-)	(-)	(352)

(*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Key Management Personnel	Other related entities	Total
Trade payables	3,912	7,925	-	-	-	11,837
As at March 31, 2017	(2,178)	(5,449)	(-)	(-)	(-)	(7,627)
Other financial liabilities	39	55	-	-	-	94
As at March 31, 2017	(62)	(38)	(-)	(-)	(7)	(107)
Contributions made to Employees' Benefit plans	-	-	774	-	-	774
	(-)	(-)	(764)	(-)	(-)	(764)
Managerial Remuneration:						
Dr. Steffen Berns (upto December 31, 2016)	-	-	-	-	-	-
	(-)	(-)	(-)	(49)	(-)	(49)
Mr. Soumitra Bhattacharya	-	-	-	63	-	63
	(-)	(-)	(-)	(46)	(-)	(46)
Dr. Andreas Wolf	-	-	-	59	-	59
	(-)	(-)	(-)	(50)	(-)	(50)
Mr. Jan Oliver Röhl (from February 11, 2017)	-	-	-	68	-	68
	(-)	(-)	(-)	(8)	(-)	(8)
Sitting fees/ commissions to non-executive directors	-	-	-	15	-	15
	(-)	(-)	(-)	(10)	(-)	(10)
Unpaid Bonus/ Commission as at the year end	-	-	-	97	-	97
As at March 31, 2017	(-)	(-)	(-)	(10)	(-)	(10)
Loan and Advances transactions :						
Loan/Advances given	-	-	-	-	-	-
	(-)	(-)	(-)	(4)	(-)	(4)
Loan/Advances recovered	-	-	-	1	-	1
	(-)	(-)	(-)	(4)	(-)	(4)
Amount outstanding at the year end	-	-	-	2	-	2
As at March 31, 2017	(-)	(-)	(-)	(3)	(-)	(3)

Figures in brackets relate to previous year.

(c) Names and details of fellow subsidiaries having transaction value in excess of 10% in line transactions during the year:

[₹ in Millions (Mio INR)]

Particulars	Name of the related party	March 31, 2018	March 31, 2017
Sale of services	Bosch Automotive Service Solutions Inc., United States	191	190
Rental income	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	751	715
	Bosch Automotive Electronics India Pvt.. Ltd., India	143	135
Consideration towards sale of business	Robert Bosch Starter Motors Generators India Pvt. Ltd., India	-	4,376
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	264	133
	Bosch Automotive Electronics India Pvt. Ltd., India	216	63
	Bosch Chassis Systems India Private Ltd.	95	7
Interest earned	Bosch Rexroth (India) Pvt. Ltd., India	261	278
	BSH Home Appliances Private Limited	39	30
Purchase of goods	Bosch Automotive Electronics India Pvt. Ltd., India	6,031	3,826
	Bosch Automotive Diesel Systems Co., Ltd., China	4,448	974
Purchase of property, plant and equipment	Moehwald GmbH, Germany	-	239

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Name of the related party	March 31, 2018	March 31, 2017
Professional, consultancy and other charges received	Bosch Sanayi ve Ticaret A.S., Turkey	-	226
	Robert Bosch Manufacturing Solutions GmbH	347	-
	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	1,436	845
	Bosch Corporation	442	17
Royalty and technical service fee	Bosch Technology Licensing Administration GmbH, Germany	2,105	1,182
	Robert Bosch Asset Managing C.V., Netherlands	-	435
Loan given	BSH Household Appliances Manufacturing Pvt. Ltd., India	1,000	100
	Bosch Rexroth (India) Pvt. Ltd., India	200	1,100
Loan repaid	Bosch Rexroth (India) Pvt. Ltd., India	200	950
Contributions made to Employees' Benefit plans	Bosch Employees' Gratuity Fund., India	278	278
	Bosch Superannuation Fund Trust., India	137	137
	Bosch Employees (Bangalore) Provident Fund Trust., India	282	270
	Bosch Workmen's (Nashik) Provident Fund Trust., India	75	77
Sale of property, plant and equipments	Bosch Automotive Diesel Systems Co., Ltd., China	61	-
Liability written back	Bosch Automotive Electronics India Pvt. Ltd., India	48	-

Note 35: Leases

Information on leases as per Indian Accounting Standard (Ind AS) 17 on "Leases":

(a) Operating Lease Expense :

The Group has various operating leases ranging from 2 years to 10 years for office facilities, warehouses, guest houses and residential premises for employees that are renewable on a periodic basis. Non-cancellable periods range from 8 months to 108 months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is Mio INR 804 (2016-17: Mio INR 549).

Disclosure in respect of Non-cancellable lease is as given below

[₹ in Millions (Mio INR)]

Future minimum lease payments	March 31, 2018	March 31, 2017
- Not later than 1 year	139	144
- Later than 1 year and not later than 5 years	251	278
- Later than 5 years	8	-

(b) Operating Lease Income :

The Group has leased out certain office spaces that are renewable on a periodic basis. All leases are cancellable with 3 months notice. Rental income received during the year in respect of operating lease is Mio INR 994 (2016-17: Mio INR 875). Details of assets given on operating lease as at year end are as below.

[₹ in Millions (Mio INR)]

	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Land	38	38	-	-	38	38	-	-
Buildings	2,122	2,041	451	265	1,671	1,776	186	194
Plant and machinery	506	458	332	197	174	261	125	141
Furniture and fixtures	2	-	0	-	2	-	0	-
Office equipment	2	2	2	2	-	-	-	-
Total	2,670	2,539	785	464	1,885	2,075	311	335

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 36: Research and Development expenses

Total gross Research and Development expenditure recognised in the Statement of Profit and Loss (including amounts shown under Note 4 and Note 27 to the Financial Statements) amounts to Mio INR 2,599 (2016-17: Mio INR 2,961)

Note 37: Earnings Per Share

(a) Basic and diluted earning per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders from continuing operations	13,711	14,432
Profit attributable to Equity Shareholders from discontinued operation	-	2,970
Weighted average number of Equity Shares outstanding during the year	30,520,740	31,042,824
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted earnings per Share (Rs.) from continuing operations	449	465
Basic and Diluted earnings per Share (Rs.) from discontinued operation	-	96
Basic and Diluted earnings per Share (Rs.) from continuing operations and discontinued operation	449	561

(b) Reconciliation of earnings used in calculating earnings per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Group used in calculating basic earnings per share:		
From continuing operations	13,711	14,432
From discontinued operation	-	2,970

(c) Weighted average number of shares used as the denominator

	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	30,520,740	31,042,824

Note 38: Contingent liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Claims against the Group not acknowledged as debts:		
(a) Excise/ Customs		
Net of tax	110	0
Gross	169	0
(b) Income tax [refer note (i) below]	547	370

(i) Relates to adjustments made by the Income Tax Department for the financial year 2011-12 and 2012-13 which are disputed by the Group and the matters are lying under appeal with CIT (Appeals).

Note 39: The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 40: Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Property, plant and equipment	1,967	2,117
Investment properties	165	159

Note 41: Advances include dues from directors and officers of the Group 2 4

Note 42: Accounting policy of Associate

In case of the Associate company Newtech Filter India Private Limited, it was not practical to use uniform accounting policies for depreciation of assets:

[₹ in Millions (Mio INR)]

Method of depreciation	Written Down Value of Assets of Associate company (Mio INR)	% of total Assets of Associate company with total assets of Group
Straight Line	64	1

The impact of the above differences in accounting policies is not considered material.

Note 43: Disclosures mandated by Schedule III to Companies Act, 2013 by way of additional information

[₹ in Millions (Mio INR)]

	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
<u>Parent</u>								
Bosch Limited								
March 31, 2018	100	99,637	100	13,708	100	1,415	100	15,123
March 31, 2017	100	87,820	100	17,411	100	1,401	100	18,812
<u>Subsidiaries</u>								
Mico Trading Private Limited								
March 31, 2018	0	1	0	0	0	-	0	-
March 31, 2017	0	1	0	0	0	-	0	-
<u>Associates</u> [Investment as per the Equity method]								
Newtech Filter India Private Limited								
March 31, 2018	0	88	0	3	0	0	0	3
March 31, 2017	0	85	0	(9)	0	-	0	(9)

Note 44: Offsetting financial assets and financial liabilities

The Group provides the incentives to selected customers under the terms of the agreements, the amounts payable by the Group are offset against receivables from the customers and only the net amounts are settled. The amounts offset as at March 31, 2018 is Mio INR 1,036 (March 31, 2017: Mio INR 960) which is disclosed under note 7(b).

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 45: Excise duty on sale of products

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity, consequently revenue for the year ended March 31, 2018 is presented net of GST. Accordingly, the gross sales figures for the year are not comparable with the previous year ended March 31, 2017. Gross sales and net sales (net of excise duty) for these years are mentioned below:

	[₹ in Millions (Mio INR)]	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	113,929	107,500
Excise duty	(1,821)	(8,074)
Sale of products (Net of excise duty)	112,108	99,426

Note 46: Exceptional item

The Government of India, vide notification No.S-42012/02/2016-SS-II dated March 29, 2018, has increased the maximum amount of gratuity payable to an employee under the Payment of Gratuity (Amendment) Act, 1972 from rupees ten lakhs to rupees twenty lakhs. The impact of this on past service cost has been disclosed as exceptional item for the year ended March 31, 2018 in the Statement of Profit and Loss.

Note 47: 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 47

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

1. Company's philosophy on Code of Governance

The Company is committed to good Corporate Governance practices aimed at increasing value for all stakeholders. The Company, as a constituent of the Bosch Group, has always been a value-driven Company. The Company's corporate governance philosophy is based on Bosch values focusing on Future and Result Oriented, Responsibility and Sustainability, Initiative and Determination, Openness and Trust, Fairness, Reliability, Credibility, Legality and Diversity.

Bosch Values and Bosch Code of Business Conduct provide necessary framework in running the business with the highest moral standards enabling the Company to fulfil its legal, financial and ethical objectives. The Company has a well-informed and Independent Board for ensuring the same.

2. Board of Directors

a) Composition of the Board and Category of Directors:

The composition of the Board of Directors is governed by the provisions of the Companies Act, 2013, (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), as amended from time to time. The Board comprises of an optimum mix of Executive and Non-Executive Directors. Half of the Board comprises of Independent Directors and includes 2 women Independent Directors. The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, banking, finance, human resource and business administration.

Mr. Prasad Chandran resigned from the Directorship of the Company with effect from the close of business hours on September 01, 2017.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Hema Ravichandar as an Additional Director (Independent) for a period of 5 consecutive years with effect from September 02, 2017.

The composition of the Board as on March 31, 2018 is below:

Sl. No.	Name of the Director	Category
1.	Mr. V.K. Viswanathan	Chairman, Non-Executive & Non-Independent Director
2.	Mr. Peter Tyroller	Non-Executive & Non-Independent Director
3.	Mr. Bernhard Steinruecke	Independent Director
4.	Ms. Renu S. Karnad	Independent Director
5.	Mr. Bhaskar Bhat	Independent Director
6.	Ms. Hema Ravichandar	Independent Director
7.	Mr. Soumitra Bhattacharya	Managing Director
8.	Dr. Andreas Wolf	Joint Managing Director
9.	Mr. Jan-Oliver Röhl	Alternate Director to Mr. Peter Tyroller

Details of the changes in the Board composition subsequent to the end of the year under review are provided in the Directors' Report.

b) Attendance at Board Meetings and Annual General Meeting:

Five Board Meetings were held during the year under review. Details of attendance of Directors at the said Board Meetings and 65th Annual General Meeting are given below:-

[illegible]

Name of the Director	Directorships held*	Committees®	
		Membership	Chairmanship
Mr. V.K. Viswanathan	9	9	5
Mr. Peter Tyroller	5	Nil	Nil
Mr. Bernhard Steinruecke	6	4	1
Ms. Renu S. Karnad	16	8	3
Mr. Bhaskar Bhat	13	3	Nil
Ms. Hema Ravichandar	5	4	Nil
Mr. Soumitra Bhattacharya	7	1	Nil
Dr. Andreas Wolf	5	Nil	Nil
Mr. Jan-Oliver Röhr	1	Nil	Nil

*includes Directorship in Private Limited companies and foreign companies

®includes Membership/Chairmanship in Audit & Stakeholders' Relationship Committees only

d) None of the Directors are inter-se related to each other.

e) None of the Directors hold any shares in the Company.

f) Independent Directors:

Mr. Prasad Chandran resigned from the Directorship of the Company with effect from the close of business hours on September 01, 2017. The Board places on record its sincere appreciation for the valuable guidance provided by Mr. Chandran during his tenure as Director of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Hema Ravichandar and Mr. S. V. Ranganath as Additional Director(s) in capacity of an Independent Director(s) for an initial term of 5 years and 3 years respectively with effect from September 02, 2017 and July 01, 2018 respectively. The Company has received notice(s) from member(s) under section 161 of the Companies Act, 2013, proposing candidature of Ms. Ravichandar and Mr. Ranganath for the office of Director(s) of the Company at the forthcoming Annual General Meeting. Accordingly, resolutions seeking their appointment as Independent Directors will form part of the notice convening the forthcoming Annual General Meeting.

A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities have been issued to the Independent Directors. The main terms of appointment can be accessed at:

https://www.bosch.in/media/our_company/shareholder_information/2017_2/revisedid_terms_of_reference_2017.pdf

Familiarization programmes for Independent Directors generally form part of the Board

process. The Independent Directors are updated on an on-going basis at the Board/Committee meetings, *inter-alia*, on the following:

- Nature of the industry in which the Company operates;
- Business environment and operational model of various business divisions of the Company including important developments thereon;
- Roles, rights and responsibilities of directors;
- Important changes in regulatory framework having impact on the Company;
- Discussion on the state of economy, preparedness for changes in emission norms, etc.;
- Bosch Group business; and
- The manufacturing facilities of the Company at various locations.

Details of the Familiarization programme for Independent Directors can be accessed at the following link:

https://www.bosch.in/media/our_company/shareholder_information/2018/id_familiarization_programme_updated_till_may_22_2018.pdf

3. Audit Committee

a) Terms of reference:

The terms of reference given by the Board of Directors pursuant to Section 177 of the Act and the Listing Regulations are briefly described below:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;

- d. significant adjustments made in the financial statements arising out of audit findings;
- e. compliance with listing and other legal requirements relating to financial statements;
- f. disclosure of any related party transactions;
- g. modified opinion(s) in the draft audit report;
5. Reviewing with the management:
 - the quarterly financial statements before submission to the Board for approval;
 - the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
6. Review and monitor the auditor's independence performance and effectiveness of audit process;
7. Approval or/and any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;

15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 17. To review the functioning of the Whistle Blower mechanism;
 18. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; and
 19. Carrying out any other function as mentioned under the Act, the Listing Regulations or as decided by the Board from time to time.
- b) Composition, names of Members and Chairperson, meetings held during the year and attendance at the meetings:
During the year under review, 5 meetings of the Audit Committee were held on May 24, 2017, August 11, 2017, September 01, 2017, November 09, 2017 and February 05, 2018.

The constitution of the Audit Committee and attendance at the meetings during the year under review are given below:

Name of the Director	No. of Meetings Attended
Ms. Renu S. Karnad, Chairperson (Independent Director)	5
Mr. V.K. Viswanathan (Non-Executive & Non-Independent Director)	5
Mr. Bernhard Steinruecke (Independent Director)	5
Mr. Bhaskar Bhat (Independent Director)	5
Mr. Prasad Chandran* (erstwhile-Independent Director)	2
Ms. Hema Ravichandar** (Independent Director)	2

*Member upto September 01, 2017

** inducted as Member with effect from September 02, 2017

The Company Secretary acts as secretary to the Audit Committee.

All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

4. Nomination and Remuneration Committee

a) Terms of Reference:

The terms of reference given by the Board of Directors pursuant to Section 178 of the Act and the Listing Regulations, *inter-alia*, include:

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
 2. Formulation of criteria for evaluation of Independent Directors and the Board including carrying out evaluation of every director's performance;
 3. Devising a policy on Board diversity;
 4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; and
 5. Such other matters as may be prescribed under the Act, Listing Regulations and/or by the Board of Directors of the Company from time to time.
- b) Composition, names of Members and Chairperson, meetings held during the year and attendance at the meetings:
- During the year under review, the Committee met 3 times on May 24, 2017, September 01, 2017 and February 05, 2018. The constitution and number of meetings attended by members of the Committee are given below:-

Name of the Director	No. of Meetings Attended
Mr. Bernhard Steinruecke, Chairperson (Independent Director)	3
Mr. V.K. Viswanathan (Non-Executive & Non-Independent Director)	3
Mr. Prasad Chandran* (erstwhile-Independent Director)	3
Mr. Bhaskar Bhat (Independent Director)	3
Ms. Hema Ravichandar® (Independent Director)	1

*Member upto September 01, 2017

® inducted as Member with effect from September 02, 2017

c) Performance Evaluation of Directors:

In line with the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of the Board as a whole, its Committees, the Chairman and the Directors.

A structured questionnaire prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning was circulated to the Directors. The criteria for evaluation of Independent Directors included attendance at the meetings, interpersonal skills, independent judgement, knowledge, contribution to strategy, risk management, compliance framework, etc. The feedback and results of the questionnaire are collated and

reviewed. Measures for improvements to the Board effectiveness and processes are identified and acted upon.

5. Remuneration of Directors

- a) Directors have no pecuniary relationship with the Company other than receiving remuneration as Directors.

b) Details of Remuneration:

Whole-time Directors:

The remuneration payable to the Executive Directors is in line with the Act, Listing Regulations and Nomination and Remuneration Policy for remunerating Senior Management Executives.

Remuneration of Executive Directors consists of a fixed salary and variable bonus. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, determines the variable bonus from year to year based on the economic results and performance of Executive Directors. It can amount up to 160% of the base salary. In addition, Executive Directors receive benefits such as Company owned/ leased house, services of security for the house and garden maintenance, Company car and driver, telephone at home, club membership and reimbursement of joining time expenses and similarly on their return as well as other benefits extended to the Senior Management Executives, as per the Company's policy, from time to time. Details of remuneration paid to Executive Directors for the financial year are given below:

Particulars	Amount in INR		
	Mr. Soumitra Bhattacharya (Managing Director)	Dr. Andreas Wolf (Joint Managing Director)	Mr. Jan-Oliver Röhl (Alternate Director)
Salary	20,289,120	23,885,617	30,410,779
Commission / Bonus	27,397,667	25,216,977	24,734,660
Contribution to Provident Fund & other funds	5,419,575	1,282,597	1,282,597
Other perquisites as per Income Tax Rules (incl. book depreciation on assets used by the Directors)	9,516,445	8,788,463	11,897,118
Stock Options	-	-	-
Notice Period	12 months*	12 months*	12 months*
Severance Fee	Nil	Nil	Nil
Total	62,622,807	59,173,654	68,325,154

*unless otherwise decided by the Board

Non Whole-time Directors:

Remuneration to Non Whole-time Directors is paid by the way of Commission and Sitting Fee for attending the meetings of the Board/Audit Committee in addition to reimbursement of expenses incurred for attending the aforementioned meetings.

The Commission is based on the profits of the Company, for an aggregate amount not exceeding INR 20,000,000 for all Non Whole-time Directors in respect of a Financial Year. Within the overall limit, the Commission for each Director comprises of a fixed component and a variable component. The variable component for each Director is based on the attendance at Board Meetings, responsibilities as the Chairman of the Board, Membership/Chairmanship of various committees.

Details of Commission and Sitting Fees paid to Non Whole-time Directors for the Financial Year ended March 31, 2018 is given below:

Amount in INR (gross)

Particulars	Commission	Sitting Fees	Total
Mr. V. K. Viswanathan	3,000,000	1,50,000	3,150,000
Mr. Bernhard Steinruecke	2,887,500	1,50,000	3,037,500
Ms. Renu S. Karnad	2,925,000	1,50,000	3,075,000
Mr. Prasad Chandran*	1,093,750	60,000	1,153,750
Mr. Bhaskar Bhat	2,729,375	1,30,000	2,859,375
Ms. Hema Ravichandar*	1,684,375	60,000	1,744,375

Note: Mr. Peter Tyroller has waived his remuneration as a Director.

*During the year under review, Mr. Prasad Chandran and Ms. Hema Ravichandar served as Independent Directors for a part of the year. Therefore, the Commission is paid to them on a pro-rata basis.

6. Stakeholders' Relationship Committee

During the year under review, the Stakeholders' Relationship Committee met 4 times on May 24, 2017, August 11, 2017, November 09, 2017 and February 05, 2018. The constitution and number of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings Attended
Mr. Bernhard Steinruecke, Chairman (Independent Director)	4
Mr. V.K. Viswanathan (Non-Executive & Non-Independent Director)	3
Ms. Renu S. Karnad (Independent Director)	4
Mr. Prasad Chandran* (erstwhile-Independent Director)	1
Ms. Hema Ravichandar# (Independent Director)	2
Mr. Soumitra Bhattacharya (Managing Director)	4

* Member up to September 01, 2017

Inducted as Member with effect from September 02, 2017

Mr. R Vijay, Company Secretary served as the Compliance Officer during the year under review.

Consequent to the resignation of Mr. R Vijay as the Company Secretary and Compliance Officer with effect from close of business hours on May 23, 2018, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Anuj Sharma as the Compliance Officer (in the interim) with effect from May 24, 2018.

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

Details of shareholders' complaints received during the Financial Year 2017-18 is given below:

Number of shareholders' complaints received during the Financial Year 2017-18	7
Number of complaints solved to the satisfaction of the shareholder	7
Number of pending complaints as on March 31, 2018	0

7. Corporate Social Responsibility (CSR) Committee

During the year under review, the CSR Committee met 3 times on May 25, 2017, November 09, 2017 and February 05, 2018. The constitution of the Committee and number of meetings attended by members of the Committee are given below:

Name of the Director	No. of Meetings Attended
Mr. Prasad Chandran, Chairman* (erstwhile-Independent Director)	1
Mr. Bhaskar Bhat, Chairman® (Independent Director)	3
Ms. Hema Ravichandar# (Independent Director)	2
Mr. Soumitra Bhattacharya (Managing Director)	3
Mr. Andreas Wolf (Joint Managing Director)	3

* Chairman & Member upto September 01, 2017

@ Member upto September 01, 2017. Inducted as Chairman with effect from September 02, 2017.

Member with effect from September 02, 2017

8. Risk Management Committee

The Risk Management Committee comprises of Mr. Soumitra Bhattacharya – Managing Director as the Chairman, Dr. Andreas Wolf – Joint Managing Director and Mr. S. Karthik – Joint Chief Financial Officer, as its Members.

The Committee is responsible for monitoring and reviewing of risk management plan of the Company and all other incidental matters from time to time as required under the Listing Regulations.

The Committee met once during the year under review on September 25, 2017.

9. General Body Meetings:

- a) Locations and time of last 3 Annual General Meetings (AGMs) are given below:

2015	10:30 a.m., Friday, August 28, 2015 at 'Vivanta' by Taj, Bengaluru
2016	10:30 a.m., Thursday, September 01, 2016 at 'Hotel Shangri-la', Bengaluru
2017	10:30 a.m., Friday, September 01, 2017 at 'Vivanta' by Taj, Bengaluru

- b) Particulars of Special Resolutions passed in the last three AGMs are given below:

28.08.15	1. Approval of payment of Commission to Non-Executive Directors/Independent Directors. 2. Approval of Related Party Transactions entered with Robert Bosch GmbH, Holding Company.*
01.09.16	1. Approval for alteration of Articles of Association of the Company
01.09.17	Nil

* Robert Bosch GmbH, being a related party, abstained from voting.

- c) Special Resolution(s) passed through postal ballot during the year under review: Nil.

- d) As on the date of this report, there is no proposal for passing any special resolution by postal ballot.

10. Means of Communication:

- a) Quarterly Results:

The financial results for the quarter/half-year/year will be published as under (tentative):

Quarter / half-year / year ending	In the month of
quarter ending June 30, 2018	August 2018
quarter / half-year ending September 30, 2018	November 2018
quarter / nine months ending December 31, 2018	February 2019
year ending March 31, 2018	May 2019

- b) Newspapers:

Quarterly/half-yearly/annual results, notices and information relating to General Meetings, etc. are published in leading newspapers (viz., Business Standard in English – all Editions and Kannada Prabha in Kannada – Bengaluru Edition) and are notified to the Stock Exchanges as required under the Listing Regulations.

The quarterly / half-yearly / annual financial results and other communication including official news release to shareholders and Stock Exchanges, *inter-alia*, presentations to institutional investors & analysts, press releases,

etc., are made available on the Company's website www.bosch.in under 'Shareholder Information' section.

11. General Shareholder Information:

- a) Annual General Meeting – date, time, venue: 66th Annual General Meeting (AGM): 10.30 a.m., August 24, 2018 at 'Vivanta by Taj', 41/3, Mahatma Gandhi Road, Bengaluru – 560 001.

- b) Financial year:

April 01, 2017 to March 31, 2018

- c) Dividend:

Dividend Payment:

The dividend for the year ended March 31, 2018, if approved at the forthcoming AGM, will be paid on or about August 29, 2018. Dividend warrants in respect of shares held in electronic/dematerialized form will be posted to the beneficial owners as on record date, to their address as per the information furnished by NSDL and CDSL.

Particulars of dividend declared in the previous years are given below:

Year	Dividend per share (₹)	Year	Dividend per share (₹)
2007	25.00	2012	60.00
2008	25.00	2013	55.00
2009	30.00	2014-15 (15 months)	85.00
2010	40.00	2015-16	85.00
2011 (special)	85.00	2016-17 (interim)	75.00
2011	50.00	2016-17 (final)	90.00

Payment of Dividend through National Automated Clearing House (NACH):

The Company provides the facility for direct credit of the dividend to the Members' Bank Accounts. SEBI Regulations also mandate companies to credit the dividend to the Members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank accounts through the banks' "Automated Clearing House" mode. This ensures direct and immediate credit eliminating the possibility of loss of warrant in transit or its fraudulent encashment. However, where it is not possible to use electronic mode for payment, 'payable at par' warrant(s) or demand draft(s) will be issued. The Company will print the bank account details of the member(s) on such payment instruments and in cases where the bank details of members are not available, the address of the members will be printed on such payment instructions.

Pursuant to the Listing Regulations, the Company is required to maintain bank details of its members for the purpose of payment of dividends, etc. We request the members to opt for electronic mode of payments. Members holding shares in electronic form are requested to approach their Depository Participants (DP) for updating their bank details. Members holding shares in physical form, who wish to avail NACH facility, are requested to give the NACH mandate in the prescribed form. The form can be obtained from the Company's website www.bosch.in under the 'Shareholder Information' section.

Particulars of Dividend remaining unclaimed: In terms of Section 124(5) of the Companies Act, 2013, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government along with the underlying shares.

Brief particulars of dividend amount remaining unclaimed are given below:

Year to which the dividend pertains	Declared at the AGM/ (Board Meeting) held on	Date of Transfer to Unpaid Dividend Account	Balance in the Unpaid Dividend Account as on 31.03.2018 (₹)	Due date for transfer to the Fund*
2010	01.06.11	06.07.11	2,355,440	05.07.18
2011 (special)	01.06.11	06.07.11	4,970,120	05.07.18
2011 (final)	04.06.12	10.07.12	2,946,750	09.07.19
2012 (final)	05.06.13	09.07.13	3,766,140	08.07.20
2013	05.06.14	09.07.14	4,077,700	08.07.21
2014-15	28.08.15	30.09.15	6,337,260	29.09.22
2015-16	01.09.16	03.10.16	7,028,990	02.10.23
2016-17 (special)	10.02.2017	14.03.17	6,373,350	13.03.24
2016-17	01.09.17	05.10.17	7,511,130	04.10.24

*In terms of Section 124(5) of Companies Act, 2013.

Details of the unclaimed dividend pertaining to the years 2010 to 2016-17 as on the date of last AGM (September 01, 2017) were hosted on Company's website.

Members can claim the unpaid dividend from the Company before it is transferred to IEPF. As per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPF Rules), dividend transferred to IEPF can be claimed by the concerned member by making an application in IEPF-5 along with necessary documents from IEPF Authority. The detailed procedure is provided on the website of the Company – www.bosch.in

- d) Transfer of underlying shares into IEPF in cases where unclaimed dividends have been transferred to IEPF:

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Rules, the Company is required to transfer the shares in respect of which dividends have remained unclaimed/unpaid for a period of seven consecutive years to the IEPF Account established by the Central Government.

The Ministry of Corporate Affairs, vide IEPF (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017 notified October 31, 2017 as the due date for transfer of shares in respect of which dividend has remained unclaimed/unpaid for a period of 7 consecutive years as on October 31, 2017. In view of the requirements of the said Rules, a public notice was published on 24.11.2017 in Business Standard – All Editions and Kannada Prabha – Bengaluru Edition informing the members regarding the provision for transfer of shares to IEPF. Additionally, individual communication to the shareholders whose shares are liable to be transferred to IEPF Account pursuant to the said Rules, requesting them to take immediate action in the matter was sent. Subsequent to the above, 25,512 Equity Shares were transferred to Investor Education and Protection Fund on November 30, 2017.

- e) Listing of shares:

The Company's equity shares are listed at the following Stock Exchanges and Listing Fees for the Financial Year 2018-19 has been paid to the said Stock Exchanges.

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.	500530
National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Bandra-Kurla Complex, Bandra, Mumbai 400 051.	BOSCHLTD

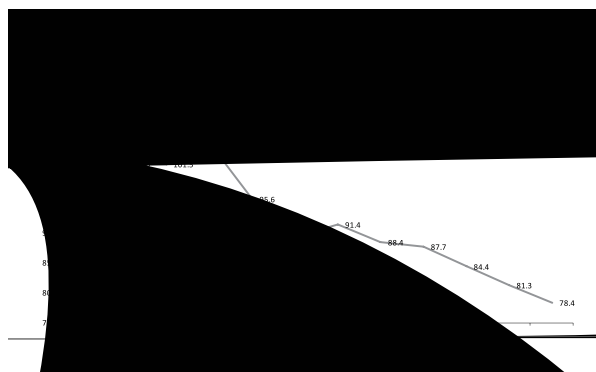
The International Securities Identification Number (ISIN) for the Company's Shares is INE 323A01026.

- f) Market Price data – high, low during each month in the last financial year.

Price and Volume of Shares Traded

Month / Year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr 2017	23,650	22,365	22,049	22,975	22,557	245,264
May 2017	24,850	22,600	36,977	23,803	23,165	344,522
Jun 2017	25,245	22,769	78,062	24,221	23,726	302,183
Jul 2017	24,894	22,888	43,645	24,227	23,782	242,967
Aug 2017	25,175	21,433	42,868	23,342	22,694	350,750
Sep 2017	22,600	20,445	13,645	21,974	21,559	229,431
Oct 2017	22,250	20,333	44,173	21,502	21,052	206,361
Nov 2017	22,062	18,800	1,11,843	20,167	19,721	481,496
Dec 2017	20,840	18,602	37,981	20,200	19,685	472,312
Jan 2018	20,170	19,230	42,428	19,995	19,656	317,776
Feb 2018	20,099	18,000	22,152	19,532	19,177	327,759
Mar 2018	18,850	16,990	17,442	18,174	17,743	492,912

- g) Performance in comparison to broad based indices:



- h) Details of securities suspended:
Not applicable.

- i) Registrar and Share Transfer Agents (RTA):
Integrated Registry Management Services Private Limited
No. 30, Ramana Residency,
4th Cross, Sampige Road,
Malleswaram, Bengaluru – 560 003
Tel: (080) 23460815 to 818; Fax: (080) 23460819
E-mail: irg@integratedindia.in

- j) Share Transfers System:

The Company's shares being in the compulsory demat list, are transferable through the depository system. However, shares held in physical form are processed by the Registrar & Share Transfer Agent in coordination with the Company and the share certificates are returned within fifteen days from the date of receipt for transfer by the Company provided that the transfer documents are complete in all respects. SEBI has decided that securities of listed companies can be transferred only in dematerialised form, from a cut-off date, to be notified.

- k) Nomination facility:

Pursuant to the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members may file nomination in respect of their shareholdings. Members holding shares in Physical Form willing to avail this facility may submit to the Company in the prescribed Form SH-13 and any change or variation in the nomination in prescribed Form SH-14. Form SH-13 and SH-14 can be downloaded from the Company's website www.bosch.in under the section 'Shareholder Information'. Members holding shares in electronic form are requested to give the nomination to their respective Depository Participants.

- l) Requirement of PAN:

Members who hold shares in the physical form are advised that in terms of the Listing Regulations, for transfer, transmission of shares, issue of duplicate share certificates, etc., a copy of the PAN card along with other necessary documents shall be submitted to the Company/RTA.

- m) Sub-division of shares:

The Company had subdivided the face value of its equity shares from INR 100 to INR 10 in 2004. The old shares having face value of INR 100 are no longer tradable on the stock exchanges. Members holding share certificates of the face value of INR

100 are requested to send the certificates to the Company / RTA for exchange with shares of the face value of INR 10 each.

n) Rights of Members:

The following are some of the important rights of the members:

1. Receive notices of General Meetings, Annual Report, etc.
2. Attend and vote at the General Meetings and appoint proxy in their stead.
3. 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.
4. Receive dividends and other corporate benefits like rights, bonus shares etc., when declared / announced.
5. Transfer the shares.
6. Inspect minutes book of General Meetings.
7. Inspect Register of Members.
8. Nominate a person to whom his/her shares shall vest in the event of death.
9. Seek relief in case of oppression and mismanagement in the manner given under the Companies Act, 2013.
10. Seek relief in case the affairs of the company are managed in a manner prejudicial to the interest of the company or its members by virtue of a Class Action Suit under Section 245 of the Act.

o) Date of Book Closure:

The Company's Register of Members and the Share Transfer Books will remain closed from June 09, 2018 to June 15, 2018 (both days inclusive) for the purpose of payment of dividend.

p) Shareholding Pattern (as on March 31, 2018):

Category	No. of Members	No. of Shares held	% to the Capital
Promoter and Promoter Group			
Robert Bosch GmbH	1	21,058,705	69.00
Robert Bosch Engineering and Business Solutions Private Limited	1	454,000	01.49
Sub Total (A)	2	21,512,705	70.49
Public & Others			
Mutual Funds	79	718,840	2.36
Alternate Investment Funds	3	3,491	0.01
Foreign Portfolio Investors	401	2,098,021	6.87
Financial Institutions/ Banks	15	59,879	0.2

Category	No. of Members	No. of Shares held	% to the Capital
Insurance Companies	13	3,315,747	10.86
NBFCs	3	184	0
Bodies Corporate	1,252	421,836	1.38
Clearing Member	306	14,705	0.05
Foreign Nationals	3	145	0
Trust	45	20,626	0.07
IEPF	1	25,512	0.08
Individuals	65,659	2,329,049	7.63
Sub Total (B)	67,780	9,008,035	29.51
Total (A+B)	67,782	30,520,740	100.00

q) Distribution of shareholding (as on March 31, 2018):

No. of Shares held	Members		Shares	
	No.	%	No.	%
1-500	66,797	98.55	1,330,645	4.36
501-1,000	457	0.67	325,470	1.07
1,001-2,000	260	0.38	364,320	1.19
2,001-3,000	58	0.09	139,836	0.46
3,001-4,000	38	0.06	132,290	0.43
4,001-5,000	20	0.03	87,483	0.29
5,001-10,000	57	0.08	420,597	1.38
>10,000	95	0.14	27,720,099	90.82
Total	67,782	100.00	30,520,740	100.00

r) Dematerialisation of shares and liquidity:

70.49% of the paid-up share capital is held by the promoter and promoter group. Of the remaining 29.51% held by public, shares representing 99.39% of the paid-up capital has been dematerialized.

The Company has entered into an agreement with the following Depositories whereby the equity shares of the Company were admitted as 'eligible security' in the depository system:

1. National Securities Depository Limited (NSDL): January 05, 1999.
2. Central Depository Services (India) Limited (CDSL): August 04, 2000.

Members still holding physical share certificates are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI).

- s) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity:
- None.

- t) **Commodity price risk and hedging activities:**
The Company has a significant usage of commodities like steel, aluminium and copper exposing it to the price risk arising out of market fluctuations.

For steel, a long-term contract has been entered into ranging from single to multiyear considering the purchase volumes. Annual negotiations are carried out.

In case of copper and aluminum, prices are negotiated quarterly based on LME basis as well as worldwide market competitive offers from India, China and Asian suppliers.

- u) **Foreign Exchange risk and hedging activities:**
The Company is exposed to foreign exchange risk on account of import of various raw materials used in its production and technology products imported and sold, and other export transactions. To reduce this risk in the long-term the Company constantly evaluates its business plan and opportunities for localization. Hedging is also used as a tool to manage foreign exchange risk.

- v) **Plant Locations:**

- **Bengaluru**
Post Box No. 3000, Hosur Road, Adugodi, Bengaluru - 560 030
- **Bidadi**
No. 42, II-phase, Sector-2, KIADB Industrial Area, Shanumangala, Bidadi Hobli, Ramanagar District – 562 109
- **Nashik**
Post Box No. 64 75, MIDC Estate Satpur, Trimbak Road, Nashik - 422 007
- **Jaipur**
SP-663 RIICO, Industrial Area, Sitapura, Jaipur - 302 022
- **Naganathapura**
Post Box No. 6887, Electronic City P.O., Bengaluru - 560 100
- **Verna**
N-4A, Phase IV, Verna Industrial Estate Verna, Salcete, Goa - 403 722
- **Gangaikondan**
Post Box No. B8, SIPCOT Industrial Centre, Tirunelveli Taluk, Gangaikondan, Tamil Nadu - 627 352
- **Chennai**
Indospace SKCL, Oragadam Wallajabad Road, Sriperumbudur Taluk, Kancheepuram - 631 604

- w) **Investor Service Centre:**
Secretarial Department (BCS)
Bosch Limited
Hosur Road, Adugodi
Bengaluru – 560 030
Tel: (080) 6752 2393 (Extn: 9652/5009);
Monday to Friday: 9:30 a.m. to 5:00 p.m. (except

public holidays)

Designated e-mail ID for redressal of investor complaints: investor@in.bosch.com

Compliance Officer:

Mr. R. Vijay, Company Secretary (upto May 23, 2018)
Mr. Anuj Sharma (with effect from May 24, 2018)

Shareholders may also contact the Registrar & Share Transfer Agent of the Company.

12. Other Disclosures

- a) **Related Party Transactions:**

During the year under review, there were no materially significant related party transactions that had or may have conflict with the interest of the Company at large. The Company has a policy for Related Party Transactions, which can be accessed at the following link: https://www.bosch.in/media/our_company/shareholder_information/2014/rpt_policy.pdf

- b) **Penalties & Strictures:**

No penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other authority on any matter relating to capital market during the last three years.

- c) **Vigil Mechanism and Whistle Blower Policy:**

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

The said policy can be accessed at: https://www.bosch.in/media/our_company/shareholder_information/2014/whistle_blower_policy.pdf

The Whistle Blower Policy of the Company, *inter-alia*, provides access to the Chairman of the Audit Committee, protection against victimization, affords protection to the directors, employees and associates of Company in the matter of disclosure of any alleged wrongful conduct concerning the affairs of the Company made in good faith and details the procedure for making such protected disclosure.

During the period under review, no person was denied access to the Audit Committee.

- (d) **Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Annual Audited Financial Results of the Company for the financial year ended on 31st March 2018.**

- (e) **Internal auditors periodically apprise the Audit Committee on findings/observation of Internal Audit and actions taken thereon.**

- (f) **In addition to the statutory requirements, the Audit Committee has a separate discussion/meeting with the Statutory Auditor and Internal Auditors on**

matters concerning the Audit without the presence of Executive Management of the Company. Measures for improvements are thereafter discussed with the Executive Management.

13. Subsidiary Company

The Company does not have any material non-listed subsidiary.

Pursuant to the Explanation under Regulation 16(1) (c) of the Listing Regulations, the Company has made a policy for determining 'material' subsidiary and is available at: https://www.bosch.in/media/our_company/shareholder_information/2015/policy_on_material_subsidary1new.pdf

14. CEO/CFO Certificate

A certificate from the Managing Director and the Joint Chief Financial Officer dated May 22, 2018 on the financial statements of the Company for the financial year ended March 31, 2018, pursuant to Regulation 17(8) of the Listing Regulations read with Part B of Schedule II thereof, was placed before the Board at its meeting held on May 22, 2018.

15. Code of Conduct

The Code of Conduct for Board Members and Senior Management can be accessed at the following link: https://www.bosch.in/media/our_company/shareholder_information/2018/code_of_conduct_1072294.pdf

The Certificate by the Managing Director of the Company regarding 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 personnels affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Company for and in respect of the financial year ended March 31, 2018.

Soumitra Bhattacharya
Managing Director

Bengaluru
May 22, 2018

16. Prohibition of Insider Trading and Code of Conduct for Directors, etc.

The Company has adopted a "Code of Conduct to regulate, monitor and report trading by Employees and other Connected Persons" and "Code of Fair Disclosure" pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The above code prohibits dealing in shares of the Company during the period when trading window is closed. The closure of trading window is also intimated to the Stock Exchanges.

17. Reconciliation of Share Capital

An audit was carried at the end of every quarter by a qualified Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the Stock Exchanges and was also placed before the Board of Directors at their meetings.

18. Disclosures with respect to DEMAT Suspense Account/Unclaimed Suspense Account

Not Applicable.

19. SEBI Complaints Redress System (SCORES)

SEBI has provided an online platform wherein shareholders can lodge their grievances. This facility is known as SEBI Complaints Redress System (SCORES) which can be accessed at <https://scores.gov.in>

This facility enables the shareholders to raise their grievances online and view its status. Your Company is registered with SEBI SCORES. For further details regarding this facility, the shareholders may refer to the above website.

Bengaluru
May 22, 2018

Corporate Governance Compliance Certificate

To,
Members of Bosch Limited

We have examined the compliance of conditions of Corporate Governance by Bosch Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2017 to March 31, 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co
Company Secretaries

Pramod SM
Partner
FCS 7834 / CP No. 13784

Place: Bengaluru
Date: May 22, 2018

Important Web links for shareholders reference:

Sl. No	Particulars	Web links
1	Composition of various committees of Board	https://www.bosch.in/our-company/shareholder-information/
2	Policy on determining Materiality and Archival of disclosures	https://www.bosch.in/media/our_company/shareholder-information/2015/policy_on_materiality_and_archival.pdf
3	Related Party Transaction Policy	https://www.bosch.in/media/our_company/shareholder-information/2014/rpt_policy.pdf
4	Whistle Blower Policy	https://www.bosch.in/media/our_company/shareholder-information/2014/whistle_blower_policy.pdf
5	Corporate Social Responsibility Policy	https://www.bosch.in/media/our_company/shareholder-information/2017_2/csrfinal.pdf
6	Nomination and Remuneration Policy	https://www.bosch.in/media/our_company/shareholder-information/2015/nomination_and_remuneration_policy.pdf
7	Policy on Material Subsidiary	https://www.bosch.in/media/our_company/shareholder-information/2015/policy_on_material_subsidiary1new.pdf
8	Dividend Distribution Policy	https://www.bosch.in/media/our_company/shareholder-information/2017_2/dividend_distribution_policy_2017.pdf
9	Terms & Conditions of Appointment of Independent Directors	https://www.bosch.in/media/our_company/shareholder-information/2017_2/revisedid_terms_of_reference_2017.pdf
10	Details of familiarization programme to independent Directors	https://www.bosch.in/media/our_company/shareholder-information/2018/id_familiarization_programme_updated_till_may_22_2018.pdf
11	Bosch Limited Code of Conduct for Directors and Senior Management	https://www.bosch.in/media/our_company/shareholder-information/2018/code_of_conduct_1072294.pdf
12	National Automated Clearing House Mandate	https://www.bosch.in/media/our_company/shareholder-information/ecsform.pdf
13	Unclaimed / Unpaid dividend details as on 31.03.2018	https://www.bosch.in/media/our_company/shareholder-information/2017_2/form_iepf-2_01092017.pdf
14	Contact details for Investors Grievance Redressal	https://www.bosch.in/media/our_company/shareholder-information/2018/grievance_redressal_and_contact_information_details.pdf
15	Annual Report FY 2017-18	https://www.bosch.in/media/our_company/shareholder-information/2018/bosch_limited_annual_report_2018.pdf
16	Subsidiary Accounts FY 2017-18	https://www.bosch.in/media/our_company/shareholder-information/2018/mico_trading_private_limited_annual_report_2018.pdf
17	2018 AGM Notice and Proxy Form	https://www.bosch.in/media/our_company/shareholder-information/2018/bosch_limited_66th_agm_notice.pdf
18	Nomination, cancellation / variation of Nomination Form	https://www.bosch.in/media/our_company/shareholder-information/forms.pdf
19	Registrar & Transfer Agent Weblink	https://www.integratedindia.in/index.aspx
20	Investor Meet Presentations and Con-call Transcript	https://www.bosch.in/our-company/shareholder-information/

Business Responsibility Report

Section A: General Information about the Company

- Corporate Identity Number (CIN):**
L85110KA1951PLC000761
- Name of the Company:** Bosch Limited
- Registered office address:**
P.B. No. 3000, Hosur Road,
Adugodi, Bengaluru - 560 030
- Website:** www.bosch.in
- E-mail ID:** investor@in.bosch.com
- Financial Year reported:**
April 01, 2017 to March 31, 2018
- Sector(s) that the Company is engaged in (industrial activity code-wise):**
Automotive Components and Accessories
NIC Code: 29104
- List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - Fuel Injection Equipment & Components
 - Power Tools
 - Building Technology (Security Technology) Products
- Total number of locations where business activity is undertaken by the Company (as on the date of this report):**
 - International Location: Nil
 - National Locations: 8 Plant and 12 Offices at different locations across India.
- Markets served by the Company:** Local/
State/National/International.

Section B: Financial Details of the Company

[Mio INR]

Sl. No.	Particulars	Details
1.	Paid up Capital	305.2
2.	Total Turnover	113,929
3.	Total profit after taxes	13,708
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.65%
5.	List of activities in which expenditure in 4 above has been incurred:-	Please refer Annual Report on CSR Activities

Section C: Other Details

- Does the Company have any Subsidiary Company/Companies?
Yes, the Company has a subsidiary viz., MICO Trading Private Limited.
- Does the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s).
The said subsidiary has not commenced operations. Hence, there is no participation by the said subsidiary in business responsibility initiatives of the Company.
- Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
The Company encourages its suppliers, dealers and other stakeholders to support various initiatives of the Company's business responsibility.

Section D: BR Information

1. Details of the Director/Directors responsible for implementation of the BR:

Director Identification: 02783243

Number (DIN)

Name : Mr. Soumitra Bhattacharya

Designation : Managing Director & Chief Financial Officer

Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN (if applicable)	02783243
2.	Name	Mr. Soumitra Bhattacharya
3.	Designation	Managing Director & Chief Financial Officer
4.	Telephone number	(080) 6752 2216
5.	e-mail id	Soumitra.bhattacharya@in.bosch.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These are briefly as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the well-being of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect, protect and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for ...	Y*	Y	Y	Y*	Y*	Y	N	Y	Y*
2.	Has the policy being formulated in consultation with the relevant stakeholders?	-	-	Y	-	-	Y	-	-	-
3.	Does the policy conform to any national /international standards? If yes, specify?	-	-	-	-	-	Y (ISO14001 and OHSAS18001)	-	-	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	-	-	-	-	-	-	-	Y	-
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	-	-	-	Y	-
6.	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	Y**	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y (Internally)	-	Y (Internally)	-	-	Y	-	Y	-
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	-	Y (Internal Agency)	-	-	Y (both Internal & External Agency)	-	-	-

* These principles are encompassed in the Company's code of Business Ethics and Principles of Social Responsibility.

** The CSR Policy of the Company can be accessed at https://www.bosch.in/media/our_company/shareholder_information/2017_2/csrpolicy_final.pdf

2a. If answer to the question at Sr. No 1 against any of the Principle is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principle	--	--	--	--	--	--	--	--	--
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3.	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4.	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5.	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--
6.	Any other reason (please specify)	P7 The Company through the various industry forums endeavors to promote growth and technological progress, economic reforms, inclusive development policies and sustainable business principles. Therefore, need for a formal policy has not been felt.								

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

There is no defined frequency. Assessment is an ongoing exercise and is an inherent part of corporate functions.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?
No.

Section E: Principle-wise performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy relating to ethics, bribery and corruption extends to Group Companies in India, its employees and representatives which include dealers, distributors, agents, sub-contractors and power of attorney holders.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has received 10 stakeholder complaints during the year under review. Out of them, 6 complaints were satisfactorily resolved during the period and 4 are pending as on the date of this report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Air Blower (GBL 620)
- Poly Heat Sealsystem
- Common Rail Injector (CRI 1-14)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

These products have resulted in reduction in energy consumption by approximately 20%. Additionally, design optimization has resulted in substantial reduction in consumption of raw materials.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sourcing of material for the product and indirect material required for manufacturing has continuously evolved with the concept of using only material which can be recycled. This starts with design and selection of raw material and manufacturing process with suppliers. The manufacturing process is selected and improved year on year to reduce energy and resource consumption.

The Company has implemented Transport Management Center (TMC) enabling consolidation of transportation requirements achieving economies of scale. A new truck driver relay system has also been introduced for significantly faster transit times. In TMC, the supplier selection process is streamlined to bring in competent suppliers. By following this process, the Company is not only able to reduce the transportation cost but also reduce the carbon footprint paving the way for a greener tomorrow.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company, as a policy, ensures localization and outsourcing in each manufacturing facility is with suppliers who are competitive as well as in close proximity of the facilities.

Localized vendors are preferred, if they meet the quality specifications & EHS requirements. The Company focuses on increasing the capacity and capability of its suppliers and provides complete hands-on training in classroom & on shop floor to its suppliers on various Bosch systems and quality tools.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has a mechanism to recycle products and waste. Nearly 95% of product components are recycled post its Life Cycle.

Principle 3: Businesses should promote the well-being of all Employees

1. Please indicate the total number of employees:

Sl. No.	Category of Employees	No. of Employees
1.	Associates	6,188
2.	Managerial and Superintending Staff (M&SS)	3,746
	Total	9,934

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

2,645

3. Please indicate the number of permanent women employees:

450

4. Please indicate the number of permanent employees with disabilities:

18

5. Do you have an employee association that is recognized by management?

Yes, there are recognized trade unions affiliated to various central trade union bodies.

6. What percentage of your permanent employees are members of this recognized employee association?

Almost 100% of permanent employees are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual Harassment*	6	0
3.	Discriminatory employment	0	0

*The above may be treated as information pursuant to provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. What percentage of your undermentioned employees were given safety & skill up-gradation training in the last year?

Almost all the employees were given safety training last year. Please refer below the percentage of skill up-gradation training in the last year-

- | | | |
|---|---|--------|
| 1. Permanent Employees | : | 56.13% |
| 2. Permanent Women Employees | : | 70.96% |
| 3. Casual/Temporary/Contractual Employees | : | 87.50% |
| 4. Employees with Disabilities | : | 2.60% |

Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- Has the company mapped its internal and external stakeholders? Yes/No
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders. Such disadvantaged, vulnerable and marginalized stakeholders are working in various divisions/departments including power tools, packaging and aftermarket spare parts packing.

The Company provides and facilitates medical support to the students studying in the Government schools. In addition, educational support like teaching, setting up computer labs etc. are also provided. We also provide training and employment to the underprivileged youth who are school dropouts.

The Company under BRIDGE program selects school dropouts and they are imparted industry relevant, short term skills development and training program with the focus to help them get suitable employment.

Principle 5: Businesses should respect and promote human rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Policy on Human Rights not only covers the Company but also extends to its Group Companies, Joint Ventures, Suppliers, Contractors, NGOs, etc.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaints were received by the Company during the Financial Year ended March 31, 2018.

Principle 6: Businesses should respect, promote and make efforts to restore the environment

- Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures Suppliers/Contractors/NGOs/others.

Policy is applicable not only to the Company but also extends to its suppliers, contractors, Recyclers & others with whom its activities are involved. Key parameters at contractors, supplier sites that can affect the Company's business is monitored where practical and provide our support by way of sharing the EHS knowledge with the suppliers, contractors and Joint Ventures.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.

Yes.

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.

Climate protection:

Bosch is committed to actively shaping climate protection. Based on its own value added, the Company aims to reduce relative CO₂ emissions by 35% by 2020 over 2007 levels, and is thus contributing to systematic CO₂ reduction. To this end, business divisions have defined clear climate protection objectives and measures to improve energy efficiencies. 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.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the potential environmental risks are identified and evaluated using a tool to determine the identified aspects. In case of significant risks appropriate controls are established to minimize the impact on environment. The above is done as part of the requirements of ISO 14001 –Environmental Management System across Bosch locations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page, etc.

Yes. Clean technologies like solar harvesting initiatives are adopted to harvest renewable source of energy at all locations of the Company.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes, the emission/waste generated across all locations are monitored at the prescribed frequency by the respective SPCB and have been found well within the permissible limits. Various air pollution control measures are adopted and it is ensured that the emissions meet the stipulated standards. Also, wastes are segregated based on their characteristics and a suitable reuse/disposal mechanisms are 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.

7. Number of show cause/legal notices received from SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

The Company is a member of:

- i) Confederation of Indian Industry (CII)

- ii) Indo-German Chamber of Commerce
- iii) Federation of Indian Chambers of Commerce & Industry (FICCI)
- iv) Automotive Component Manufacturers' Association of India (ACMA)
- v) Goa Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

- a) Promote growth and technological progress
- b) Sustainable business principles
- c) Energy Sustainability
- d) Water & Food Security

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes.

In line with the provisions of the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have approved a CSR Policy. The CSR policy, *inter-alia*, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

The thrust areas of the Company's CSR activities are:

- a) Child health, hygiene and education;
- b) Vocational training focused on employable skills; and
- c) Neighbourhood projects as per the local needs identified by Company's Plants

Some of the initiatives taken during the year under review are:

Child Health, Hygiene and Education:

The Health & Hygiene activities included general health camps, malnutrition, dental health camp and a health check-up in the Government schools and also infrastructure support to school children who are studying in Government schools.

Child Health Development Programme (CHDP)

Medical camps for several Government School children were undertaken covering 70,000 students studying in 400 government schools in and around Bengaluru, Bidadi, Jaipur and Nashik.

Child Science Education Programme (CSEP)

In partnership with Agastya International Foundation, 50 LIB (Labs in a Box) benefitting approximately 5,000 students were provided. Training of the School teachers on using LIB and making 'Make your Own Lab' by themselves for sustainability of the project was initiated. 6 Mobile Science Vans and one mobile bike were deployed benefitting more than 20,000 children in Bengaluru, Bidadi, Jaipur and Nashik. 50 Science Fairs have been conducted by the schools themselves because of this intervention.

Child English & Computer Education Programme (CECEP)

Computer labs were set up in 20 Government schools with CPUs, monitors, UPS and other infrastructure, including AMC. Supplementary teachers were also deployed to teach English and Computers.

Infrastructure development in schools:

Infrastructure upgradation in the form of better sanitation and providing potable water, mid-day meal

facilities, providing desks/benches, green boards were provided in schools in and around Bengaluru, Nashik and Jaipur.

Vocational training focused on employable skills:

BRIDGE - Bosch's Response to India's Development & Growth through Employability Enhancement

Under this unique vocational training programme, select school dropouts are targeted and are imparted industry relevant, short term skills development and training programmes with the focus to help the select underprivileged unemployed youth get suitable employment and bring them back to the mainstream.

End-to-end solution vocational training model includes, training contents development (both soft skills and functional skills), application oriented delivery methodology, continuous evaluation, internship, employment and financial assistance over the course of 2 months.

16,000 unemployed youths have been trained and placed in Jobs; 150 BRIDGE Centres in various states have been setup and 300 Trainers have been trained through the Bosch Train the Trainer program.

88 Government ITIs have been upgraded by Bosch in 3 states across India.

The Company also trains Artisans in Carpentry and Electrical trades.

4 Artisan centres have been set up in Bengaluru and Nashik and more than 60 people have been trained on the above trade to cater to the current market need through Bosch India Foundation.

Primary Health Centre in Bengaluru is upgraded with the multispecialty facilities close to the Bosch head office in Bengaluru. All the Government sponsored/mandated Health programs are executed in this health centre, which is catering to around 50,000 population in and around Adegodi, Bengaluru. This also takes care of the follow up treatment of the Government school children residing in the area. All the programs are funded by the Government Health department/BBMP.

Akshaya Patra Mid-day Meal kitchen with complete infrastructure and latest kitchen equipment was set up in Jigani which cater to around 30-35,000 children per day.

Lalbagh clean drive with Bosch volunteers was carried out twice to bring awareness on cleanliness among the visitors to Lalbagh. The parking area in Lalbagh has been upgraded and also 8 Aerators in the Lalbagh Lake was set up.

Shanumangala Lake near Bosch Bidadi plant is being rejuvenated for the benefit of the villages in and around.

Munichinappa Government School is being adopted to make it into a Model school, by setting up Smart Class rooms, Science Labs and Library. An NGO is also engaged to provide academic support to the school for the classes from 1 to 10.

Neighbourhood Projects:

Nashik - Village development projects

"Jalayukt Shivaar" is the flagship program for water conservation for the government of Maharashtra. The Company extended its support to repair old, defunct four check dams, under the program, through which the issue of water shortage of villages of Trimbakeshwar Tehsil (30kms from Nashik city) is addressed. This initiative has invited appreciation from government machinery and suggested as a model for best practice.

A total of 8 projects have supported more than 500 families and farmers for drinking water, water available for second crop and increasing overall ground water table. Rejuvenation of 9 old Check Dams has increased the water conservation – 1175 TM3

With Community Support & Monitoring, 5 Villages and 300 households are benefitted.

In the area of Health & Hygiene, activities included a general health camp initiatives, malnutrition and dental health camp, and a health check-up in the Government schools and also infrastructure support has been provided.

Jaipur - Reverse Osmosis Plant

9 Reverse Osmosis plant have been set up in villages near Jaipur, and in total 22 RO plants have been set up till date. Currently, these plants cater to around 5000 families. During the year under review, construction of wash rooms, putting up smart class rooms, providing green boards for Government schools was another important initiative of the Jaipur Plant.

Bosch India Foundation (BIF)

The Company contributes approximately 0.5 percent of the average of its Net Profit of previous 3 years to the Foundation for carrying out CSR activities.

BIF continued its journey in community and societal development, with a clear focus on sustainability through the following key programs and intervention areas:

Holistic integrated village development:

- a. The Foundation is working in 185 villages in the states of Karnataka, Tamil Nadu, Rajasthan and Maharashtra around the facilities of the Company covering a total of 32,000 families. The key intervention areas are Economic development - Women empowerment, Agriculture, Livestock, Youth development, Health and Hygiene, Education, Environment and water enabling economic and social empowerment for self-reliant villages.

Artisan Training Centers:

- b. BIF has enabled an artisan training center in Nashik in the field of Electrical apart from the Carpentry Artisan training center in Bengaluru, which was setup in 2015-2016.
 - c. During the year 2017-18, two sustainable Multiplier centres in the trade of carpentry were set up on a collaborative mode with the technical institutions – ITI Jaipur and MCET Coimbatore. These were set up leveraging the provisions of Government schemes for operational support.
 - d. BIF will be setting up a model centre in the field of plumbing during 2018 and 6 multiplier centers in the trades of Carpentry and Electrical.
2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ government structures /any other organization?

The Company's Social Responsibility Projects are implemented through internal team as well as in partnership with Non-Governmental Organizations (NGOs) and Government Institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessments of its CSR Initiatives.

4. What is your company's direct contribution to community development projects and the details of the projects undertaken?

The Company spent an amount of 363 Mio INR towards community development projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure 'B' to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company ensures that its presence is established right from the commencement of the initiatives. It collaborates with the communities from need identification to project implementation phase. The Company has extensive engagement with various stakeholders. The feedback from the stakeholders are analysed and various actions like improvement actions are prioritized.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

During the financial year ended March 31, 2018, 1 new case was filed against the Company and the same is pending for adjudication.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Yes, apart from the mandated declarations, additional declarations are furnished on the products/labels relating to the products and their usage.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

No.

Offices

Zonal Offices - Automotive Aftermarket

Delhi & Gaziabad

'Rishyamook'
85-A, Panchkuian Road
New Delhi - 110 001

Ahemdabad

31/32, JMC House, Level 3
Opp. to Parimal Garden
Ellis Bridge
Ahmedabad - 380 006

Lucknow

CP-138,
Viraj Khand, Gomtinagar
Near Hotel Grand JBR
Lucknow-226010

Mumbai

906-908, 9th Floor,
Hubtown Solaris,
Off : Telli Galli,
Near Flyover,
N.S.Phadke Marg
Andheri (East),
Mumbai 400 069

Kolkata

91-A, Park Street
Kolkata - 700 016

Chennai

Sabari Sunnyside
2nd Floor, Middle Wing
#8/17, Shafee Mohamad
Road, Off: Greams Road,
Thousand Lights
Chennai - 600 006

Ranchi

Bhagirathi Complex
Opp. Adivasi Hostel
Karam Toil Road
Ranchi - 834 001

Bengaluru

PRESTIGE LIBRA,
Unit No. 101, First Floor,
Municipal No. 45,
(Old Nos. 45 & 45/1)
Lalbagh Road,
Bengaluru – 560 027

Sales Offices - Power Tools

Guwahati

Office # 507, 5th Floor,
Protech Centre
Ganeshguri,
Guwahati – 781006
Assam, India

Lucknow

CP-138,
Viraj Khand, Gomtinagar
Near Hotel Grand JBR
Lucknow-226010

Kolkata

91-A, Park Street
Kolkata - 700 016

Bhubaneswar

Bosch Limited, PT division,
Plot No. 34/A,
Ground Floor,
VIP Area, Nayapalli,
Bhubaneswar,
Odisha: 751015

Ahemdabad

31/32, JMC House, Level 3
Opp. to Parimal Garden
Ellis Bridge
Ahmedabad - 380 006

Mumbai

906-908, 9th Floor,
Hubtown Solaris,
Off : Telli Galli,
Near Flyover,
N.S.Phadke Marg
Andheri (East),
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Sabari Sunnyside
2nd Floor, Middle Wing
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Bengaluru

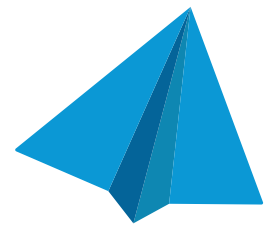
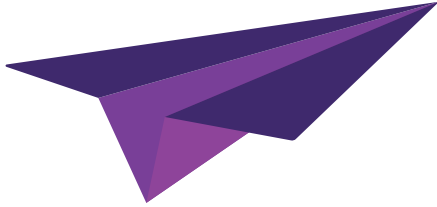
PRESTIGE LIBRA,
Unit No. 101, First Floor,
Municipal No. 45,
(Old Nos. 45 & 45/1)
Lalbagh Road,
Bengaluru – 560 027

Kochi

Door No: 40/ 6584 G,
Alapatt Heritage Building,
M G Road, Kovilvattom Desom,
Ernakulam Village,
Kochi - 682 035.

Hyderabad

Level No 1, am@10,
MB Towers, Banjara Hills,
Hyderabad - 500 034.



Registered Office:

Bosch Limited

P. B. No. 3000, Hosur Road, Adugodi, Bengaluru - 560030

Phone: +91 80 6752 2393

CIN: L85110KA1951PLC000761

E-mail: investor@in.bosch.com | Website: www.bosch.in

BoschIndia      