



BOSCH

Invented for life

TRANSFORMING

LIVES MEANINGFULLY



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

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About Bosch Group

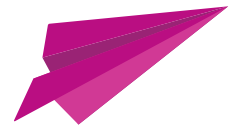
The Bosch Group is a leading global supplier of technology and services. It employs roughly 402,000 associates worldwide (as of December 31, 2017). The company generated sales of 78.1 billion euros in 2017. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, 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,

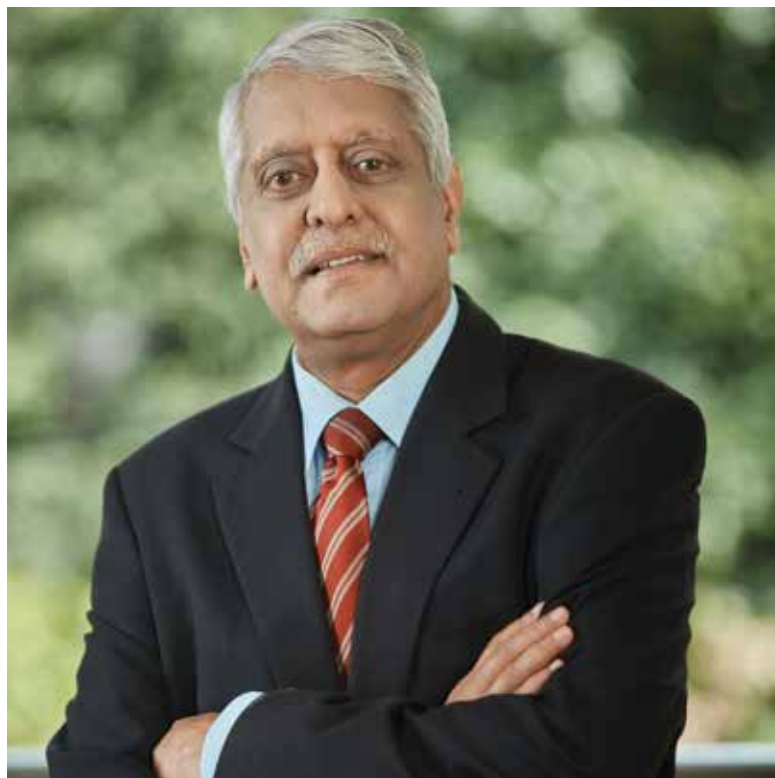
Holistic change across industries and functions has been the global norm in 2017-18. Business establishments, governments and citizens are thus revisiting how they go about their daily lives. This is leading US President Trump to reverse long-standing policies and Britain to press ahead with BREXIT despite 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,

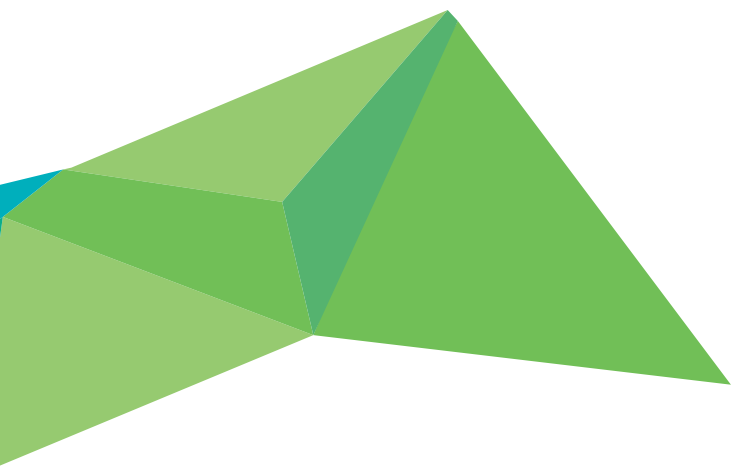
The last financial year witnessed turbulent times with geopolitical relations and tariff barriers making it harder for trade policies to function smoothly. This has led to rapid changes globally. However, with the right foresight and digital technologies, organizations can turn this into an advantage 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

