

Bosch Limited

Annual Report 2011



BOSCH

Invented for life

People at Bosch - Key for Success



Bosch Limited - Our vision

Creating values - sharing values

If we want to work successfully as a team in a global and complex world, then we need a common image of the future for our Company. This image and vision will help us bring our strategic thinking into clear alignment.

We are the flagship Company of Bosch in India. We take advantage of opportunities for an accelerated growth. We focus on our core competencies in automotive and industrial technologies as well as in products and services for professional and private use.

We strive for sustained economic success and a leading market position in our business areas guided by a long-term perspective. We are the preferred business partner to our customers and vendors, based on our leadership in technology, innovation, reliability, response and quality.

We set ambitious goals and we are determined to jointly achieve them. We value our associates who accept challenges and are committed to continuous improvement. Together we enhance the quality of life.

In all our actions, we are committed to environment, society and all stakeholders. We live by Bosch values that provide us a long common bond and orientation. We are proud to be part of the Bosch family.

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A trainee at the prestigious Bosch Vocational Centre, Bangalore.

Decades ago, when Bosch set its foot on the shores of India, a shortage of technical talent was identified. To counter this shortage, Bosch Limited opened a vocational centre to train young apprentices who have passed matriculation. By catering to this shortage, Bosch Limited has managed to succeed where other companies feared to tread.

The vocational center at Bosch is a full-fledged training centre that aims to develop a reservoir of skilled personnel required to produce quality products on sophisticated machines. By focusing and building more on the theme of gender diversity, Bosch is proposing to expand its talent pool and help build a better balanced work place. Bosch Limited is looking towards hiring women who can bring in their unique style of soft management skill sets which would be beneficial and invaluable to a manufacturing setup.

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About Bosch Group

Bosch Headquarters
in Stuttgart, Germany.



The Bosch Group is a leading global supplier of technology and services. According to preliminary figures, more than 300,000 associates generated sales of 51.4 billion Euros in the areas of automotive and industrial technology, consumer goods, and building technology in fiscal 2011. The Bosch Group comprises Robert Bosch GmbH and its more than 350 subsidiaries and regional companies in some 60 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. Bosch spent more than 4 billion euros for research and development in 2011, and applied for over 4,100 patents worldwide. With all its products and services, Bosch enhances the quality of life by providing solutions which are both innovative and beneficial.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as “Workshop for

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

The Bosch slogan 'Invented for Life' is part of its long tradition, through which it communicates the Group's core competencies and vision, that include technological leadership, modernity, dynamics, quality and customer orientation.

About Bosch Limited



Bosch Limited
Corporate Office in
Bangalore, India.

Bosch has been present in India for more than 80 years - first through a representative office in Calcutta since 1922, and from 1951 through its subsidiary Bosch Limited.

Today the Bosch Group in India has grown to include 6 group companies of which Bosch Limited is the flagship business entity. Robert Bosch GmbH holds 71.18% stake in Bosch Limited. Headquartered out of Bangalore, Bosch Limited has its manufacturing facilities in Bangalore, Nashik, Naganathapura, Jaipur and Goa. These Plants are TS 16949 and ISO 14004 certified. With a presence across automotive technology, industrial technology and consumer goods and building technology the company has a headcount of over 12,200 associates. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, auto electricals, special purpose machines,

packaging machines, electric power tools and security systems. In 2011 Bosch Limited touched a turnover of Rs. 7929.5 crores.

Apart from a wide product portfolio, over the decades the company has also developed excellent R&D facilities in the country resulting in a strong and loyal customer base. The market leadership of Bosch Limited is a testimony to the high quality and technology of its products. Over and above a strong presence in the India Automotive services sector, Bosch in India has a vast service network that spans across 1,000 towns and cities with around 2500 service outlets. These service outlets ensure widespread availability of both products and services. In addition to this, Bosch in India also has a strong automotive training network that is spread across 15 cities thereby offering parts, bytes, services and training all under one roof.

Board of Directors, Committees, etc.



Dr. A. Hieronimus
Chairman



B. Steinruecke
Director



Dr. B. Bohr
Director



B. Muthuraman
Director



Renu S. Karnad
Director



Prasad Chandran
Director



V.K. Viswanathan
Managing Director



Dr. Manfred Duernholz
Joint Managing Director



Soumitra Bhattacharya
Alternate Director for
Dr. B. Bohr

Company Secretary

A. Vijay Shankar

Auditors

Price waterhouse & Co.

Bankers

State Bank of India

Canara Bank

Citibank, N.A.

Deutsche Bank AG

Registered Office

Hosur Road

Adugodi

Bangalore - 560 030

Stock Exchanges

(Where the shares of the Company are listed)

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex

Bandra (E)

Mumbai - 400 051

Registrar & Transfer Agent

Integrated Enterprises (India) Limited

No. 30, Ramana Residency

4th Cross, Sampige Road

Malleswaram

Bangalore - 560 003

Audit Committee

Renu S. Karnad, *Chairperson*

Dr. A. Hieronimus

B. Steinruecke

B. Muthuraman

Prasad Chandran

Shareholders'/Investors' Grievance Committee

B. Steinruecke, *Chairman*

Renu S. Karnad

Prasad Chandran

Dr. A. Hieronimus

V. K. Viswanathan

Remuneration Committee

Dr. A. Hieronimus

B. Muthuraman

B. Steinruecke

Prasad Chandran

Investment Committee

B. Muthuraman

Renu S. Karnad

V. K. Viswanathan

Dr. Manfred Duernholz

Soumitra Bhattacharya

Property Committee

Dr. A. Hieronimus

Renu S. Karnad

V. K. Viswanathan

Dr. Manfred Duernholz

Share Transfer Committee

B. Muthuraman

B. Steinruecke

Prasad Chandran

V. K. Viswanathan

People at Bosch - Key for Success

"A company, which, like mine, strives for perfection must in its own interests, make great efforts to train its people. In certain respects, anyone who wants to produce good work as a company must - whether they want to or not - also perform the role of educator in the positive sense of the word, and hence for the good of the economy as a whole," says Robert Bosch in his memoir.

Gone are the days when employees would spend their entire professional life in a single company. Today, a high attrition rate is one of the most common and challenging of problems that organizations face. Bosch however, isn't part of this trend and can proudly boast of associates who have been with the company their entire working life.

Despite the immensely positive image that Bosch enjoys as an employer; Bosch does acknowledge that change is the only constant. Bosch associates have also changed, bringing with them a new set of expectations. Acknowledging this need to match changing expectations, Bosch is constantly working towards fulfilling human resources and industry requirements. Employees today require much more than a regular eight to nine hour job. They seek opportunities that provide them with a rich, exciting, rewarding experience, a definite career path along with sustainability and security.

One of the most conspicuous steps Bosch has taken with respect to providing its associates with these prospects is the enhancement of its associates' knowledge base and skill development. For this very purpose, the Company is making considerable investments in the training and upgrading of associates' skills and in state-of-the-art engineering infrastructure.

Bosch in India has been able to live up to the global image of being one on the most admired employers. In Fortune magazine's first survey on India's most admired companies held this year, Bosch was ranked number 11. In talent management and leadership in the entire auto industry, Bosch in India was ranked number 1. It was ranked number 2 in Innovation. These rankings are a testimony to the opportunities and the experience that Bosch in India guarantees its associates.

Given the wide portfolio of Bosch Limited, (also referred to as the Company henceforth), the opportunities that associates receive in the areas of innovation, management, and skill development are quite inspiring. The emphasis that the Company lays on training and development reflects highly on its profits. In 2011, Bosch Limited recorded a 19.6% growth in sales revenue over 2010.

As a market, India has its own unique needs that are different from the requirements of traditional Bosch markets. This further opens doors for opportunities, not just in contemporary technologies such as common rail, starters & generators and gasoline systems, but also in other industries such as the industrial and consumer goods industry. To meet the needs of this ever demanding market, Bosch Limited has decided to develop local competencies for better understanding. For this very purpose, the Company is making considerable investments in the training and upgrading of associates' skills and in state-of-the-art engineering infrastructure.

Bosch Values

"Our values serve as a benchmark by which we can measure our activities. Future and result focus have been placed on top of our value system on purpose. But the others Responsibility, Fairness, Compliance and Diversity are equally important. These values show us the way to achieve our central objective of securing the future success of Bosch," says Franz Fehrenbach, Chairman, Board of Management.



During their visit to India, the GFS was present at a Voluntary Lernstatt Team session. The Voluntary Lernstatt Team (VLT) is a project where a group of people working in a department and doing similar work meet willingly and frequently after work hours to recognize work related problems, prioritize them and find workable solutions to resolving them.

Values at Bosch define the common thread running between geographically and culturally diverse offices and divisions. Many of the Bosch values can be traced back to its founder Robert Bosch. These values reflect the manner in which Bosch runs its business and its professional ethics in dealing with business partners, investors, employees and society. These seven values are what bring the teams together and lend a base on which management decisions are made.

► Future and result focus

Associates are critical to the success of an organization – they are its most valuable asset – and, it is pertinent that their progress be at the core of the Bosch Limited's developmental plans.

Bosch Limited realizes that there is tremendous potential out in the market and to capture it, several programs have been initiated to attract young talent.

By investing today in young talent, the Company is securing its future, thus being future- oriented and result - focused.

The popular Junior Managers Program, the Technical Managers Training program and the Indo-German Training program are all part of this same focus.

For identification, selection and grooming of high potential talent there are specific programs like the junior to middle associate development program and the middle to senior management evaluation and development seminar. Last year, out of the 315 associates identified as high potential, 286 underwent rigorous assessment procedures.

Junior Managers Program

The Junior Managers Program (JMP) is the most-prestigious program run by Bosch for mid-level managers. It is aimed at nurturing MBAs from the Top 20 B-Schools who are likely to be tomorrow's Bosch executives for accelerated international careers. Challenging projects, responsibilities, a global network as well as intensive on- and off- the job training help the associates prepare for senior management responsibilities early in their career.

This 24-month rotational program, modeled after a training program in Germany, has produced many top executives over the past 30 years, including the Chairman of the Board, Franz Fehrenbach. In all, 54 associates have been selected for the JMP program since 2008.

"The JMP is an excellent program for those people who have a strong learning orientation and like new challenges, Bosch being the huge MNC that it is, never fails to keep raising the bar for employees who want to keep growing and learning. Moreover, my mentor allowed me to experiment and finally choose an area of my liking and interest."

Feedback by Gandhali Mahajan,, Plant HRL who recently completed the JMP.

Technical Managers Training

The Technical Managers Training program is especially targeted at associates hired from top-ranking engineering colleges. It aims to strike the right balance of theoretical and practical subject matter ensuring optimum 'real-

Bosch has always sought to provide its associates the opportunity to increase and enhance their knowledge base. One such opportunity is the Executive General Management Program in India. To facilitate the roll out of this program in India, Robert Bosch Kolleg (RK)-Germany which functions as a corporate university at Germany has collaborated with the Indian Institute of Management-Bangalore (IIM-B) for an eight-week residential program.



world' application for various workshop needs. At Bosch, it is believed that a technician who has the ability to diagnose problems quickly and accurately increases the efficiency of the workshop, gives greater customer satisfaction and in turn results in greater profit. Fitting the right person to the right job is the key to success here.

The Indo-German Chamber of Commerce, through its training center, conducts training programs covering different aspects of management – marketing, finance, human resources, operations, quality and productivity improvement, personality and soft skill development among others. This program enables employees to remain competitive apart from conducting and awarding degrees in management. Bosch has been associated with this program for nearly 22 years. In the last five years Bosch has absorbed 30 students from this initiative in Mumbai, Bangalore and Kolkata.

Growth opportunities and the constant learning that such initiatives have to offer have helped Bosch Limited build a reputation for talent management, helping it attract the best candidates on campus apart from retaining and nurturing them. This culture prompts associates to deliver beyond expectations, by working and contributing to the best of their ability.

Bosch Vocational Centre

By bridging the gap in the technical talent space, Bosch Limited has managed to succeed where others fail. The need for skilled manpower has given rise to the need for vocational training. To cater to this need, Bosch Limited has a full-fledged training centre to bridge this gap and develop a reservoir of skilled personnel required to produce quality products on sophisticated machines. Apprentices straight out of matriculation are recruited and trained at this state-of-the-art vocational centre famously referred to as the Bosch Vocational Centre.

While the first year at the centre focuses on familiarizing the student to the course, the second year focuses on job-oriented training and industrial exposure. At the end of the second year, students are trained in different areas of specialization and in-plant training for acquiring advanced skills. Heavy emphasis is laid on "multi-skilling" with emphasis on accuracy and high quality - this is the first step towards creating a future "Technocrat."

On an average Bosch in India hires around 150 graduate apprentices a year. These apprentices are given ample amount of training along with a stipend. At the end of the course they are mostly absorbed on the payrolls of the company. By hiring them young, Bosch is able to mould them and infuse in them the Bosch culture as well as the habit of delivering and maintaining high quality standards.

At its training centres in Bangalore, Nashik, Naganathpura and Jaipur, Bosch provides hands on training experience. These apprentices are guided by industry experts in the latest curriculum as per industry needs. Young engineering graduates receive exposure to training programs that are in line with the requirements of the industry. At these facilities, training is also provided to existing associates and business partners on the latest in technology and Bosch standards of production.

Leadership, technology, methods, process management and business administration are just some of the competency areas covered by the various training programs conducted at Bosch Limited. These training sessions are derived and developed from corporate competence standards and are termed as Global Corporate standard trainings and are applicable to Bosch associates worldwide. Every year, Bosch Limited aims to train 25



The Junior Managers Program (JMP) is among the several programmes started by Bosch Limited; this programme offers Bosch executives the ideal opportunity to accelerate their career which includes challenging tasks and a lot of responsibilities among others.