

# Bosch Limited

## Annual Report 2012



**BOSCH**

Invented for life

**A commitment towards a clean,  
green, and safe environment**



# **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 the 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.

# Contents



## Cover Page

The Bosch slogan, 'Invented for life', symbolizes - apart from quality - the commitment and importance we give to a clean, green, and safe environment through our meaningful products. A commitment that is reflected in our products and processes to ensure a sustainable present and future. Aspects relating to the environment and safety have been prioritized since the early 1970s, and have been important foundation blocks for what we do and stand for.

Today, the world provides us with numerous opportunities. Harnessing these opportunities needs greater responsibility; responsibility towards our environment, society, associates and other stakeholders. We have a focused approach to diversification by developing an environmentally-friendly portfolio of products. Part of our Corporate Social Responsibility (CSR) is oriented towards a clean, green, and safe environment. We will continue to drive all these activities forward in the future.

The theme of '**Clean, Green, and Safe Environment**' in this year's Annual Report will give you glimpses of the various activities that Bosch Limited undertakes in these areas. They contribute significantly towards environmental protection, safety at the work place and beyond. Bosch Limited has always demonstrated being a socially responsible organization with its customers, suppliers, associates and shareholders. In turn, the Company has received whole-hearted support from all its stakeholders - a vital bond that forms the backbone of our consistent growth, based on our values.

We look forward to further strengthening this bond in the future.

4	About Bosch Group
5	About Bosch Limited
6	Board of Directors, Committees, etc.
8	A Clean, Green, and Safe Environment
23	Report of the Directors
40	Financials at a glance
42	Annexure to the Report of the Directors
45	Report and Certificate on Corporate Governance
52	Management Discussion and Analysis Report
59	Business Responsibility Report
73	Report of the Auditors to the Members
76	Balance Sheet
77	Statement of Profit and Loss
78	Cash Flow Statement
79	Notes to the Financial Statements
108	Subsidiary Company
116	Shareholder Information
120	National Network
121	Attendance Slip and Proxy



## About Bosch Group

Bosch Headquarters  
in Stuttgart, Germany.



The Bosch Group is a leading global supplier of technology and services, active in the fields of automotive technology, energy and building technology, industrial technology, and consumer goods. According to preliminary figures, more than 306,000 associates generated sales of 52.3 billion euros in 2012. 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 some 4.5 billion euros for research and development in 2012, and applied for over 4,700 patents worldwide. The Bosch Group's products and services are designed to fascinate, and to improve the quality of life by providing solutions which are both innovative

and beneficial. In this way, the company offers technology worldwide that is 'Invented for life'.

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

The Bosch Group operates in India through six companies, viz, Bosch Limited, Bosch Chassis Systems India Limited, Bosch Rexroth India Limited, Robert Bosch Engineering and Business Solutions Limited, Bosch Automotive Electronics India Pvt Ltd. and Bosch Electrical Drives India Pvt Ltd. Bosch Limited is the flagship company of the Bosch Group in India.

The Robert Bosch GmbH holds 71.18 percent 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 14001 certified. With a presence across automotive technology, industrial technology, consumer goods and energy and building technology, the Company has a headcount of over 11,000 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 2012, Bosch Limited touched a turnover of Rs. 8,400 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 over 2,500 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 16 cities thereby offering parts, bytes, services and training all under one roof.

## Board of Directors, Committees, etc.



**Dr. A. Hieronimus**  
Chairman



**V.K. Viswanathan**  
Managing Director  
(up to 31.12.2012)  
Vice Chairman  
(from 01.01.2013)



**Dr. B. Bohr**  
Director



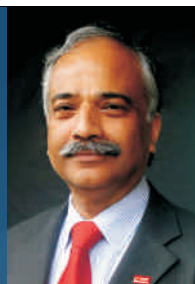
**B. Steinruecke**  
Director



**B. Muthuraman**  
Director



**Renu S. Karnad**  
Director



**Prasad Chandran**  
Director



**Bhaskar Bhat**  
Director  
(from 01.01.2013)



**Dr. Steffen Berns**  
Managing Director  
(from 01.01.2013)



**Dr. Manfred Duernholz**  
Joint Managing Director  
(up to 31.12.2012)



**Soumitra Bhattacharya**  
Alternate Director for  
Dr. B. Bohr  
(up to 31.12.2012)  
Joint Managing Director  
(from 01.01.2013)

**Company Secretary**

A. Vijay Shankar

**Auditors**

Price Waterhouse & Co., Bangalore

**Bankers**

State Bank of India

Canara Bank

Citibank, N.A.

Deutsche Bank AG

**Registered Office**

Hosur Road

Adugodi

Bangalore - 560 030

**Stock Exchanges**

*(Where the shares of the Company are listed)*

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex

Bandra (E)

Mumbai - 400 051

**Registrar & Transfer Agent**

Integrated Enterprises (India) Limited

No. 30, Ramana Residency

4<sup>th</sup> 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 (up to 31.12.2012)

Dr. Steffen Berns (from 01.01.2013)

**Remuneration Committee**

Dr. A. Hieronimus

B. Muthuraman

B. Steinruecke

Prasad Chandran

**Investment Committee**

B. Muthuraman

Renu S. Karnad

V. K. Viswanathan (up to 31.12.2012)

Dr. Manfred Duernholz (up to 31.12.2012)

Dr. Steffen Berns (from 01.01.2013)

Soumitra Bhattacharya

**Property Committee**

Dr. A. Hieronimus

Renu S. Karnad

V. K. Viswanathan (up to 31.12.2012)

Dr. Manfred Duernholz (up to 31.12.2012)

Dr. Steffen Berns (from 01.01.2013)

Soumitra Bhattacharya (from 01.01.2013)

**Share Transfer Committee**

B. Muthuraman

B. Steinruecke

Prasad Chandran

V. K. Viswanathan (up to 31.12.2012)

Dr. Steffen Berns (from 01.01.2013)



## A Clean, Green, and Safe Environment

### Responsibility is a key Bosch value

***We accept that our actions must be in accord with the interests of society. Above all else, we place our products and services in the interests of the safety of people, the economic use of resources, and environmental sustainability.***

Bosch has a long tradition of responsibility towards society. In the early days of the company, Robert Bosch pioneered the launch of welfare programs for associates and their families. In non-business areas too, he played an active philanthropic role. Today, the Robert Bosch Foundation promotes health care, international understanding, welfare, education and training, and science. It was in 1973 that the first environmental guideline was passed from the management board making environmental protection an integral part of the corporate principles of the Bosch Group.

Combining the pursuit of economic objectives with consideration for the society and environment is a priority at Bosch. Responsibility hence, becomes more than just an organization model. It is a mind-set that is brought to life and put into practice every day. Robert Bosch envisioned a company that would benefit society, a company that would create social capital beyond products and services. Working for a brighter and better future has always been a core aspiration.

### 'Invented for life': Led by our principles and vision

Associates across the Bosch world epitomize the Company's slogan 'Invented for life'. Based on cutting-edge technology, Bosch contributes in countering the challenges of today. Be it from climate and environmental protection, to conservation of non-renewable resources, or mobility of the future, Bosch is doing more than its bit, right from the products it offers to the processes it follows. Solutions developed with the aim of conserving resources and protecting the environment already account for 40 percent of the Group's sales (as of 2011). These technologies not only create value - they maintain it as well. Bosch affirms its commitment to common principles of social responsibility, taking the lead from the basic labor standards of the International Labor Organization.

To create a 'Clean, Green, and Safe' future, it's the actions of the present that matter. Bosch has already laid this foundation for a sustainable future. Some of its efforts to create a better and greener tomorrow will be highlighted in this cover story. 'Clean, Green, and Safe' is not just a principle at Bosch - it's a responsibility.



At Bosch Limited, we are guided by our principles to develop products that protect the environment.



## ► Bosch Principles of Work Safety and Environmental Protection

The Bosch Group follows the below Principles of Work Safety and Environmental Protection that put in perspective its past, current and future actions.

### Products

We develop and manufacture products that are safe, eco-friendly, and economical. Our products enhance people's safety and reduce burdens to the environment, also during their subsequent recycling and disposal.

### Processes

We design processes to ensure that people's health and safety have priority and that effects on the environment are kept to a minimum. We are prepared to cope with emergencies.

### Sustainability

We accept that our actions must accord with the economy, the ecology, and the responsibility we take for the community at large, also with a view to future generations. For this reason, respect for people's health and safety, for an economic use of resources, and for a natural and clean environment are basic principles of our business policy.

### Responsibility

It is the task of all associates to help prevent the endangering of people and the environment, as well as to maintain strict compliance with all laws and regulations pertaining to work safety and the protection of people's health and the environment. It is a leadership task to recognize such danger, to evaluate them, and to undertake appropriate actions.

### Continuous improvement

We review our processes and our behavior on a regular basis, just as we measure their effects on people and on the environment. This is how we identify weak points and potential for improvement, and ensure the effectiveness of our program for work safety and protection of people's health and the environment.



The future of this world depends upon innovative technologies that are clean, green, and safe. And, being a pioneer in cutting edge technology at Bosch Limited, the focus is on developing products and processes that ensure a safer tomorrow. Green campuses like this at the Bangalore Plant go a little way in ensuring a cleaner future.

## Environment, Health and Safety

Apart from these principles, the Bosch Group promotes this vision of Environment, Health and Safety:

**Environment:** We preserve the natural resources on which life depends for today's and future generations.

**Health and Safety:** We achieve excellence in health and safety and strive for the well being of our associates.

**Business Continuity:** We protect people and ensure customer delivery, with all resources and options available with us.

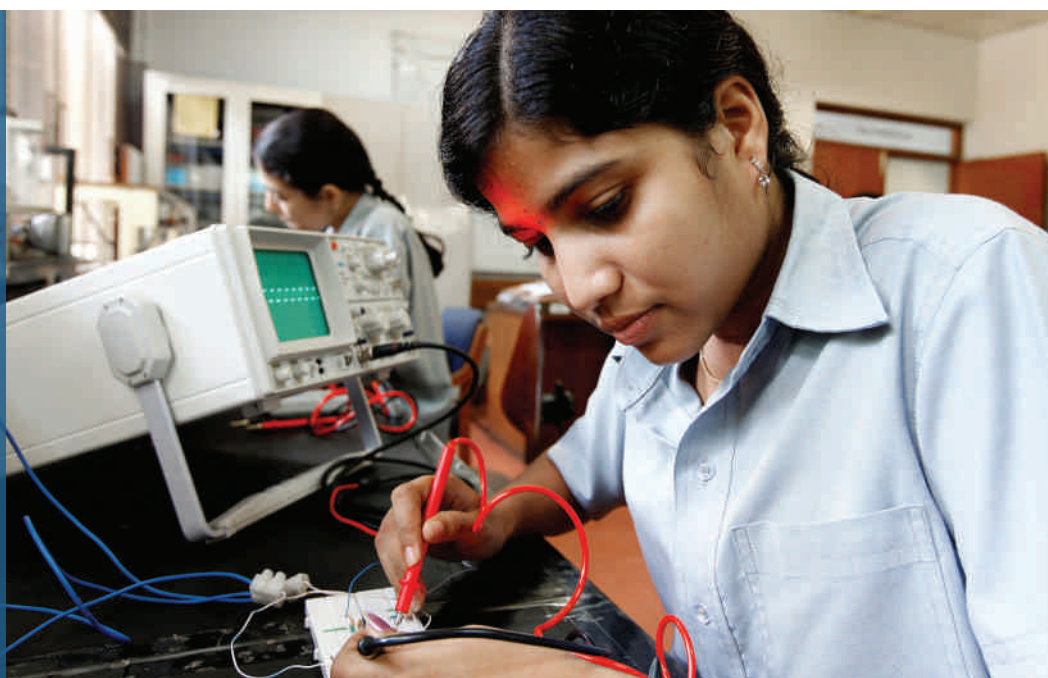
## Drawing on its research strength

Responsible use of natural resources and energy efficiency are the major challenges of this century. As a leading technology company, Bosch is already developing the innovative technologies of the future. Bosch develops products that help reduce emissions and shows sustained commitment to the green economy. This is possible through its extensive investment in R&D.

The Bosch Group has invested close to 30 billion euros in R&D over the past 10 years. With expenditure exceeding eight percent of sales, Bosch has been among the world's top R&D companies for some years now. Its innovative strength comes from having around 42,000 researchers and engineers globally, who applied for more than 4,700 patents last year.

### ► Bosch Limited's sustained commitment to a clean, green, and safe environment

Bosch Limited believes that it is not just commitment to sustainable product quality, but also commitment towards developing innovative technology that contributes to the conservation of resources while minimizing the impact on the environment. Our products and processes show this commitment. Bosch Limited ensures that all locations are compliant with Bosch norms and standards as well as Indian environment, health and safety regulations. Such precautions are addressed either through management programs or operational control procedures to minimize impact as well as mitigate risks. All Plants of the Company have established an integrated management system in line with ISO 14001:2004(EMS) and OHSAS 18001:2007 requirements.



At Bosch, there has always been heavy emphasis on technical training. The Bosch Vocational Centre in India offers various courses like Hydraulics & Pneumatics and Electrical & Electronics for Mechanical Trades, apart from others. The Centre has won several accolades, including the eminent Certificate of Honor and President's Trophy. At the Centre, importance is given to practical training as shown in the picture.