



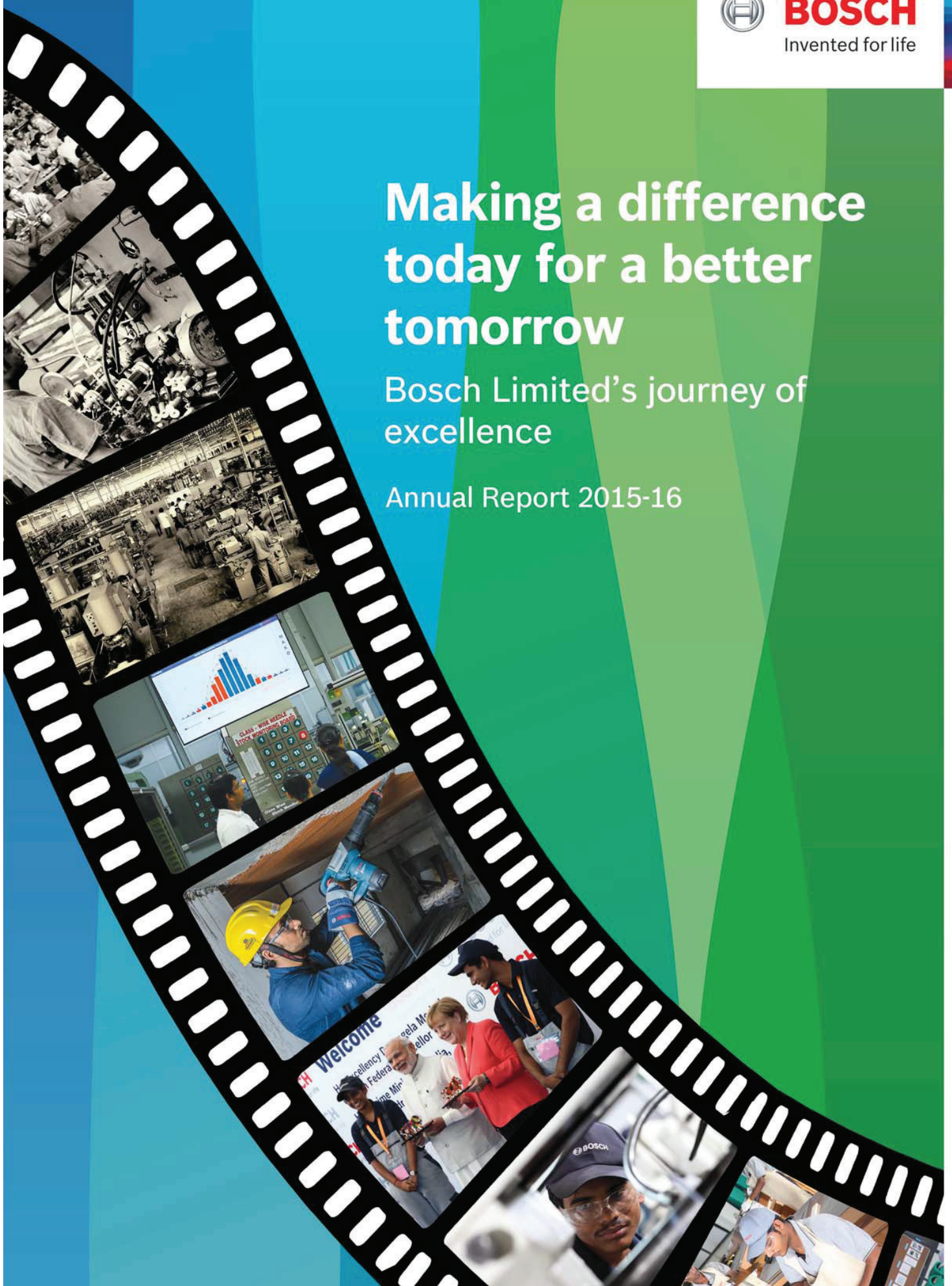
BOSCH

Invented for life

Making a difference today for a better tomorrow

Bosch Limited's journey of
excellence

Annual Report 2015-16



Contents

About Bosch Group	4	Independent Auditors' Report-Standalone	85
About Bosch Limited	5	Standalone Financial Statements	90
Board of Directors	6	Independent Auditors' Report-Consolidated	123
Company Information	7	Consolidated Financial Statements	126
Making a Difference Today for a Better Tomorrow	8	Report on Corporate Governance	150
Financials at a glance	39	Important Web links	162
Directors' Report including Management Discussion and Analysis	42	Business Responsibility Report	163
Annexures to the Report of the Directors	57	Sales Offices	172



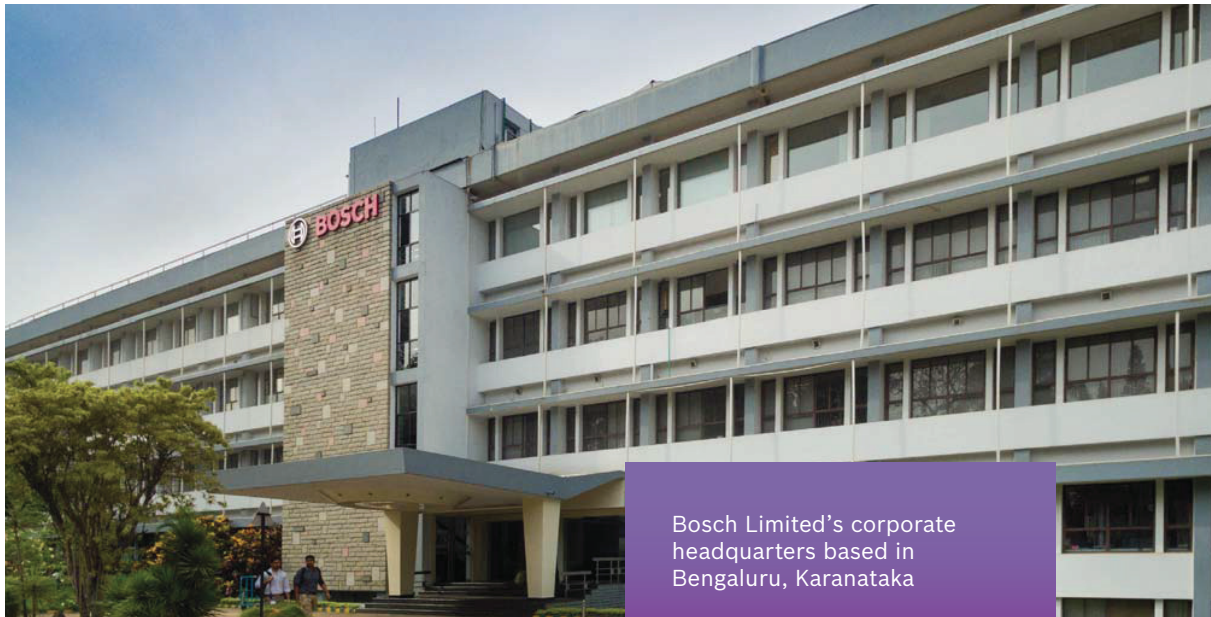
About Bosch Group



THE BOSCH GROUP is a leading global supplier of technology and services. The company employs roughly 375,000 associates worldwide (as of December 31, 2015), and generated sales of 70.6 billion euros in 2015. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. The Bosch Group comprises Robert Bosch GmbH and its roughly 440 subsidiaries and regional companies in some 60 countries. Including its sales and service partners, Bosch's global manufacturing and sale network covers some 150 countries. The basis for the company's future growth is its innovation strength. Bosch employs 55,800 associates in research and development at 118 locations across the globe. The Bosch Group's strategic objective is to deliver innovation for a connected life. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life."

The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long-term and to undertake significant 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 Limited



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

Robert Bosch GmbH holds 71.18 percent stake in Bosch Limited. Its key manufacturing facilities are located at Bengaluru, Bidadi, Nashik, Naganathapura, Jaipur, Gangaikondan, Oragadam near Chennai and Verna, Goa. Bosch Limited has its presence across sectors such as Mobility Solutions, Industrial Technology, Consumer Goods, and Building and Energy technology. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, starter motors and generators, special purpose machines, packaging machines, electric power tools, security systems, and industrial and consumer energy products and solutions. Headquartered in Bengaluru, Bosch Limited is the flagship company of the Bosch Group in India. It earned revenue of over INR 10,415 crores (1.4 billion euros) in 2015-16.

A strong customer base bears testimony of Bosch Limited's strong R&D capability. Offerings from the company are of the highest quality and find extensive application in 2 and 3-Wheelers, Cars, MUVs, LCVs, HCVs, Buses, Tractors, Off-road Applications and Stationary Engines. Bosch Limited has a presence of 29 sales offices with a network of more than 1,100 distribution centers across the country. The company's service network is spread across India with around 3,400 outlets. This comprises of Bosch Car Service, Bosch Diesel Service Workshops, Electric Modules, Express Car Service, Express Bike Service and

Optimum Diesel Partners which ensures widespread availability of both products and services. In its 'Automotive Service Solutions' operations, Bosch Limited's Automotive Aftermarket division supplies testing and repair-shop technology, diagnostic software, service training, and information services. The business unit also has a strong automotive training network that spans over 11 cities thereby covering parts, bytes, services and training all under one roof.

Bosch is also represented by eight other group companies in India: Robert Bosch Engineering and Business Solutions Pvt. Ltd., (100 percent subsidiary of Robert Bosch GmbH), Bosch Automotive Electronics India Pvt. Ltd., (a 100 percent subsidiary of Robert Bosch GmbH), Bosch Rexroth India Pvt. Ltd., (by acquiring majority stake in Rexroth established in 1974), Bosch Chassis Systems India Pvt. Ltd., (by acquiring majority stake in Kalyani Brakes Ltd. established in 1982), Bosch Electrical Drives India Pvt. Ltd., (a subsidiary of Bosch group based at Oragadam, Chennai), BSH Home Appliances Pvt. Ltd., (complete acquisition of a former fifty-fifty joint venture), Robert Bosch Automotive Steering Pvt. Ltd., (complete acquisition of a former fifty-fifty joint venture) and ETAS Automotive India Pvt. Ltd., (a 100-percent subsidiary of Robert Bosch GmbH).

Over the years, Bosch in India has grown to include 15 manufacturing facilities and seven development centers. The Group in India employs over 30,000 associates of which close to 14,000 work in areas relating to research and development. In India, Bosch generated consolidated revenue of about INR 17,022 crores in 2015 of which INR 12,100 crores are from third party.

Board of Directors



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



Peter Tyroller
Non-Executive
Non-Independent Director



Bernhard Steinruecke
Independent Director



Renu S. Karnad
Independent Director



Prasad Chandran
Independent Director



Bhaskar Bhat
Independent Director



Dr. Steffen Berns
Managing Director



Soumitra Bhattacharya
Joint Managing Director



Dr. Andreas Wolf
Alternate Director to
Mr. Peter Tyroller

Company Information

Company Secretary

S. Karthik

Auditors

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

Bankers

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

Registered Office

Hosur Road
Adugodi
Bengaluru - 560 030

Stock Exchanges

(Where the shares of the Company are listed)

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

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

Registrar & Transfer Agent

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

Audit Committee

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

Stakeholders' Relationship Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Share Transfer Committee

Bernhard Steinruecke
Prasad Chandran
Bhaskar Bhat
Dr. Steffen Berns

Foreword



Dear shareholders,

'Make in India' is an attractive proposition. It also serves as a precondition to making optimal use of the country's demographic dividend. The initiative intends to transform India into a global manufacturing hub and help foster a culture of innovation and entrepreneurship. With a strong manufacturing base, driven by local innovation, Bosch Limited is at the forefront of this transformation.

The company has been manufacturing in India since 1953 and since then it has continuously been tapping business opportunities in the country. Having identified the recurring and varying needs of India the company has today become a leading supplier of technology and services in the areas of Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology.

Over the past three years the company has invested approximately INR 1,750 crore in India and set-up around four new manufacturing facilities, apart from ramping up existing plants. Smart manufacturing or Industry 4.0 is a key enabler that can help India realize the goals of this national initiative. Drawing from its global experience and local competence, the company is showing the way for others in the country to follow. At Bosch Limited, we are focused on preparing the organization for the times to come. On the one hand, we have proactively been investing on machines and associates, and on the other, we have set ourselves the target of realizing Industry 4.0 standards in the near future. This dual approach will help us offer improved products of unmatched quality at affordable prices.



“The company has been manufacturing in India since 1953 and since then it has been continuously evaluating business opportunities in the country.”

Bosch made its manufacturing presence felt in India at a time when industrialization was a distant thought. Over the six decades Bosch has set the standards for manufacturing in the country. As we continue to expand our operations in India, the need for more and improved localized development cannot be overlooked. In this area Bosch Limited has also grown tremendously, starting two decades ago and at a faster pace over the last years. From bringing common rail systems to India, we are now offering two-wheeler engine management systems developed in India. Bosch has been making conscious efforts to offer superior products that are environmentally friendly, cost-effective and above all possess the ability to connect with the 'youth'. We want our technology development to spark the imagination and drive of India's young scientific minds.

While the current business environment remains volatile and the industry faces ambitious legislative targets such as BS VI, the company is committed to helping India make this transition seamlessly. Our meaningful solutions have in my view contributed substantially to India's economic growth. Throughout our journey Bosch Limited has been developing and offering products to improve quality of life and help conserve natural resources. The company's unwavering commitment to customer satisfaction has helped it evolve to become a more agile organization.

Since its inception in India, Bosch Limited has been bringing about a meaningful change both through its products and services and through its social engagement initiatives. On the second aspect, I would also like to draw your attention to the quality training programs we have to offer. The company's skilling programs are relevant and effective and have been hailed by national bodies and state governments as a model to replicate and follow.

On behalf of Bosch Limited's board of directors, I want to thank all our shareholders for their sustained support, and all our customers and business partners for their firm faith in our ability to deliver. Going beyond, let me also take this opportunity to thank our entire workforce, who made our growth and success in FY 2015-16 possible through their hard work and dedication.

Best regards,

Dr. Steffen Berns

Managing Director, Bosch Limited
and President Bosch Group, India



Bosch Group had a record year in 2015

Following the success achieved in the last financial year, Bosch Group globally wants to continue its growth trend forward. Despite a subdued economic outlook and geopolitical uncertainty, the supplier of technology and services expects its sales to grow between 3 and 5 percent in 2016. In 2015, Bosch Group sales reached an all-time high of 70.6 billion euros. The full acquisition of two former fifty-fifty joint ventures, BSH Hausgeräte GmbH and Robert Bosch Automotive Steering GmbH, pushed sales up by almost 22 billion euros, or 44 percent.

Highlights of the 2015 business year

EUR
70.6 bn
sales revenue

EUR
4.6 bn
EBIT

North America^{1,3}
25%
sales growth

85,000
more associates
Total headcount
now 375,000

Mobility Solutions
12%
sales growth

Asia Pacific^{2,3}
17%
sales growth

sales revenue
up
EUR 22 bn

¹ Nominal changes from the pro forma figures for 2014 | ² Incl. Mexico | ³ Incl. other countries

