

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.

associates under this project.

A mandatory day-long training program for blue collared associates, titled “Working According to Standards,” trains around eight associates in production and related support areas. The program focuses on prioritizing to resolve production issues, understanding process confirmation and line balancing among others.

► Responsibility

In recent times, Corporate Responsibility has emerged as a significant topic in the international industrial community and is slowly but surely on its way to becoming a mainstream activity.

Bosch Limited has always believed that the Company’s actions must be in accord with the interests of the society. Above all else, Bosch Limited places its products and services in the interests of the safety of people, the economic use of resources and in the sustainability of environment.

Bosch offers excellent opportunities to shape careers and make a difference. The Company also has various programs for knowledge sharing and enhancement customized for individual associates and teams across levels.

To keep associates’ views in line with the views of the Company, programs for middle level and senior level management have received a definite boost. In times as challenging as these, when business dynamics are changing radically, the pressure on the management increases significantly. To help managers of Bosch Limited cope better with these, the Bosch Training Center has rolled out the flagship Executive General Management Program in India. This is the first global rollout of the program outside Germany.

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. In addition to the seminars, colloquium lectures and forums, RK also runs full-time management programs.

The program consists of five modules, which blend management concepts with actual life learnings in the form of actual processes, methods and practices followed at Bosch. Executives gain better management insights, which helps them deliver results efficiently. The program intends to provide executives with the necessary exposure to current trends in management thinking, support them in better handling of professional demands in a globalised, matrix environment and also help increase networking among managers across all Bosch entities in India.

This general management program, aimed at middle and senior associates, provides an overview on management topics such as entrepreneurial mindset, strategy, marketing, brand management, finance, accounts, supply chain, human resources, business excellence and corporate governance. In all, around 50 associates have benefited from this program since its commencement in India.

Taking the value of responsibility ahead, reputed executive coaches were hired to guide and mentor the senior leadership of the Company in order to help them cope with personal and business dilemmas. In an initiative titled “Leading in India,” by Dr. Muengersdroff, an expert in cultural and organizational development as well as complex change management projects from the Carnegie Bosch Institute - Tepper School of Business, 16 seniors leaders brainstormed and discussed the need for and ways to usher in a uniform leadership culture.

The ratio of the number of women in India in the manufacturing sector is barely significant. Recognizing this disparity, Bosch Limited has sought to do something about it. The Company in an attempt to address this disproportion has already incorporated multiple cultures and is now focusing on increasing the awareness on gender diversity within the organization.



The workshop identified some of the desirable leadership cultural traits that will be institutionalized in Bosch in the coming years. The global Bosch leader, as identified, was one who has traits such as entrepreneurial skills, determination, capability to deal with ambiguity and the ability to deliver as promised. The team agreed to work on a culture that fostered growth, was open, and sought strength in cooperation.

Senior leaders at Bosch Limited have seen the need to have a strong 'leadership culture' to bring uniformity in approach and treatment across all offices and divisions across locations. Top management needed to address the changing expectations from the current generation. Initial informal discussions brought out the need to focus on areas such as leadership styles and role model behaviors, apart from connectivity amongst different generations of leadership fostering a sense of 'oneness' among all. The first tangible output regarding these elements of leadership, was to adopt a consensus approach aptly titled 'My Task - My Goal - My Way.'

A Process Consultancy Training program was also conducted for 35 people from the leadership team. These sessions discussed traditional leadership styles, openness in feedback, the need for dialogues and mentorship.

► Initiative and determination

Bosch Limited has always acted on its own initiative, with an entrepreneurial but accountable spirit and demonstrates determination in pursuing its goals.

Bosch Limited believes in employee engagement to resolve issues. The Bosch philosophy is to strive continuously for improvement and make things better. The Voluntary Lernstatt Team (VLT) is an interesting initiative where a group of people working in one department and doing similar work meet voluntarily and regularly after work hours to identify work related problems, prioritize them and locate workable solutions to resolve them.

This approach helps not just achieve business and operational goals, but leads to low-cost improvement solutions, teamwork and development of associates, as certified trainers in structured problem-solving often train the VLT group formally. The solutions arrived at by the group are shared not just with business heads but displayed to visitors and others. Competitions are held regularly leading to further employee enthusiasm and motivation.

► Openness and trust

At Bosch Limited, it is a must to have all stakeholders - that is from our employees, to our business partners and investors among others- informed in a timely and open fashion of the important developments that take place within the company. To foster this kind of an atmosphere of work, Bosch Limited has initiated several programs to help build the factor of trust and openness among associates. These programs include huge sums of money being donated to research institutes towards the nurturing of young ones and also taking care of the interest of retired associates.

In 2011, to commemorate 125 years of its existence, the Bosch Group rededicated itself to the values of education and continued learning upon which the company was founded.

It launched a global initiative called the 'Bosch InterCampus Program' by announcing a total investment of 50 million euros (INR 300 crore) for universities and research projects in Germany, China, India and the US over the next 10 years. The initiative aims to achieve lasting improvements in research conditions for undergraduates



At Bosch Limited the need to take the value and initiative of responsibility ahead was seen as imperative. For this purpose, reputed executive coaches were hired to guide and mentor the senior leadership of the Company. This initiative was aptly named "Leading in India," during the course of this programme the leadership brainstormed and discussed the need for and ways to usher in a uniform leadership culture.

and scientists in universities thereby accelerating progress in the highly promising fields of the environment, energy, and mobility.

"By funding science and research, we're investing not only in the future viability of our company but also in the future of a global society," says Franz Fehrenbach, chairman of the Bosch board of management.

A giant share of the fund - some 22.8 million euros (INR 140 crore) - is aimed at funding the independent "Robert Bosch IISc Center for Research in Cyber Physical Systems" at the Indian Institute of Science in Bangalore in India. The research will aim at development of cyber-physical systems that will help save energy in India, and will be a future hub or campus for IT design, cyber-physical systems, mobility solutions and renewable energy in collaboration with the country's leading scientific institute, the Indian Institute of Science. On November 8, 2011, the former President of India, Dr. A.P.J Abdul Kalam, launched the Robert Bosch IISc Center for Research in Cyber Physical Systems amidst great media fervor.

"The future of our industry, and any progress in the technical field, depends on the training of capable mechanics and technicians." - Robert Bosch in his memoir.

Following in the footsteps of its Founder, Bosch Limited believes that a well-trained associate is an asset to business. The intangible asset that a trained and knowledge rich workforce provides is truly invaluable for an organization that is built on the benefits of innovation and quality. Associate development is at the core of the Company's management philosophy.

Last year, Bosch reiterated its emphasis on continuous competence development for all associates. Programs were designed wherein associates' potential were identified for career planning and advancement opportunities as well as competency based training and development. On an average, every associate attended at least two training programs a year.

"To continue to be innovative and successful in the future, we need associates with excellent training who are committed and content. That's why we offer our workforce a professional and innovative working environment and attractive development opportunities," says Dr. Wolfgang Malchow, the director of industrial relations at Bosch.

Globally, every year, Bosch invests some 200 million Euros in enhancing its associates' qualifications and skills.

Bosch Management Services

An organization that focuses on nurturing talent also runs the risk of losing it. Every time associates retire, the company loses valuable expertise. Bosch wants to utilize the experience of retired executives and offer them the option of a "second career." Bosch Management Services makes use of the skills of retired associates aged between 60 and 75.

These resources are paid a consultancy fee, which is lower than what is paid to external consultants. This gives the company the benefits of getting access to a ready and trained talent pool at short notice. The knowledge bank that this initiative gives Bosch access to is phenomenal since each of the consultants have three to four decades of work experience at Bosch and know the company thoroughly. This helps smoothen workload

Ankur: "I work in FeP/TEF-6, the department is responsible for Industrial Engineering. To work in the company's global head quarters as a VA is like a dream come true. The learnings I have had from this programme are immense; especially with respect to Robust Systems& Processes, Planning and Time sensitivity. What makes FeP even stronger is the expert/domain knowledge, problems are solved considerably faster by focusing on the root cause of the problem. The focus is always on the issue and not the person. The work is quite detailed and provides deep insight into Industrial Engineering, be it standardized work, work place arrangement or ergonomics. I have been handling these subjects independently and also with local teams, overall quite the experience has been enriching and satisfactory."



management and allows ex-employees to cope better with aging and retirement.

► Fairness

At Bosch Limited, mutual fairness has always been the platform on which the Company has achieved success, be it from dealing with one another in the Company or our business partners.

Gender Diversity Focus

Traditionally, women have been under-represented in organizations across India and continue to face many barriers on their way to the top. While most management realizes the benefits of gender diversity and is committed to the mandate of gender inclusion, that commitment often does not translate into action.

Bosch Limited has recognized this disparity and has sought to do something about it. The Group, which has already integrated multiple cultures, is now focusing on enhancing gender diversity within the organization. Currently, women account for a small percentage of the Bosch associate base and have a minimum representation on the Board of Directors. The Company aims to increase this proportion in the coming years. By building more on the theme of gender diversity, Bosch intends to hire women who bring in their unique style of soft management skill sets which can be invaluable in a manufacturing setup. By reflecting better on the world outside the factory gates, Bosch aims to build a more responsive and positive organization that recognizes and rewards hard work and thus create a more balanced workplace.

Bosch also recognizes that communication is vital in the implementation of diversity at the work place. Since it is imperative that actions reflect the intent of the organization, Bosch has taken significant steps towards building a workplace where diversity thrives. With executive coaches to guide and advise women specialists and executives and in-house collaboration with other reputable companies (cross-company mentoring) Bosch Limited hopes to improve the count of women in the company.

In 2011, two workshops on gender diversity were organized for business women in India. A diversity workshop to enable HR associates of Bosch India enhance their capabilities in this aspect was also organized.

The Business Women's training program is designed to help women specialists and executives get ahead, with skills such as better negotiation strategies or career planning. The "Gender Talk," seminar that was open to both women as well as men, dealt with sensitive issues regarding gender-specific topics such as the different ways of doing business, behavior within teams and life plans.

Bosch recognizes that relationships and good networks are important in building careers. Since 1995, female Bosch associates have been using the company's women's network, which is now called women@bosch, where they can exchange knowledge, provide mutual support across divisions and levels and gain a voice to promote their interests.

In 2011, Bosch launched the Gender Diversity Global Communication Initiative targeting the desired mindset change. The campaign focuses on creating mixed teams that demonstrate the benefits of a healthy gender mix in taking more balanced decisions. Special recruitment drives for women were also conducted. A 12-month management development program for mentoring women associates was launched formally.



As a first step, the Gender Diversity Project focuses on cooperation between men and women, and on the formation of mixed teams across all levels of the organization

It's not about men versus women – it's about diversity in mixed teams as a key to long-term success.

► Reliability, credibility, and legality

The management at Bosch has always sought to be a reliable and credible entity, which has always abided by the laws of the land they are operational in. The Company's management encourages associates to imbibe these values and to live by them. It sets very high standards when it comes to the issue of compliance and shows absolutely no lenience if anyone was to go against the established guidelines.

With guidelines as strict as these, associates at Bosch feels more secure and looked after. It is due to such guidelines and associate programs that the rate of attrition at Bosch Limited stands at 11%. The opportunity to work in a truly global environment and be exposed to diverse cultures, coupled with knowledge and skill training development are just some of the key reasons behind employee satisfaction and retention in the company.

Associates indicated a strong sense of identification with the company. While around 84% of the workforce is proud to work for Bosch, 82% of associates would also recommend Bosch as an employer. Both of these figures have improved tremendously since the last survey.

► Cultural diversity

The rich diversity that the Group's associates offer, in terms of their accepted wisdom, aptitude and capability is what makes Bosch the respected company that it is today. Cultural Diversity has now come to be the key to an organization's success and glory. Bosch realizes that to make the best of this value several steps must be taken. Given the tremendous and incredible reach of Bosch across the globe, an awareness of the Group's regional and cultural origins must be created; simultaneously the associates must learn to value this diversity as an asset which is also a precondition to global success.

Bosch employs over 300,000 people across the world of which 22,500 or 7.5% are based in India. Respect has always been the driving force at Bosch, this respect is extended to employees across all levels and divisions. Keeping in line with this very important strategic view, Bosch globally refers to its employees as associates. While shop floor staff is referred to as blue collar associates, those in supervisory and support functions are referred to as white collar associates.

The Bosch talent pool is hand picked from the best educational institutions. As part of the Bosch team the young minds are offered continuous training, along with opportunities for international exposure. Prospects such as these ensure that associates of Bosch have a cross-cultural perspective and strong domain know how.

As teams have to work across geographies and cultures, training programs cover various domains, technologies, soft skills and business skills. This involves workshops, simulation scenarios, and language courses. This is in addition to country specific cultural orientation that often involves client teams as well.

Bosch also provides an excellent opportunity for associates to carve out truly international careers. With around 350 subsidiaries and regional companies, Bosch offers development possibilities and a variety of opportunities to gain international experience the world over - from short-term tasks for specific projects to assignments extending over several years. Bosch also encourages its associates to move between different industries, divisions, and business sectors. Development opportunities in the workplace, work-life balance and integrated health management are also important, as is a values-driven management culture.



We are aware of our company's regional and cultural origins and at the same time regard diversity as an asset, as well as a precondition of our global success. People from over 111 nations, with different ethnic origins and individual lifestyles, including men and women of different generations, all work together for Bosch. This diversity is something that helps our company grow and develop.

The popular Vertragsangestellte (VA) initiative allows employees to work in different geographies for over one to five years increasing their understanding and cultural orientation.

Emmanuel Grange who was at the DS Bosch plant of VxP1 (Vénissieux), got an opportunity to work in India in 2008 and underwent a cultural-orientation program, which he highly recommends for all VAs. Elaborating on his India experience Emanuel says, *"I wanted to work in an international company. In India, I have the chance to work in a department which is growing and for which huge investments are required. The work content is very challenging. Parallely, I am developing my leadership skills as I am group leader for a team of four people. The culture environment is completely different, and I am learning to work with more unplanned situations. I have to think in a different way and to adapt my behavior to the local habits in order to get the work done. This experience is helping me in improving my adaptability to various situations, getting more focus on priority and being more assertive."*

Industry cheers Bosch

Bosch Limited bagged the prestigious Significant Achievement award for HR-Excellence Assessment conducted by Confederation of Indian Industry (CII). In addition, associates of Bosch Limited bagged the top awards at the National Competition for Young Managers (NCYM) conducted by the All India Management Association (AIMA) in 2011. Participants in NCYM deliberate on a theme of national importance. Winners at the regional levels qualify for the finals at national level. The competition provides an excellent platform for young managers to exhibit their talent, leadership skills, knowledge, experience, professional prowess and creativity which are important factors towards becoming "Leaders of Tomorrow."

Past perfect. Present exciting. Future promising.

The coming year promises to be one more step forward in the right direction. Human Resources practices at Bosch Limited have always been aligned to global practices. In 2011, Bosch Limited invested around 11,000 days of training for white collar employees. In 2012, it plans to increase this substantially to 22,000 man days of training.

The focus in 2012 is to continue to build competencies in Innovation and Innovation Management. At least three seminars on Innovation Management are being planned with support from Germany. One such premium international program titled "Innovation Beyond Borders" will involve three leading universities from three global regions - ESMT (Berlin - Germany), Zhejiang University (Hangzhou - China) and Indian Institute of Management (Bangalore - India), including participants from all the three countries.

More managers are due to qualify under the international qualification on "Project Management" which will qualify the participants also for PMP certification. This would help increase the level of efficiency among managers while delivering value through new projects lined up for India. The year will also see personalized training for individuals seeking development in specialist functions.

India is a high growth market with huge manpower resources. The investment in building research and manpower training confirms the key role that the Bosch Group foresees for India. Bosch Limited is due to play a very important role in the future growth of the Bosch Group and with investments and programs as exciting as these, a huge impact is expected on the fronts of innovation and quality in the coming times.

Bosch Management Services India (BMSI) Consultant, Mr. R. Narayanan, conducting a Training course for BVC students. The mission of BMSI is to utilize knowledge and expertise of retired employees and add value to Bosch companies, create a platform to transfer knowledge and support development of future leadership.



Report of the Directors

The Directors have pleasure in presenting their SIXTIETH Annual Report together with the Audited Statement of Accounts for the year ended 31st December, 2011.

Financial Results

The following are the financial results:

(₹ Million)

	2011	2010
Net Sales (excluding recovery of duties and taxes)	79,294.7	66,305.0
Of which Export Sales	10,344.1	8,460.7
Profit before tax	15,739.9	12,027.9
Less: Provision for tax	4,710.0	3,660.0
Add: Deferred tax and tax adjustments relating to earlier years	195.7	221.1
Profit after tax	11,225.6	8,589.0
Appropriations:		
Dividend:		
- Dividend recommended at ₹ 50 per share (previous year: ₹ 40 per share)	1,569.9	1,255.9
- Special dividend at ₹ 85 per share	2,668.9	-
Tax on Dividend	254.7	208.6
Tax on Special Dividend	432.9	-
General Reserve	5,000.0	3,750.0
Capital Reserve	-	0.6
Reversal of Dividend Distribution Tax	(4.8)	(3.6)
Balance carried forward	1,304.0	3,377.5
Total	11,225.6	8,589.0

Net sales for the year 2011 grew by 19.6%. The Profit Before Tax (PBT) in 2011 as a percentage of net sales was at 19.8% as compared to 18.1% in 2010. The Profit After Tax (PAT) as a percentage of net sales was 14.1% in 2011 as against 13.0% in 2010.

Material costs as a percentage to sales increased to 56% in 2011 as compared to 54.3% in 2010.

Overall, the Profit Before Interest, Depreciation and Taxes, for the year shows an increase of 22.7% over

the previous year.

Investments

Capital investment during 2011 was higher than previous year, at ₹6,587 mio. as against ₹3,021 mio. in 2010.

Dividend

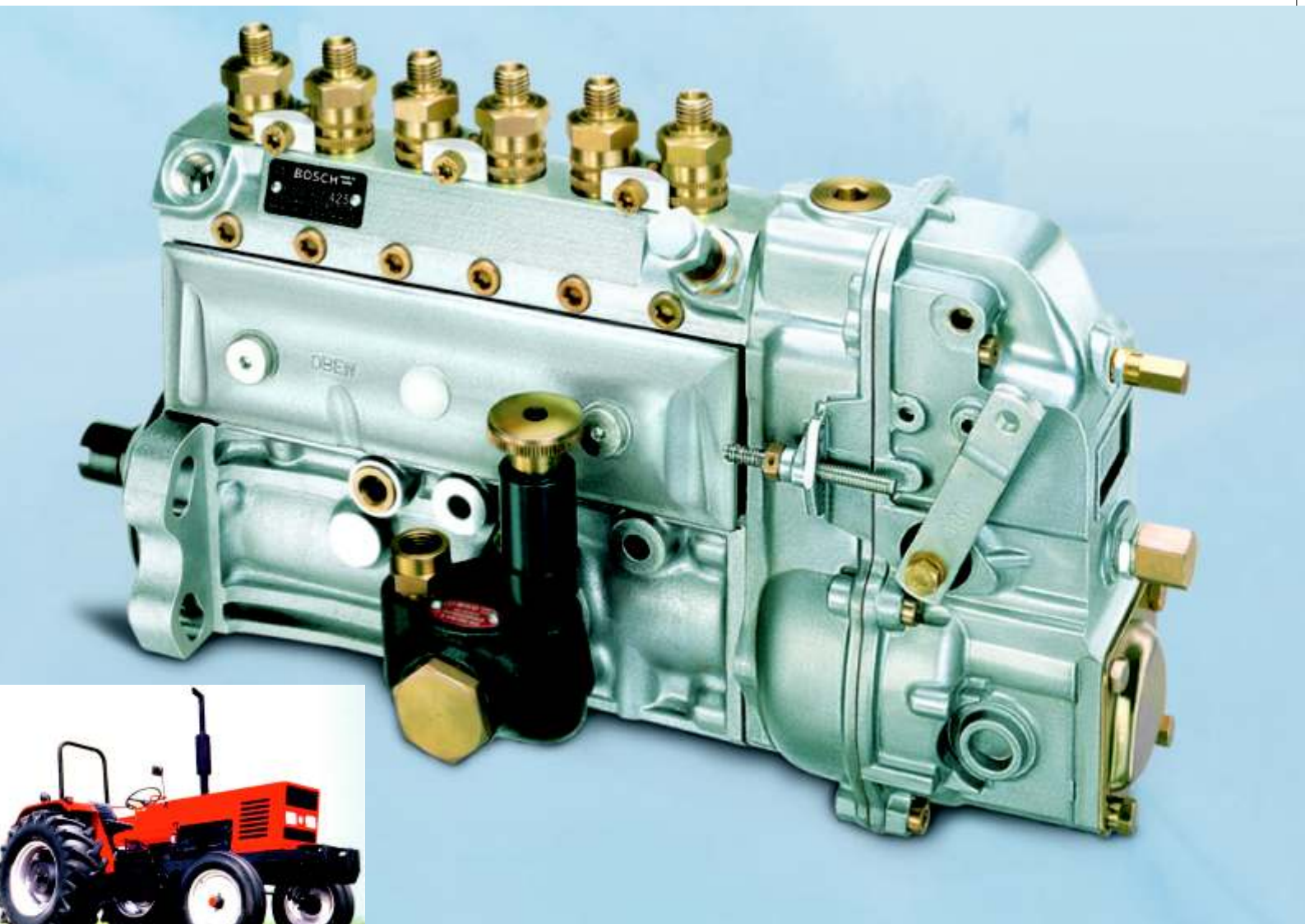
The Board of Directors recommends a dividend of ₹50 per equity share for the year 2011 as against a dividend of ₹40 per equity share in 2010. This dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

A special dividend of ₹85 per equity share was paid to the shareholders in 2011, on the occasion of 125th anniversary of Bosch and to commemorate 60 years of the Company since its incorporation in the year 1951. The total dividend payout for the year 2011 is at ₹135 per equity share.

Business Situation

The automotive market was upbeat in the first half of the year 2011, continuing the growth momentum from the previous year. However, poor market sentiments, increased food & fuel prices and interest rates took their toll, what with the sale of passenger cars in October 2011 falling to the lowest in two years forcing the industry to slash forward looking forecasts. The widening price differential between petrol and diesel has further favoured the demand for diesel cars. This notwithstanding, OEMs continued to launch new models in all market segments especially passenger cars. Overall, the automotive sector was able to sustain double digit growth aided by a solid performance in the first half of the year 2011 and partially aided by stable rural demand.

Segment-wise, the commercial vehicle sector leads the pack with a strong 22% growth in 2011 over the previous year. Within this, Light Commercial Vehicle (LCV) segment grew by 30% driven by robust demand



The inline Pump developed by the Diesel Systems division for tractor segment conforming to the TREM 3A emission norms.

for sub 3.5 ton LCVs. Tractor segment continued to grow strongly with a 24% growth over 2010 backed by a bumper agricultural output. Two Wheeler and Three Wheeler segments registered a growth of 18% and 15% respectively.

In view of the above scenario, the Company

outperformed expectations with sales from the automotive segment growing by 19.1% and exports breaking previously achieved records and clocking the best ever performance at ₹10,344 mio. with a growth of 22.3% over 2010.

Our non-automotive business grew by 28.5% in 2011



Common Rail System developed for Low Priced Vehicle segment that provides injection pressure upto 1600 bar and is based on the most efficient inlet fuel metering control system.

as compared to 2010. This growth is mainly attributed to strong performance in the Power Tools, Packaging and Machine Building divisions.

Automotive Technology

Diesel Systems business grew by 19.2% in the year 2011 despite the ups and downs witnessed by the automotive market in 2011. The Diesel Systems business continued to drive focused innovation on the value line Common Rail System (CRS) for Light Commercial Vehicles as also simplification of the

CRS for small engines to create value propositions for our customers. These value offerings have helped the Company bag significant orders from key OEMs amidst stiff competition. The growth would have been much higher for the Diesel Systems business, but for the sluggishness experienced in the second half of the year mainly in the passenger car segment which grew by just 7% over previous year. Within this, there was a clear shift in the market from Gasoline to Diesel passenger cars owing to the high price differential between the two fuels.



Smart system solutions
for two wheeler
Electronic Fuel
Injection segment.

Gasoline Systems business suffered a slowdown in 2011 and posted a de-growth of 6.4% due to reduction in passenger car sales consequent to gasoline price increase. The division introduced the first 2 Wheeler Engine Management Systems (EMS) in series production for a customer project. Focus on system engineering in Low Price Vehicle and 2 Wheeler systems for innovative and cost effective solutions to the Indian market, were the other highlights of the division.

Starter Motors and Generators business witnessed a strong growth of 63.1% in the year 2011 powered by New Base Line Generators both in the domestic and

export market. The division also achieved overall productivity improvement over previous year.

In the year 2011, the division introduced “Thermal Protected Starters” for Commercial Vehicle applications, which is an Indian platform project going global. The division added renowned global OEMs to its portfolio of customers like Renault, Volkswagen and Ford in 2011. The division bagged “Best Supplier” award from the customer JCB India for delivery and quality.

The Automotive Aftermarket division registered an impressive growth of 15.2% in the year 2011. This

HX87 Starter Motor:

A gear reduction Starter motor for Commercial Vehicle applications with thermal protection as add-on option.





New Base Line Generator:

A compact, high efficient, modular, internal fan Generator suitable for different customer interface.

continuous growth over the years is made possible owing to the division's expanded footprint in the market through roll-out of new concepts/ modules such as Express Bike Service (EBS), Tractor Points(TP) as well as extension of existing service networks at both 1st and 2nd Trade Level. The IT tools and systems (e.g. eFOCuS, FR Portal {for Field Representatives}) were also introduced for better sales and dealer management. Customer binding and brand building initiatives further boosted our market competitiveness. Infrastructure projects including new sales offices and warehouses successfully completed in the year 2011, for better customer responsiveness.

The OE filters, spark plugs and OE service blocks

recorded highest ever sales and acquired new customers. New products from the Diagnostics Centre of Competence were successfully launched in line with 'local-for-local' strategy. With one new part number released per working day, the market coverage of all the Company's products further increased across vehicle segments.

Industrial Technology

Packaging Technology (Verna (Goa) Plant)

The year 2011 was the most defining year for the Packaging Technology division as it achieved the highest turnover with 40% growth over 2010. At the



The Company expanded its foot print in the market through roll-out of new concept modules such as Express Bike Service (EBS).



SVI 2600 B is a mid-speed intermittent motion vertical bagger.

This machine is very user friendly, has higher output and has the ability to handle variety of films.

This machine can pack a wide range of products like Snacks, Flour, Cereals, Grains, Seeds and Pet food among others.

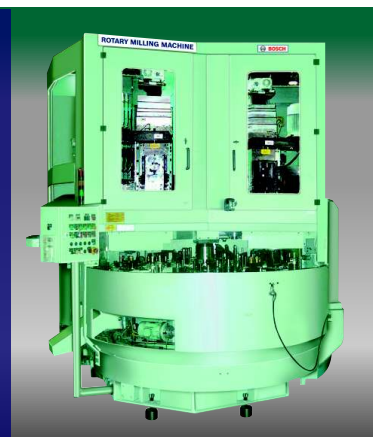
end of the first quarter of 2011, the division bagged the single largest export order for a record number of 60 machines. This project was successfully executed and the machines delivered within the time frame.

The division expanded its product portfolio with the development of a low cost candy wrapping machine. This machine was also exhibited at Interpack, Germany, for business promotion and was well received. On the vertical baggers, it had a very successful launch of SVI 2600 B, at the India

Packaging Show in Delhi. A host of features like low height, high output and easy accessibility allow for improved packaging efficiency. During the same occasion, the Belt weigher FBW4021B was previewed, which offers high output and accuracy.

The division continued its success with the horizontal form fill and seal machines bagging orders from some of the most prestigious customers in India. It also executed first local order for pharmaceutical machines of MLF and FLC lines.

Rotary Milling Machine suitable for both rough and finish milling of automotive parts viz. crank case, cylinder head of 2 & 4 wheeler, in single chucking.





The New state-of-art Power Tools training centre in Bangalore.

The year 2011 was also the year the division took up construction activities for its new Plant. The enhanced capacity will provide the division with the right platform to scale higher growth levels.

Industrial Equipment

The Industrial Equipment division registered a good growth of 53.1% in the year 2011. Business with the Company's customers grew by 23% in a highly competitive market.

New and prestigious customers from the Auto and Electrical equipment sectors were added to the Company's customer list. The division witnessed a substantial growth in Tool Room activities during the year 2011. Exports to Europe were also an important achievement. The division focused on building up of skills for the manufacture of machines and equipments to meet international standards.

Consumer Goods and Building Technology Power tools

The Power Tools division achieved an impressive growth of 22% in the year 2011 making 'PT India' one of the few countries to register a consistently strong growth in the last 4 years.

In 2011, the division launched its new state-of-the-art training center in Bangalore created with an investment of ₹50 mio. making it one among the largest training centres in the Bosch PT world. With this initiative, Bosch PT India becomes the first Power Tool player in the country to offer advanced training programmes to its customers and end users.

Also launched in the year was the Fischer Exclusive Store at Kolkata to provide anchoring solutions to meet the growing demand in the region. The division inaugurated 'Bosch System Specialist' stores in nine cities across the country including one at Goa which is the largest of its kind in the world. In the year 2011,

The Security Technology division showcased full range of security, safety and communications products at the IFSEC 2011 Trade Exhibition held at New Delhi in December 2011.



Bosch Power Tools India marked the 125th anniversary of Bosch through an innovative campaign called 'Power Drive 125' spread across 20 different locations in the country.

The division continued to supply tightening and pneumatic system solutions to major automotive OEMs such as Volkswagen, General Motors, BMW and Mercedes Benz in India. Localization was one of the core focus areas of the division. Manufacturing of a 2kg Hammer began at the Bosch Power Tools Plant in Bangalore making it only the third Plant in the Bosch Power Tool World to do so. Bosch Accessories showcased tremendous growth by crossing ₹100 crores turnover mark in 2011 doubling the turnover in two years, rising to No.3 position. The division

bagged the Gold and Silver medals at the prestigious 'TOOLYMPICS' contest-2011, in recognition of the various innovative market oriented activities.

Security Technology

The Security Technology division achieved 18.4% growth in the year 2011 compared to 2010. The division launched its distribution business for Video System Products under the Brand name of 'Advantage Line'. It established a new business - 'Engineering Solutions & Software', catering to large integrated projects.

There were numerous key projects for the year 2011. To mention a few - a prominent racing circuit, various state assemblies, a major airport, steel plant and power plant.



2KG Hammer produced at the Bosch Power Tools Plant in Bangalore making it the third Plant in the Bosch Power Tool World.

The 40 kWp Solar PV installation on the roof of Bosch's New Administrative Building at Adegodi, Bangalore. The system generates nearly 150 units per day.

Bosch Limited is a Channel Partner to Ministry of New and Renewable Energy (MNRE) for executing roof-top and off-grid solar PV projects.

This also enables Bosch to help customers avail govt. benefits associated with such installations.



The division participated in IFSEC 2011, lauded as one of the most important trade exhibitions for Commercial & Homeland Security. A full range of security, safety, and communications products from Bosch were showcased at this important platform.

Solar Energy

In the year 2011, the Solar Energy division launched solar energy products and services in India. To capitalize on the potential of the nascent Indian solar photovoltaic market, the division introduced 60 cell mono-crystalline silicon module and Micromorph thin film modules. Along with photovoltaic modules, the division also offered project development services including engineering, procurement and construction of solar power plants. Since June 2011, the division delivered 1000 kWp of thin film modules.

Thermo Technology

The Thermo Technology division started its activities in 2011. It ventured into sales and service of industrial boilers coming from Germany and China. The series manufacture of solar flat plate collector, storage tank and mounting structure for domestic and commercial hot water applications are planned in 2012.

Competition and challenges in our business sectors

As in other regions of the world, the year 2011 was a testing year for the Indian automotive industry. In addition to the demand fluctuation from customers owing to the recession, volatile raw material prices aggravated the cost pressures of manufacturers. High inflation and labour issues made it one of the most challenging years to do business in.

However, the Company was among the very few organizations that were able to convert this apparent downside into an opportunity. With efficient processes and systems, the Company ensured that it remained cost competitive, delivering innovation and value to our customers, thereby maintaining its market share.

The Company's aggressive engineering, manufacturing, marketing and sales initiatives will continue into 2012 with renewed vigor, to expand our reach and strengthen the leadership position. Further, our clear long-term focus and sustained investments in future technologies, prepares us for the uncertainties that lie ahead and helps us enhance the Company's value proposition to all stakeholders.

Plants

Bangalore

Bangalore Plant attained the highest production level in all its products viz., Inline Pumps, Elements, Delivery Valves, Common Rail Pumps, Glow Plugs and Single Cylinder Pumps in the year 2011.

The Plant invested ₹185 mio. in 2011 towards expansion projects for meeting increased demand for the products manufactured. A milestone of producing 1 million 'Common Rail Pumps' and 15 million 'A pumps' was reached in the year 2011.

After being awarded the CII-Exim Bank award for Business Excellence at the national level in the year 2009, the Bangalore Plant sustained and further improved on living business excellence through the assessment carried out internally.

Nashik

During the year 2011, the Nashik Plant achieved the highest production levels of Nozzle holder assembly, DSLA Nozzle and Common Rail Injectors. The Plant manufactured the 100 mio. NHA-Injector, which was a new milestone achieved. To keep pace with the growing demand, the Plant made an investment of ₹2,715 mio. in its production facilities.

The Plant was honored with CII-EXIM Bank's 'Commendation for Significant Achievements in Business Excellence' for the year 2011 as well as the 'Golden Peacock Environment Management Award' from the Maharashtra State Government.

Jaipur

In 2011, the Jaipur Plant achieved its highest production since its inception in the year 1999. The Plant realized the highest ever single investment of ₹753 mio. towards enhancing the capacities and further expansion.

The year 2011 has also been a year of awards and accolades for the Plant. It received the Best Supplier Award from Tata Cummins, Supply Linearity Award from Ashok Leyland, the National Award for

Excellence in Water Management by CII and the Best Employer Certificate by the Rajasthan Government.

Naganathapura

In the year 2011, substantial ramp ups in New Base Line generator and Hx Starter business were resorted to by the Plant. The Plant achieved a record production of 32 mio. units of Spark Plugs in the year 2011.

Lean Concepts were implemented vigorously in the Plant. Energy conservation measures were put in place during the year. The Plant maintained cordial Industrial relations and the employees of the Plant worked as a team towards achieving better results.

Information Technology (IT)

The maturity of IT-enabled business processes using SAP were assessed and showed improvements over the previous year. A focused effort on improving the usage of planning tools within SAP is in progress. A new Business Intelligence Platform has been put in place to support business reporting requirements and tracking of Key Performance Indicators.

Improvements were achieved in Information Security, Data protection and Control of Authorizations. Formal processes exist to periodically audit and report results.

Change Initiatives

Continuous Improvement Process (CIP)

The year 2011 was a year which had good balance between CIP in Direct areas and Indirect areas. Direct areas showcased their strength with Conventional CIP and LeaderCIP which laid the platform to make improvements in Quality, Cost and Delivery. Conventional CIP enabled all value streams to achieve system CIP targets and LeaderCIP enabled leaders to lay more focus and guide their respective teams in meeting organizational targets. Value Stream Design in Indirect Areas (VSDiA) took a front

stage in eliminating waste and in reducing lead time which directly acted as a backbone for direct areas. VSDiA Improvements were effective in Plants as well as in corporate departments within the Company.

Team Oriented Production (TOP), Voluntary Lernstatt Team and Shop Floor CIP increased the involvement in CIP activities in 2011 compared to 2010. LeaderCIP trainings were launched in 2011 across all managerial levels to follow the PDCA-Guided process approach in CIP. The yearly “GLS CIP 2011” was held in order to share good CIP practices across the Company with the participation of Executive Directors. CIP teams received accolades in regional, national and international competitions organised by recognized quality circle forums.

Bosch Production System (BPS)

BPS in 2011 played a very prominent role focusing on a set of guided principles that were implemented in order to achieve business targets of the Company. The focus in 2011 was to improve in three areas viz. “Source, Make and Deliver”. The Company won the BPS award in the ‘Source’ category by establishing good BPS Compliant suppliers. BPS Knowledge training was extended across all Plants with a view to have a common understanding in all areas and to measure the effectiveness within the Company. It was found that value stream managers were orienting / aligning themselves to attain system maturity and business Key Performance Indicator (KPI) targets.

Standardized and Reusable packaging of raw materials and finished goods initiatives helped business divisions to eliminate waste in transportation and adopt environment friendly concepts. In order to reduce lead time, the entire value chain was focused on many localization, cost reduction (RPP) projects, inventory reduction projects were initiated. Shop Floor Management Cycle (SFMC) and TPM models were implemented successfully in many locations.

Diesel Systems Business Excellence

The Diesel Systems Business Excellence (DBE)

integrates the various cross functions in the Plants and aligns them towards meeting the INDS (Diesel Systems India) Vision and Mission. DBE was started in 2005 at the Diesel System manufacturing Plants in India (Bangalore, Nashik and Jaipur) and have adopted the European Foundation for Quality Management (EFQM) model of Business Excellence to improve the organization effectiveness in a holistic manner. Regular assessments are conducted at all Plants as a health check to identify strengths and focus areas to work upon. The RADAR approach is used extensively at INDS where we know the Results that we have to achieve, a clear cut Approach is defined and they are Deployed. Assessment and Refinement help us to continuously improve the systems and processes in our journey towards Business Excellence by enabling maturity of the organisation and its people. Key performance indicators are measured to enable the achievement of required results as a cause and effect with respect to all the key stakeholders.

INDS is striving towards institutionalizing a culture of ‘Living Business Excellence’ as ‘Business Excellence at work’ by incorporating the same in the INDS Vision & Mission. To deploy this vision theme, INDS long term strategy map has one of the bubbles as ‘living BE’. The strategic measures / targets are deployed across Plants and connected corporate functions through Policy Deployment process.

The INDS have won many accolades in this exciting journey. Bangalore Plant won the coveted CII-EXIM Bank award for business excellence in 2009, Nashik Plant won the CII-EXIM Bank Commendation for significant achievements in Business Excellence’ for the years 2010 and 2011 and Jaipur Plant was recognized with Commitment to Business Excellence in 2008.

First Strategic Assessment was conducted at INDS in January 2012. Structured assessment document as a description of entire INDS was prepared by strategy/change teams with respect to 15 key business related topics such as innovative products, cost competitiveness etc. A team of senior business



- ◀ Comprehensive training has always been the hallmark of the Bosch Vocational Centre. During the first year, all apprentices, regardless of their trades, undergo basic training. In the subsequent phases of their training, apprentices undergo in-plant training, job-oriented training and lab practice.
- ▶ The Bosch Vocational Centre is equipped with classrooms and a full-fledged workshop which has kept pace with changing technology.



leaders from Diesel Systems India and Diesel Systems Bosch lead by an external Assessor from EFQM carried out the assessment and presented the key findings to INDS management. The maturity level of INDS in terms of Business Excellence is currently at a level of 'Recognized for Excellence' based on the band of results achieved. Based on key areas of improvements identified during the assessment, teams have initiated projects / measures to further enhance the organizational effectiveness.

Bosch Vocational Centre

The year 2011 is indeed a special year for Bosch Vocational Centre (BVC) since it marked the celebration of Golden Jubilee year for having

completed the 50 years of its establishment of the Centre. The BVC was functional as early as 1960. The BVC's valuable services over the past fifty years in imparting technical education and training have benefited many talented young people. Bosch Vocational Centre has the fame of producing young skilled work force meeting the present day requirements of Industries.

BVC won five gold medals for all the five trades participated at the 86th All India Skill Competition for Apprentices organized by the Directorate General of Employment and Training (DGE&T), Ministry of Labour and Employment, Government of India in May 2011.



As part of the 125 Anniversary year celebrations, Dr. Abdul Kalam was at the Bosch Vocational Centre to present awards to the students of the centre. The centre is equipped with a team of 23 dedicated and professionally qualified faculty members. The periodic updation of knowledge of faculty by exposing them to the relevant workshops, seminars, deputations to model institutes both in India and abroad remains our commitment to keep in pace with the changing trends.





The Company has consistently been receiving accolades and recognition for its contribution to the industry.

Displayed are some of the awards received by the Company in 2011 (Left to Right) Overall performance of the year 2010 award from John Deere at their Supplier Meet; Tata Motors award for excellence in “Technology and Innovation” at the Tata Motors National Vendor Meet 2011; Subros Car & Bike award 2012 in the ‘Best Automotive Component Manufacturer’ category.

BVC being the “Best in Class” in the country also sustained excellence in the field of Vocational Training by increasing tally of Gold medal winners to 191. BVC received the ‘Best Establishment’ Award for the 42nd time. BVC also continuously invests in upgrading facilities and infrastructure to maintain high standards of training.

Awards and Recognition

The Company won several awards, as recognition of the efforts put in by the Company:

- Award for achieving targets in delivery year 2010 by Toyota in April 2011 in the area of “Localization for Etios Project”.
- Award from Cummins for the best supplier in the category "Assemblies" at the regional Cummins supplier conference held in Pune in June 2011.
- “Overall Performance of the Year 2010” award from the John Deere at their Supplier meet held in June 2011.
- Tata Motors award for excellence in “Technology and Innovation” at the Tata Motors National Vendor Meet 2011, held in Mumbai in July 2011.
- Bosch Group was awarded the ‘Presidents Award’ given by Mahindra & Mahindra for overall performance of the Company in streams such as supplies, quality, development and cost

effectiveness.

- Recognition certificate from Maruti Suzuki for superior performance in the field of timely capacity enhancement for the year 2010-2011.
- Subros Car & Bike award 2012 in the ‘Best Automotive Component Manufacturer’ category.

Bosch India Foundation

Bosch India Foundation, with its vision “Enabling Lives and Livelihood”, increased its reach to seven locations in India. By the end of its 3rd year of its functioning, the Foundation had benefited 3,515 youth of various underprivileged communities through support of skill trainings and medical projects.

In 2011, vocational trainings were introduced in eight new trades such as automobile service mechanic, tractor mechanic, motor winding, AC mechanic, masonry, carpentry etc., through partnership with 20 committed NGOs who are in close contact with the community and its needs. Yet another highlight was the vocational training support extended to 84 mentally challenged and spastics youth across three locations in India.

The Foundation supported 20 surgeries for young children with complex orthopedic problems and

helped them to walk. The surgeries are conducted by Sparsh Vachana to a select set of 200 underprivileged children every year. The Foundation also continued its support to the Gujarat Cleft and Craniofacial Research Institute (GCCRI) which conducts free corrective surgeries for those born with facial deformity.

Industrial Relations

Industrial relations at all Plants and other establishments continued to be cordial excepting Bangalore Plant where the Union and Workmen went on a sudden Tool Down Strike from September 28, 2011, demanding that all outsourcing and ancillarization activities must be stopped. The unreasonable demand was rejected outright by the management and taking note of facts by the State Government of Karnataka, in exercise of powers vested in them vide section 10(3) of Industrial Disputes Act (amendment) 1947, issued orders on October 12, 2011 prohibiting the strike forthwith. The Union called off their strike unconditionally on October 13, 2011. Normal Plant operations had been restored for all workmen from October 14, 2011. The Directors place on record their deep appreciation of the sincere and dedicated teamwork by employees at all levels to meet the quality, cost and delivery expectations of our customers.

Subsidiary Company

As the aggregate assets and income of MICO Trading Pvt. Ltd., as on December 31, 2011 is not material, no consolidated financial statements under Accounting Standard 21 "Consolidated Financial Statements" as notified under section 211(3C) of the Companies Act, 1956, has been prepared.

As required under Section 212 of the Companies Act, 1956, annexed hereto are the Audited Statement of Accounts, the Report of the Board of Directors and Auditors' Report for the year ended 31st December 2011 of MICO Trading Pvt. Ltd.

Directors

Dr. Manfred Duernholz has been re-appointed by the Board as Joint Managing Director of the Company for a further period of one year with effect from January 01, 2012. The Board also appointed Mr. Soumitra Bhattacharya, Executive Vice President of the

Company as Alternate Director to Dr. B. Bohr with effect from July 1, 2011.

Names of companies/firms in which Directors of the Company hold/held office as Director/Partner are given below:

Dr. A. Hieronimus

- MindTree Ltd. (Chairman)
- Bosch Rexroth AG (Member of the Board)

Dr. B. Bohr

- Robert Bosch GmbH (Member of the Board)
- ZF Lenksysteme GmbH (Member of Supervisory Board)

Mr. B. Steinruecke

- Indo German Chamber of Commerce. (Director General)
- FAG Bearings India Ltd.
- Zodiac Clothing Company Ltd.
- HDFC ERGO General Insurance Company Ltd.
- Apollo Munich Health Insurance Company Ltd.

Mr. B. Muthuraman

- Tata Steel Ltd. (Vice Chairman)
- Tata International Ltd. (Chairman)
- Tata Industries Ltd.
- Tata Steel Europe Ltd.
- Tulip UK Holdings No.2 Ltd.
- Tulip UK Holdings No.3 Ltd.
- Tata Incorporated, New York.
- Tata Africa Holdings (SA) (Pty) Ltd.
- Strategic Energy Technology Systems Ltd.
- Confederation of Indian Industry (President)

Mrs. Renu S Karnad

- Housing Development Finance Corporation Ltd. (Managing Director)
- Credit Information Bureau (India) Ltd.
- GRUH Finance Ltd.
- HDFC Asset Management Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- HDFC Property Ventures Ltd. (Chairperson)
- HDFC Standard Life Insurance Co. Ltd.
- Indraprastha Medical Corporation Ltd.
- HDFC Bank Ltd.
- AKZO Nobel India Ltd.

- EIH Ltd.
- HDFC Sales Pvt. Ltd. (Chairperson)
- Feedback Infrastructure Services Pvt. Ltd.
- G4S Corporate Services (India) Pvt. Ltd.
- Value and Budget Housing Corporation (India) Pvt. Ltd.
- Credila Financial Services Pvt. Ltd. (Chairperson)
- Lafarge India Pvt. Ltd.
- HDFC Education and Development Services Pvt. Ltd. (Chairperson)
- Transunion LLC, Chicago.
- HDFC PLC, Maldives.

Mr. Prasad Chandran

- BASF India Ltd. (Chairman and Managing Director)
- BASF Asia Pacific (India) Pvt. Ltd. (Chairman)
- BASF Catalysts (India) Pvt. Ltd.
- BASF Lanka Private Ltd.
- BASF Bangladesh Ltd.
- BASF Grameen Ltd.
- Indo German Chamber of Commerce. (Committee Member)
- Federation of Indian Chamber of Commerce. (Executive Committee Member)
- Bombay Chamber of Commerce and Industry. (Managing Committee Member)
- The Energy and Resource Institute (Committee Member)

Mr. V. K. Viswanathan

- Robert Bosch Engineering and Business Solutions Ltd. (Chairman)
- Bosch Rexroth (India) Ltd. (Chairman)
- Bosch Chassis Systems India Ltd.
- MICO Trading Pvt. Ltd.
- Foundation Brake Manufacturing Ltd.
- Bosch Electrical Drives India Pvt. Ltd.
- Bosch Automotive Electronics India Pvt. Ltd. (Chairman)
- BSH Home Appliances Pvt. Ltd.
- Hagglunds Drives (India) Pvt. Ltd.
- FLSmidth Pvt. Ltd.
- Indo German Chamber of Commerce.

(Vice President)

- Confederation of Indian Industry (Committee Member)

Dr. Manfred Duernholz

- MICO Trading Pvt. Ltd.

Mrs. Renu S Karnad, Mr. Prasad Chandran and Mr. V.K. Viswanathan are liable to retire by rotation and offer themselves for re-election.

Mrs. Renu S Karnad, 59, holds a Bachelor Degree in Law from the University of Bombay and Masters Degree in Economics from Delhi School of Economics. She joined HDFC Ltd in 1978 in the legal and credit department and grew to become the head of lending business of HDFC Ltd. She is responsible for the lending operations of HDFC, both retail as well as corporate, framing policies and strategies for mortgage lending by HDFC, development of new retail products, expansion of branch network and other channels of distribution, budgeting and management information system, for setting goals and targets at the national, regional and branch levels, monitoring performance vis-à-vis the budgets, development of new asset and liability products, introduction of innovative and structured products, coordinating resource raising from domestic and international markets, negotiating and finalizing financing facilities from multilateral agencies such as World Bank, Asian Development Bank, Commonwealth Development Corporation (CDC) and KfW, communicating with equity analysts and international investors besides also coordinating with regulators such as the National Housing Bank and liaising on behalf of HDFC with the Government of India and the State Governments and Housing Industry etc. As a member of the Investment Committee of HDFC, she partakes in the decision making for investments by HDFC in debt, equity and other related treasury products. She is currently functioning as Managing Director in HDFC Ltd.

In 1984, she was awarded Pravin Fellow - Woodrow Wilson School of International Affairs, Princeton

University, Princeton, NJ. She has attended several senior management programs on financial management, urban planning, political science and women's studies. Mrs. Renu S Karnad is an Independent Director of the Company (appointed on 01.04.2007). She is the Chairperson of the Audit Committee, member of Shareholders' / Investors' Grievance Committee, Investment Committee and Property Committee of the Company. She does not hold any shares in the Company.

Mr. Prasad Chandran, 59, is a post-graduate in Chemistry and has a Masters degree in Business Administration. He has also received Advanced Management Education from Institutes in the US, UK and Japan. He is the Past President of the Indo German Chamber of Commerce (IGCC). He is also the co-chairman of the National Committee on Chemicals and Petrochemicals of the Confederation of Indian Industries (CII), Member of the Executive Committee of Federation of Indian Chambers of Commerce & Industry (FICCI) and Managing Committee Member of the Bombay Chamber of Commerce and Industry. He is also an active participant in a number of trade/industry delegations of the Government of India.

Mr. Chandran heads the "Million Minds" Project. This is conceptualized by him to improve governance and fight corruption. Whilst implementing the BASF Global values and principles, he addresses policy issues on corruption to raise the standards of governance in India. The "Million Minds" project sensitizes stakeholders and creates voluntary action groups in different parts of the country. He is associated with NGOs like Public Concern for Governance Trust (PCGT) and Coalition Against Corruption (CAC) etc.

Mr. Chandran is the Chairman and Managing Director of BASF India Limited. In addition to his direct responsibilities, he is a member of the BASF Human Resources Council, which oversees the personnel policies and the Sustainability Development Council, which oversees the

sustainability issues of the BASF Group in the Asia Pacific Region. Mr. Chandran is an independent Director of the Company (appointed on 01.01.2009). He is the member of Audit Committee, Shareholders' / Investors' Grievance Committee, Remuneration Committee and Share Transfer Committee of the Board. He does not hold any shares in the Company.

Mr. V. K. Viswanathan, 61, is a Bachelor of Commerce from Madras University and a Chartered Accountant. Prior to joining the Company, he was the Group Treasurer & Head of Mergers and Acquisitions with Hindustan Unilever Limited with which group he was associated in various capacities for 17 years.

Mr. Viswanathan joined the Company as Chief General Manager in August 1998. After a brief orientation in the Company, he took up an assignment in the Diesel Systems Division of Robert Bosch GmbH, Germany from September 1998. Upon completion of the assignment, he returned to the Company in November 2000. Mr. Viswanathan joined the Board as Additional Director and Joint Managing Director on 01.01.2001, responsible for Finance, Administration and IT Co-ordination. Upon assuming new responsibilities in Robert Bosch Corporation, Farmington Hills, USA (Robert Bosch North America), Mr. Viswanathan ceased to be a Director and Joint Managing Director of the Company from February 28, 2006.

Upon completion of his assignment with Robert Bosch Corporation, Farmington Hills, USA (Robert Bosch North America), he was appointed as Additional Director and Joint Managing Director with effect from 01.11.2007 and from 01.02.2008 as Managing Director responsible for Automotive Aftermarket, Starters and Generators, Packaging Machine, Power Tools and Security Technology. Mr. Viswanathan is a member of Shareholders' / Investors' Grievance Committee, Share Transfer Committee, Investment Committee and Property Committee of the Company. He does not hold any shares in the Company.

Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to the Shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company and the same will be sent by post.

Corporate Governance

A Report on Corporate Governance approved by the Board of Directors of the Company and a certificate from the Practicing Company Secretary is set out in the Annexure to the Directors' Report. The Company has fully complied with the Corporate Governance practices specified under the Companies Act, 1956, and the listing agreement with the Stock Exchanges.

A Code of Conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Rules and Regulations of Service Conduct for Managerial and Superintending Staff, Code of Business Conduct etc., effectively support the Corporate Governance processes.

A Management Discussion and Analysis Report also accompany this report.

Energy, Technology, Foreign Exchange, etc.

The report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) read with The Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out in the Annexure to the Directors' Report.

Auditors

M/s. Price Waterhouse & Co., Chartered Accountants, the retiring auditors, are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgments and estimates made 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 of the profit or loss of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Acknowledgements

The Directors express their gratitude to the Central Government and the State Governments of Karnataka, Maharashtra, Rajasthan and Goa for the support given to the Company. The Directors also thank all customers, dealers, suppliers, financial institutions and banks, members and others connected with the business of the Company for their co-operation.

For and on behalf of the Board of Directors

Bangalore
28th February 2012

Albert Hieronimus
Chairman

Financials at a glance

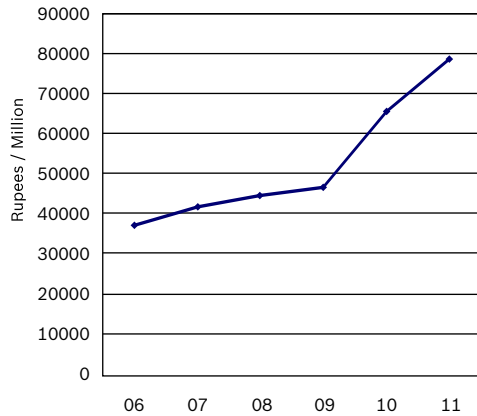
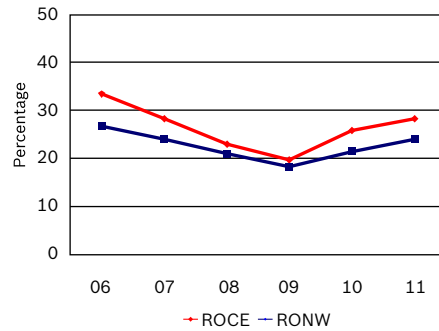
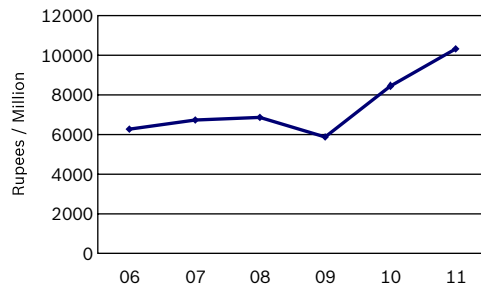
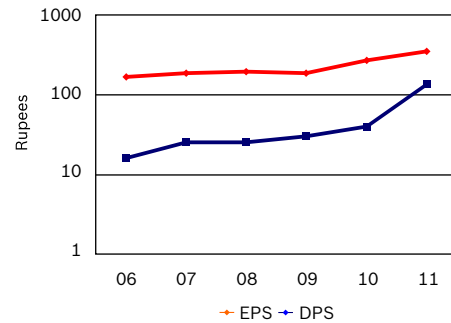
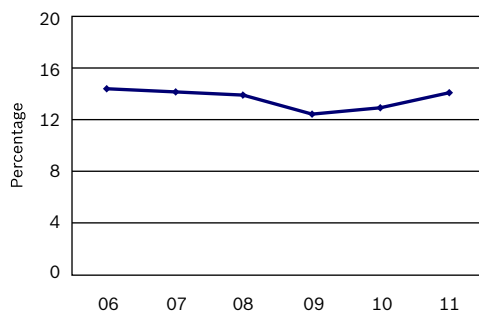
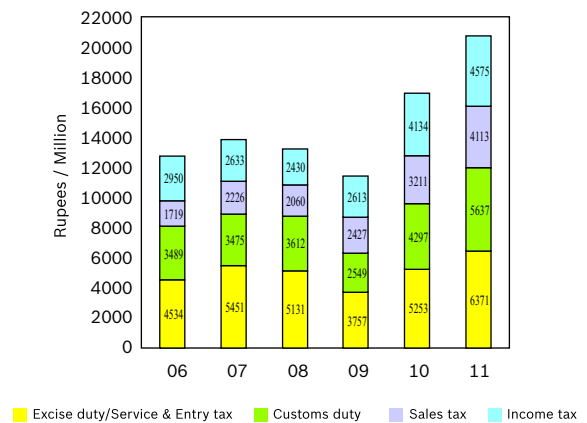
(₹ Million)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Sales	79725	66305	47498	45416	42796	37837	29775	23277	18979	15507
<i>Of which</i> export sales	10344	8461	5855	6845	6730	6270	4231	3997	3256	2490
Profit before tax	15740	12028	7934	8566	8560	7983	5290	5635	3836	2005
Less: Provision for tax on income	4514	3439	2028	2227	2468	2503	1859	1887	1486	664
Profit after tax	11226	8589	5906	6339	6092	5480	3431	3748	2350	1341
Profit before appropriation	11226	8589	5906	6339	6092	5480	3431	3748	2350	1341
Appropriations										
Capital redemption reserve	-	-	6	-	-	-	-	-	-	20
Capital reserve	-	0.6	35	-	-	-	-	-	-	-
Interim Dividend (%)	2669 (850)	-	-	-	-	385 (120)	-	-	-	10 (3)
Dividend (%)	1570 (500)	1256 (400)	942 (300)	801 (250)	801 (250)	128 (40)	385 (120)	321 (100)	208 (65)	128 (40)
Tax on dividend	255	209	160	136	136	76	57	42	27	-
Tax on interim (Special Dividend)	433	-	-	-	-	-	-	-	-	-
Tax on dividend written back	(4.8)	(3.6)	-	-	-	-	-	-	-	(10)
Tax on dividend for 2002	-	-	-	-	-	-	-	-	16	-
Dividend & tax on dividend written back relating to 2008	-	-	(15)	-	-	-	-	-	-	-
General Reserve	5000	3750	4500	5000	4800	4500	2500	2700	1700	900
Balance carried forward	1304	3377	278	402	355	391	489	685	399	293
Total	11226	8589	5906	6339	6092	5480	3431	3748	2350	1341
Paid-up Capital	314	314	314	320	321	321	321	321	321	321
Reserves	46970	40666	33538	30634	25313	20099	15208	12218	8833	6734
Net Worth	47284	40980	33852	30955	25634	20420	15528	12539	9154	7055
Gross Block	34301	30238	28712	27286	23459	21027	18290	14894	14392	14263
Net Block	6201	4360	5133	6086	4871	4488	3838	1947	1927	2290
Additions to Gross Block	4423	1776	2121	4248	2943	3177	3881	1019	680	940
Earnings per share (EPS) (₹)	358	274	187*	198*	190	171	107	117	73	42*

* Based on weighted average of the number of shares.

Previous years' figures have been recast/regrouped wherever necessary.

EPS for the years 2002 & 2003 has been changed to bring the same in line with the face value of Rs. 10 per share (upto 2003: face value of Rs. 100 per share).

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 % of Sales****Contribution to Exchequer**

Annexure to the Report of the Directors

[Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988]

A. Conservation of energy

Energy conservation initiatives received highest priority across all locations of the Company during the year 2011. The measures are not only driven by cost reasons but also because of Company's strong commitment towards reducing CO₂ emissions. Along with conservation initiatives within the Plant, the Company is looking at harnessing solar power. Two projects viz., installation of photovoltaic's and light tube to harness solar power, have yielded very good results.

a) Measures taken during the year 2011

- Optimization of Heat Treatment (HT) processes.
- "Sleep Mode" of operation for Sealed Quench Furnaces in Heat Treatment operations.
- Change over to new energy-efficient cleaning machines.
- Introduction of "Induction Lamps" for production hangars.
- Introduction of "Turbo Vent" fans in place of exhaust fans.
- Reduction in fan power by replacing heat exchangers of ventilation Plant.
- Removal of air cooled chiller on HTF (High Tension Flow) bench.
- Installation of Variable Frequency Drives (VFD).
- Modification on chilling unit, increase in chilled water temperature by 2°C.
- Change over to high energy efficient air drier and water pumps.
- Auto switch off of refrigeration.
- Air leakage corrections.
- Harnessing solar energy.

b) Additional proposals being implemented

- Optimization of cleaning media temperature in washing machines.
- Reduction in fan power by replacing heat exchangers of ventilation Plant.
- Introduction of "Turbo Vent" fans.
- Elimination of heaters and pumps in HWG system.
- Introduction of low pressure air line.
- Replacement of air operated pump by electrical pump.

- Optimization in usage of compressed air, HVAC (heating, ventilation, and air conditioning) system.

c) Impact of the above measures

During the last year 2011, the implementation of energy conservation measures has resulted in net electrical energy savings of 3.47 Mio. KWh annually.

B. Technology absorption

(a) Research and Development

1. Specific areas in which R&D was carried out.

Fuel Injection Equipment (FIE): Diesel

- Fuel efficient Common Rail system was developed for the Low Price Vehicle segment. With focus on single cylinder engines, development of fuel injection system for the forthcoming emission norms for this price sensitive market segment is in progress.
- With advance engineering department testing new concepts for FIE and Diesel powertrain is the focus for the domestic single cylinder, commercial vehicle and off-highway segments.
- To evaluate the upcoming Bharath Stage 5 norms, additional infrastructure have been invested for Exhaust Gas Treatment and FIE development.

Gasoline Systems:

- Development of Engine Management Systems (EMS) for port fuel injection (Gasoline, CNG) and all related components: Air Management, Sensors & Ignition, Fuel Supply and Fuel Injection.
- System engineering and component development capability, especially for two wheeler segment, with corporate support and local expertise for specific market requirements.
- Technical Center and Component Laboratory with state-of-the-art infrastructure and equipment.

Starters and Generators:

- Starter Motor with thermal protection for overload/abuse operations in field.
- Starter Motor and Generator for the Low Priced Vehicles.
- Gear reduction Starter Motor for the HCV and Off-highway applications.
- High efficiency Compact Generator with vacuum pump for SUVs.

Spark Plugs:

- Launch of new generation Spark Plugs: 'V' type extra long thread reach spark plugs for compact new generation engine.
- 'Y' type extra long thread reach Spark plugs: For new generation engine as primary spark plug along with two secondary spark plugs (3 wheeler spark plugs/cylinder, 2 wheeler application).

Glow Plug & Glow Control Units:

- Development of new platform Glow Plugs with higher length and reduced tip diameter.
- Development of Glow Plugs for European and American aftermarket through reverse engineering.
- Development of Glow Control Units for BS4 engine applications

2. Benefits derived

The initiatives have resulted in benefiting our customers and the end users, as enumerated below.

- The 'Value Line' Common Rail system developed for light and medium duty commercial vehicles provides injection pressure upto 1600 bar and this low cost system meets Bharat Stage 3 and Bharat Stage 4 emission norms in compliance with latest emission and legislative regulations.
- OE manufacturers are provided with the Company's products that suit the Indian requirements in order to reduce fuel consumption.
- High performance segment spark plugs.
- Design solutions for customer specific requirement for spark plugs and improvement in the business thereby.

3. Future plan of action

- Projects on energy conservation to enable reduced carbon-dioxide emissions from our Plant locations thereby reducing the carbon foot print.
- Extend the product portfolio relevant to the low price vehicle segment.
- Increase the depth of localisation.

- Increase in competencies across business sectors to take advantage of the potential in the Indian market through efficient processes and systems.
- Improve performance levels of spark plugs in terms of acceleration/drivability.

4. Expenditure on R&D

		₹ Million
a)	Capital	341
b)	Revenue	804
c)	Total	1145
d)	Total R & D expenditure as a percentage of total turnover	1.44%

(b) Technology absorption, adaptation and innovation**1. Efforts made**

The Company faced considerable challenges in the year 2011 went past. With the efficient processes and systems, Company ensured that it remained cost competitive to its customers.

The Company in its efforts to keep updated with the latest technology, made continuous exchange of information with member companies of the Bosch Group worldwide. This has enabled the Company to keep abreast with the latest developments in product technology, manufacturing process and methods, quality assurance and improvement, marketing, management systems and benefit out of mutual experience.

The Company has, over the years built the requisite infrastructure and technically competent engineers to translate the latest technical know-how into products that meet the requirements of local and international customers and will continue to do this in future.

2. Benefits derived

The benefits are the same as enumerated in B (a) 2 above.

3. Technology imported during the last 6 years

In addition to the existing technical collaborations for products in the field of Fuel Injection Equipment, Spark Plugs, Auto Electrical, Power Tools, Compact Alternators, etc., the Company has entered into technical collaborations for the following products:

Common Rail Diesel Fuel Injection system	2006
Baseline Generators	2008
Throttle Position Sensor and Assembly Lines (ATMO)	2009
Manufacturing of i) Packaging Machines, ii) Electronic Control Units	2010
Manufacturing of i) Compact Direct Starter Motor, Start-Stop Motor-SSM1, SSM-Eco, ii) Common rail Electronic control Units-EDC17, iii) Temperature Sensor TF-W and iv) VP37, product sub-class VE-EDC.	2011

4. Technology absorption

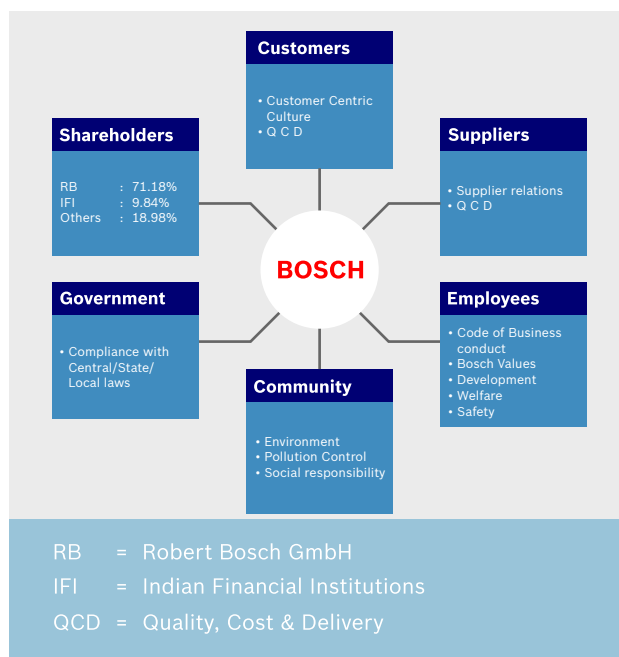
The Company's membership in the Bosch Group gives it access to the future technologies. The Company is, as a result, able to offer at any point of time state-of-the-art technology to meet the requirements of its national and international customers.

C. Foreign exchange earnings and outgo

		₹ Million
a)	Export activities:	
	Exports	10,344
b)	Total foreign exchange used and earned:	
	Foreign exchange used (including for capital assets)	33,786
	Foreign exchange earned	10,801

Report on Corporate Governance

The Company is committed to good Corporate Governance practices aimed at increasing value for all stakeholders.



Shareholders

The equity shares of the Company were listed in the year 1969 in The Bombay Stock Exchange Ltd., Mumbai, pursuant to public offer of 22,000 shares of the Company held by Central Bank of India. Since then there has been significant participation by small shareholders in the capital of the Company. The equity shares of the Company were also listed in National Stock Exchange of India Ltd., Mumbai, from the year 2003. The Company is committed to enhancing long term shareholder value and delivering speedy and efficient services to the shareholders. Buy back of shares carried out by the Company in May 2000, January 2001, February 2002 and December 2008 to October 2009; sub-division of shares in July 2004 are steps in this direction.

Customers

Customers are the primary focus of Company's business activity. Quality, Cost and Delivery are the key driving forces for achieving customer delight. The **BeQIK** initiative gives impetus to the efforts of the Company in achieving world-class quality, innovation and continuous improvement to enhance customer satisfaction.



Quality

The founder Robert Bosch's statement that "quality is the most valued asset" has remained an unwavering guideline for Company's business policies. The customers put their trust in our ability to deliver high quality in all our activities. This trust is based on our strength in implementing necessary improvements in a fundamental and lasting way. The Company firmly believes in the Bosch quality principles as laid down in our quality manual.

Suppliers

Suppliers are our partners in progress. The Company aims at a long term partnership with suppliers and recognizes the mutuality of interest. The Bosch principle of Quality, Cost and Delivery equally applies to our suppliers.

Employees

Emphasis on enhancement of employee's skill and competence in the Company continued as in the previous years. There has been significant improvement in the deployment of and understanding of various employee development tools relating to Potential Identification, Career Planning, Assessment Centres and Competency based Training and Development.

Special emphasis was laid on development of Leadership capabilities at the Middle and Senior Management levels. Bosch's long standing flagship "General Management" programme was brought to India with a tie up with Indian Institute of Management, Bangalore. Senior Leadership Workshops and personalized Executive Coaching

were other offerings made in the year. Company's focus on developing and encouraging young generation for the future leadership is evident from the awards received by the teams from the Company at the National Competition for Young Managers (NCYM) conducted by All India Management Association (AIMA).

Significant efforts and measures have been taken to integrate more women in the organization and to create an inclusive environment for them. Launch of the Gender Diversity Global Communication Initiative targeting the desired mindset change, is a key step towards the same.

In our constant endeavors to make the Company a better place to work for, necessary changes have been incorporated in the existing HR policies, such as - revision of leave policy, revision of transfer policy, extension of retirement age, modification of service award. Attrition continues to be well below market levels due to the measures taken by the Company. The Company has the strength of 12,232 employees as at the close of the year 2011.

The Company appraisal program system for managerial staff called as 'Bosch Performance Review and Employee Development (PRED)' program has attained higher maturity level through continuous communication and education through forums like Employee Development workshops etc. Introduction of Low Performance Monitoring policy was a key step towards employee development and ensuring retention of the competence edge of the Company. A high level of global orientation and working experience is given to a large number of managers by deputing them on international assignments, participation in international workshops/seminars/forums, identifying and developing high potential managers through Management Development Programs (MDP) conducted by Bosch. Achievement of "Significant Achievement Award" in HR-Excellence Assessment conducted by Confederation of Indian Industry (CII) is a major recognition for the Company at National level.

Bosch Management Services, India

Bosch Management Services, India (BMSI) which started functioning in 2010 has significantly strengthened its presence in the year 2011. The

concept of BMSI is highly innovative and is based on successfully deployed model in Germany. Bosch Group recognizes the need to mobilize all available resources and knowledge to achieve greater operating and structural efficiency in order to react more quickly to market changes. BMSI provides platform to pool systematically, the expertise and knowledge of retired employees and seamlessly deploy their talent on the projects requiring their skills. Retired employees know Bosch well; they are flexible and are available at short notice; further they require no training and are effective in short duration. BMSI leverages these realities to add value to Bosch Group.

BMSI has a pool of around 200 experts who support Bosch Group of companies to execute projects involving strategic, operational and conceptual issues. BMSI consultants through more than 200 assignments and 25,000+ consultancy days helped in resolving many critical problems in variety of functions.

BMSI offers win-win solution to the Company and retired employees, and BMSI experts have played key role in bridging capacity gaps at short notice. BMSI experts have significantly contributed in projects relating to leadership development, knowledge management project management, market establishment, quality improvement, cost optimization, supplier development and training.

Society

In keeping with Bosch philosophy, the Company's priority is to combine the pursuit of economic objectives with consideration for social and environmental factors.

The Company contributes to the society at large, more particularly in areas proximate to its works and establishments through contributions and infrastructural support to organizations who promote the cause of children, mentally and physically challenged, orphans, education, fine arts, health care, sports, etc. The Company and the employees also contribute for relief measures in times of natural calamity affecting sections of the society.

Social Responsibility

The assumption of responsibility for society and future generations has a long tradition in the

Company. Combining the pursuit of economic objectives with consideration for social and environmental factors is our priority. We accept that our actions must accord with the interests of society. Above all, we place our products and services in the interests of the safety of people, the economic use of resources, and environmental sustainability. To substantiate more on social responsibility of the Company, a report on 'Corporate Social Responsibility' is annexed to this Annual Report.

Environment, Occupational Health & Safety, Water and Energy Conservation.

Many initiatives were taken up by the Company in 2011 towards conservation of energy. The optimization of heat treatment processes, change over to new energy-efficient cleaning machines, introduction of turbo vent fans, change over to high energy efficient air drier and water pumps and harnessing solar energy have yielded good results.

The Company places its products and services in the interest of the safety of people, the economic use of resources and environmental sustainability. The Bosch slogan "invented for life" is not only the expression of a quality standard, but also an obligation for the Company to develop innovative and beneficial technology that contributes to the "Conservation of resources and minimizing impacts on environment". The Company is continuously striving to seek and find technological answers to ecological questions.

Towards the economical use of natural resources, the Company at its canteen in Bangalore Plant installed day lighting system called "Light pipe" which has replaced conventional lighting during day time hours. This has enabled bringing in bright natural light to the interiors. As a part of solar photovoltaic pilot project, solar power plants were commissioned at the Company locations in Bangalore and Jaipur. Each of these units is generating about 200 units per day. All locations are striving hard to achieve CO₂ emission reduction targets for the year 2012 and onwards.



'Light Pipe' day lighting system in central complex canteen in Bangalore Plant.

Even though the Company is not a water intensive industry, utmost care has been taken for its judicious use. As a part of continuous improvement process, objectives are taken up for water conservation. Up-gradation, automation and introduction of controls in processes have yielded substantial savings in the water consumption. Tertiary treatment processes, like reverse osmosis, treat effluents which is reused in the process thereby saving precious fresh water. All our locations have "Zero Discharge" concept.

Safety at our work places is given utmost importance. The safety release of machines & equipments and hazard assessment of chemicals are carried out to ensure accident prevention. In case some residual risks are observed, associates are provided with required personal protective equipments. Also, safety is ensured through administrative controls like operational control procedures, instructions, signages etc., "Near miss" reporting and tracking system established in our locations would greatly facilitate accident prevention.

We continuously strive for fire prevention. Installation of water mist fire protection system for furnaces, installation of gas suppression systems for battery banks in UPS facilities, early detection and gas suppression systems for fire prone machines,

introduction of fire hydrant pump performance monitoring system which would detect water loss/ leakage in the hydrant line are some of the key initiatives which would ensure prevention of fire. Plant locations have implemented “Integrated Management System” (combined system in line with ISO 14001 & OHSAS 18001 requirements). The system would ensure i) taking up objectives to minimize impacts on the environment and risk reduction; ii) supports in realizing such objectives through participation of all concerned; iii) checks the effectiveness of the system through audits by qualified auditors and iv) helps the Plant management in frequent reviews.

Bosch Environment Logo



“Blue” stands for clean water and clean air, and for objectives to minimize adverse impacts on the environment.

The “Green leaf” represents the link to nature and the careful use of resources, as well as the continuous improvement of operational processes serving to protect nature.

The circular shape symbolises nature’s cycles, and our responsibility during the development and manufacture of products, up until their disposal at the end of the life cycle.

The shape of a “Q” - the RB symbol for Quality - emphasizes that environmental protection is a feature of quality.

Bosch Safety Logo



The round shape symbolises the employee in the centre being protected.

The division into two parts signifies that there are rules and one’s own responsibility.

The combined inner and outer circular shape emphasizes the interaction between rules and one’s own responsibility.

Greenery at Bosch



Greenery at Jaipur Plant maintained by treated water

Government

The Government as a stakeholder earns revenue through income tax, service tax, customs duty, sales tax, excise duty, etc. These contributions to the exchequer was ₹11,346 million in 2009, ₹16,895 million in the year 2010 and ₹20,696 million in the year 2011, excluding tax deducted at source on salaries paid to employees, payments to contractors and to other service providers.

Risk Management

The Company has evolved a framework for systematic management of Business Risks. Towards this the Company has identified risk categories under strategic risks, operative risks, information technology risks, financial risks and global risks to which this framework is applied. This system of risk management is audited regularly by the Company’s Internal Audit Team.

Values

The Company as a constituent of the Bosch Group has always been a value driven Company. Many of these values go back to Robert Bosch, the founder. Other values have evolved over time. These values have been codified to ensure uniform and common understanding and systematic implementation across all Bosch locations and units worldwide.

Employees who know the values of the Company, who have internalized them and who live according

to them gain confidence and orientation for their daily work. This helps the employees to take better and faster decisions, to develop greater initiative and to take on greater accountability for their own actions. In the end this gives them greater empowerment and makes the Company better.

These values are:

1. *Future and Result Focus*
2. *Responsibility*
3. *Initiative and Determination*
4. *Openness and Trust*
5. *Fairness*
6. *Reliability, Credibility and Legality*
7. *Cultural Diversity*

Understanding and living the corporate culture

The 'House of Orientation' sets out how we see our future development, the principles of our approach, and the capabilities that we have and want to exploit for our continued success in the future. It also contains information on the standards and values that motivate us in our daily striving for success and improvement. 'House of Orientation' will help all associates to understand and live our corporate culture – a culture that offers orientation, reinforces cohesiveness, and creates identification.

'The House of Orientation' comprises the following modules:

- ▶ The **vision** is the overriding ideal for the Company's future. It points the way forward for a strong and meaningful development of the Bosch Group.
- ▶ As a guideline for everyday action, the **mission** gives concrete guidance on how to secure long-term profit and growth.
- ▶ Our **values** create a common basis for successful global co-operation. This vital Bosch culture enables the Company to continue to evolve in an international market environment.
- ▶ The Bosch Group has clear **core competencies**

that cross departmental boundaries. Utilizing this potential systematically across all business sectors and regions of the world will enhance our competitiveness.

- ▶ The **Bosch Business System** promotes the continuous improvement of all Company-internal processes and their practical implementation.

The 'House of Orientation' helps all associates of the Bosch Group to better understand the changes in the Company, to play their part in shaping those changes, and in this way to ensure our long-term competitiveness.

Bosch Business System (BBS)

BBS comprises following sub systems:

- ▶ **The Bosch Product Engineering System (BES)** focuses on product creation and related activities. Best-practice processes and qualified associates allow us to attain excellence in product creation and best-in-class products.
- ▶ **The Bosch Production System (BPS)** is a systematic approach to adjusting and restructuring value creating processes up to delivery to our customers. The focus of BPS is on the avoidance of waste in production and its contributory business processes.
- ▶ **The Bosch Sales and Marketing System (BSS)** starts from the requirements made of Sales and Marketing by the market. The defined goal of BSS is to achieve "sales excellence".
- ▶ **Bosch Human Resources System (BHS)**, a management and support system, is the global change initiative in Human Resources. It provides both a framework and direction for strategic and operational HR work. Its goal is to achieve systematic control and optimization of HR processes and organization worldwide.

Board of Directors, Board Meetings, etc.

The composition of the Board of Directors of the Company is governed by the provisions of The Companies Act, 1956, the Articles of Association of the Company and the Listing Agreement with the Stock Exchanges. The Board is comprised of eight Directors, both executive and non-executive and one Alternate

Director. Dr. A. Hieronimus is the non-executive Chairman. Mr. B. Steinruecke, Mr. B. Muthuraman, Mrs. Renu S Karnad and Mr. Prasad Chandran are the independent directors who constitute fifty percent (50%) of the total strength of the Board. Mr. Soumitra Bhattacharya is the Alternate Director to Dr. B. Bohr.

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, banking, financial and business administration. The Board of Directors meet as often as required but not less than four times a year and once in a calendar quarter. Agenda/Board papers are made available to the Board of Directors well in advance to enable the Board to discharge its responsibilities effectively. The Board of Directors of the Company receive a copy of minutes of all Committee meetings namely Audit Committee, Shareholders'/Investors' Grievance Committee, Remuneration Committee and Property Committee. Five Board meetings were held during the year 2011 and the gap between the two meetings did not exceed four months. The dates on which the Board meetings were held are: 28th February, 18th May, 1st June, 30th August, and 9th December.

Particulars of the directorship of Board, membership and office of the Chairman of Board Committees across all companies (as on 31.12.11) and attendance at the Board Meetings of the Company are given below.

Name of the Director	Directorships held *	Membership of Board Committees **	Chairman/Chairperson of Board Committees **	Board meetings attended in 2011
Dr. A. Hieronimus Chairman Non-Executive Director	3@	3	1	5
Dr. B. Bohr Non-Executive Director	3@@	-	-	2
Mr. B. Steinruecke Independent Non-Executive Director	5	4	1	4
Mr. B. Muthuraman Independent Non-Executive Director	10@@@	2	-	3
Mrs. Renu S Karnad Independent Non-Executive Director	17@@@@++	2	3	4
Mr. Prasad Chandran Independent Non-Executive Director	5@@@@	3	-	4
Mr. V.K. Viswanathan Managing Director	6+++	2	1	5
Dr. Manfred Duernholz Joint Managing Director	2+++	-	-	5
Mr. Soumitra Bhattacharya, Alternate Director for Dr. B. Bohr.	1#	-	-	2

- * Excludes directorship in private companies, membership of associations/ trusts etc.
- ** includes only Audit and Shareholders'/Investors' Grievance Committees
- # Also Executive Director & CFO of the Company.
- @ Including Directorship in one Foreign Body Corporate
- @@ Including Directorship in two Foreign Body Corporates
- @@@ Including Directorship in five Foreign Body Corporates
- @@@@ Including Directorship in two Foreign Body Corporates.
- @@@@@ Including Directorship in three Foreign Body Corporates
- ++ including three pvt. subsidiaries which are the subsidiaries of a public limited company.
- +++ including one pvt. subsidiary which is the subsidiary of a public limited company.

The Non Whole-time Directors do not hold any shares in the Company. Dr. Hieronimus, Chairman, holds 640 shares in the Company.

Directors furnish Notice of Disclosure of Interest as specified in Section 299(1) of The Companies Act, 1956. The Company maintains Register of Contracts, Companies and Firms in which Directors are interested as provided under Section 301(1) of The Companies Act, 1956.

Audit Committee

During the year 2011, the Audit Committee met on 28th February, 27th April, 1st June, 5th August, 30th August and 8th November. The constitution and particulars of meetings attended by members of the Committee are given below.

Name of the Director	No. of meetings attended
Mrs. Renu S Karnad Chairperson – Independent Director	4
Mr. B. Steinruecke Independent Director	5
Mr. B. Muthuraman Independent Director	3
Mr. Prasad Chandran Independent Director	6
Dr. A. Hieronimus Non-Executive Director	3

The terms of reference of the Audit Committee as per guidelines set out in the Listing Agreement with the stock exchanges read with Section 292A of The Companies Act, 1956 is set out below:

1. Chairman:
Chairman of the Audit Committee shall be an Independent Director.

2. Invitees:

The Audit Committee may invite such executives of the Company as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any of the executives of the Company. The Managing Director, Head of Internal Audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee.

3. Secretary:

The Company Secretary shall act as Secretary of the Audit Committee.

4. Frequency of meetings:

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.

5. Quorum:

The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is higher but there shall be a minimum of two independent members present.

6. Powers:

The Audit Committee shall have powers which shall include the following:

- (a) to investigate any activity within its terms of reference
- (b) to seek information from any employee
- (c) to obtain outside legal and other professional advice
- (d) to secure attendance of outsiders with relevant expertise, as the Committee considers necessary.

7. Role:

The role of the Audit Committee shall include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board the appointment, reappointment and replacement/removal of the statutory auditor and the fixation of audit fee.
- c. Approval of payment to the statutory auditors for any other services rendered by them.
- d. Review with the management the annual financial statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in Board's Report in terms of Clause 2AA of Section 217 of the

Companies Act, 1956.

- Any changes in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- e. Review with the management, performance of the statutory and internal auditors, adequacy of internal control systems.
 - f. Review with the management the quarterly financial statements before submission to the Board for approval.
 - g. Review the adequacy of internal audit function 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.
 - h. Discuss with the internal auditors any significant findings and follow up thereon.
 - i. Review 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 a material nature and reporting the matter to the Board.
 - j. Discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as hold post-audit discussions to ascertain any area of concern.
 - k. Look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - l. To review the functioning of the whistle blower mechanism, if any.
8. Review of information:
- The Audit Committee shall review the following information:
- (i) Management discussion and analysis of financial condition and results of operations;
 - (ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (iv) Internal audit reports relating to internal control weaknesses; and
 - (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Share Transfer Committee

Mr. B. Steinruecke, Mr. B. Muthuraman, Mr. Prasad Chandran and Mr. V.K. Viswanathan constitute the Share Transfer Committee.

To facilitate prompt services to the shareholders, the Company Secretary is authorized to approve transfer, transmission, consolidation, sub-division of shares and issue of duplicate share certificates not exceeding 500 shares per folio per occasion. These are processed every fortnight.

Shareholders'/Investors' Grievance Committee

During the year 2011, the Committee met on 28th February, 1st June, 30th August, and 9th December. The constitution and particulars of meetings attended by members of the Committee are given below.

Name of the Director	No. of meetings attended
Mr. B. Steinruecke Chairman, Independent Director	3
Mrs. Renu S Karnad Independent Director	3
Mr. Prasad Chandran Independent Director	3
Dr. A. Hieronimus Non-Executive Director	4
Mr. V. K. Viswanathan Managing Director	4

The Committee reviews grievances received from the shareholders/investors and action taken thereon.

Three complaints were received and resolved during the year under report. The Company did not receive any complaints from stock exchanges, investors' association and from The Securities and Exchange Board of India (SEBI). There were no complaints lying unresolved at the end of the year.

General Meetings

The Annual General Meeting of the Company will be held at Bangalore in May/June each year. During the years 2009, 2010 and 2011, Annual General Meetings were held on 28th May, 3rd June and 1st June, respectively.

Dr. A. Hieronimus, Dr. B. Bohr, Mr. B. Steinruecke, Mr. Muthuraman, Mrs. Renu S Karnad, Mr. Prasad Chandran, Mr. V.K. Viswanathan and Dr. Manfred Duernholz attended the last Annual General Meeting held on 1st June 2011.

Insider Trading and Code of Conduct for Directors and Senior Management

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

The Company observes a closed period for trading in securities of the Company by the Directors/Officers and Designated Employees of the Company for a period of seven days prior to the close of the quarter/half year/year and up to 24 hours after the date on which the results for the respective quarter/half year/year and is notified to the stock exchanges.

The Certificate by the CEO of the Company concerning 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 personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management for and in respect of the year 2011.

V.K.Viswanathan
Managing Director

Place: Bangalore
Date: 10.02.2012

CEO/CFO Certificate

A certificate from the Chief Executive Officer (Managing Director) and the Chief Financial Officer dated 10.02.2012 on the financial statements and other matters of the Company for the financial year ended 31st December 2011, was placed before the Board at its meeting held on 28.02.2012.

Subsidiary Company

The Company does not have any material non-listed Indian subsidiary. The Company's only subsidiary MICO Trading Pvt., Ltd., has not commenced its business yet. As the aggregate assets and income of the said subsidiary as on 31st December 2011 is not material, no consolidated financial statements has been prepared. However, the Annual Report of the subsidiary company is forming part of this Annual Report. The minutes of the Board meetings of the said subsidiary for each quarter were considered and taken on record by the Board of Directors of the Company at its Board Meetings held every quarter.

Mandatory/Non-mandatory requirements

The Company has complied with the requirements relating to Corporate Governance as mandated by the Listing Agreements with The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. The Company has the Remuneration Committee comprising Non-executive and Independent Directors. The Company has adopted Whistleblower Policy.

Remuneration Committee/Remuneration of Directors and particulars of appointment / re-appointment of Directors.

In September 1993, the Board of Directors set up a Remuneration Committee to decide the compensation payable to the Executive Directors. Mr. B. Muthuraman, Mr. B. Steinruecke and Mr. Prasad Chandran being Independent Directors and Dr. A. Hieronimus constitute/d the Remuneration Committee. During the year 2011, the Committee met on 28th February and 1st June. Dr. Hieronimus, Mr. B. Steinruecke and Mr. Prasad Chandran attended the meeting held on 28.02.11. Dr. Hieronimus, Mr. B. Steinruecke, Mr. B. Muthuraman and Mr. Prasad Chandran attended the meeting held 01.06.11.

The remuneration payable to the Executive Directors is approved by the shareholders at the general meeting of the Company. Remuneration of Executive Directors consists of a fixed salary and a variable bonus taking into account the economic results and individual performance. The Board of Directors determine the variable bonus from year to year. It can amount up to 180% of the base salary for Mr. V.K. Viswanathan, Dr. Manfred Duernholz and for Mr. Soumitra Bhattacharya. The payment of the annual bonus is made in one/two installment/s at the end of April or June of the following year. In addition, Executive Directors receive benefits such as company owned / leased house, services of security and garden maintenance, company car and driver, telephone at home, club membership and reimbursement of joining time expenses and similarly on their return. Mr. V. K. Viswanathan and Mr. Soumitra Bhattacharya also receive reimbursement of medical expenses, personal accident insurance cover and contribution to provident fund, gratuity and superannuation etc.

The term of Mr. V.K. Viswanathan, Managing Director,

is valid up to 31.12.12. The term of Dr. Manfred Duernholz, Joint Managing Director, which was valid up to 31.12.11, has been extended for a further period of one year from 01.01.2012 to 31.12.2012 at the Board Meeting held on 30.08.11 subject to the approval of members at the Annual General Meeting to be held on 04.06.2012. Dr. Duernholz joined the Executive Management of the Company on 01.02.2008 as Joint Managing Director responsible for powertrain business. Dr. Duernholz, 57, holds Diploma in Engineering and a graduate degree in Machine building from the Technical University of Aachen, Germany. He is also a doctorate in Engineering. He held varied technical position from 1974 to 1999 before joining the Bosch group in April 1999. He does not hold any shares in the Company.

The Board of Directors appointed Mr. Soumitra Bhattacharya, Executive Vice President of the Company as Alternate Director to Dr. Bohr with effect from 01.07.2011 at their meeting held on 01.06.2011. The Board also approved the terms of his appointment for a period of 5 years from 01.07.11 to 30.06.2016 and the remuneration at its meeting held on 30.08.2011 subject to the approval of members at the Annual General Meeting to be held on 04.06.2012. Mr. Bhattacharya, 51, Graduate in Commerce and a Chartered Accountant, articulated from M/s Price Waterhouse & Co., has over 28 years of professional experience. He joined the Company in April 1995 as Deputy General Manager responsible for corporate planning and controlling. He is currently the Executive Director & CFO responsible for all commercial functions of the Company. During his past assignments, he served as Commercial Director of Robert Bosch, Turkey. Prior to this he served as Vice President responsible for the commercial and administrative functions for the Company's Nashik and Jaipur Plants. During 1998 & 1999 he worked in Stuttgart, Germany, on deputation to Robert Bosch GmbH as General Manager in Feuerbach Plant. He is the Chairman of the Consumer Affairs Committee of ACMA and Vice Chairman of CII, Karnataka. He does not hold any shares in the Company.

The contract of employment of executive directors is terminable by observing a period of notice of twelve months to expire at the end of a calendar quarter.

Details of remuneration paid to Whole-time Directors are given below.

Particulars	Mr. V. K. Viswanathan Managing Director	Dr. Manfred Duernholz Joint Managing Director	Mr. Soumitra Bhattacharya Executive Director & CFO (w.e.f 01.07.11)
	Amount (₹)	Amount (₹)	Amount (₹)
Salary	13,500,000	16,241,596	3,048,498
Commission/ Bonus	16,722,000	15,578,812	2,264,304
Contribution to Provident & other funds	3,375,000	988,260	483,000
Other perquisites (incl. book depreciation on assets used by the Directors)	1,553,444	1,240,693	157,971
Total	35,150,444	34,049,361	5,953,773

The Board of Directors decides the remuneration of the Non Whole-time Directors. The remuneration consists of a sitting fee of ₹10,000 for Board/Committee Meetings held on the same day and ₹5,000 for each Committee Meeting held on any other day and a commission based on the profits of the Company, limited to an amount not exceeding ₹60,00,000 for all Non Whole-time Directors for or in respect of any one financial year of the Company. The amount of commission is commensurate with the activities of the Company, the responsibilities of Non Whole-time/Independent Directors under the listing agreement with the stock exchanges and under the Companies Act, 1956, and the responsibilities as member/chairman of the Board and member/chairman of committee/s of Board and all other relevant factors.

Details of remuneration paid to Non Whole-time Directors for 2011 is given below.

Particulars	Commission ₹	Sitting Fee ₹	Total ₹
Dr. A. Hieronimus	835,000	50,000	885,000
Mr. B. Steinruecke	675,000	55,000	730,000
Mr. B. Muthuraman	615,000	40,000	655,000
Mrs. Renu S Karnad	725,000	50,000	775,000
Mr. Prasad Chandran	675,000	55,000	730,000

Code of Conduct and Whistle Blower Policy

The Company has adopted a Code of Conduct for the Directors and Senior Management personnel. The code can be accessed in the Company's website at www.boschindia.com. The code also incorporates a Whistle Blower Policy. The whistle blower policy as well as the Code of Business Conduct afford to all the employees a right to draw their supervisor's attention to circumstances that appear to indicate a violation of code of business conduct. Such reporting may also be made anonymously or by speaking to the compliance officer over dedicated hotline or by email to the dedicated email address to the compliance officer.

Reconciliation of share capital

In the year 2011, an audit was carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) 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 CDS. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges, NSDL and CDS and was also placed before the Board of Directors at their meetings.

Disclosures

- (i) There are no materially significant transactions with the related party viz., Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- (ii) There are no pecuniary relationships or transactions with Non-Executive Directors of the Company except the remuneration paid to them for services rendered as Directors of the Company.
- (iii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to capital markets.

Communication to shareholders

Quarterly/half yearly/annual results and information relating to convening of Annual General Meetings and Extraordinary General Meetings are published in leading newspapers (viz: Business Line, English-all editions and Udayavani, Kannada) and/or hosted on the website of the Company and also notified to the stock exchanges as required under the Listing Agreement.

The balance sheet, profit & loss account, directors' report, auditors' report, cash flow statements, corporate governance report and quarterly/half yearly financial statements can be viewed by the shareholders and investors from the Company's website at <http://www.boschindia.com> under the section 'Shareholder Information'.

The quarterly and half yearly financial statements, shareholding pattern, etc. can be retrieved by the shareholders and investors from Corporate Filing and Dissemination System (CFDS) put in place

jointly by BSE and NSE at the URL www.corpfiling.co.in.

The Executive Management of the Company participated in the Conference call organized by financial intermediaries, post publication of audited/ unaudited, quarterly/ half yearly/ annual financial results of the Company.

Company sends notices relating to Annual General Meetings, Extraordinary General Meetings, Postal Ballot, disclosure of Directors' interest in respect of contracts appointing Managing / Joint Managing Director/s etc., to the members at their registered address.

Shareholder information

A detailed supplement containing information of importance to shareholders is given in this Annual Report.

Bangalore
February 28, 2012

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
Members
Bosch limited
Hosur Road, Adugodi
Bangalore 560 030

We have examined all relevant records of Bosch Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd., (NSE) for the period from 1st January 2011 to 31st December 2011. We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purpose of the certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in the said clause. This certificate is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has

conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the said clause 49 of the listing agreement.

We further state that it is neither an audit nor an expression of opinion on the financial statement of the Company.

For K.V. Venkata Rangan & Co.,
Company Secretaries ·

K V Venkata Rangan
Practicing Company Secretary
Membership No.934; CP No.404

Place: Bangalore

Date: February 28, 2012

Management Discussion and Analysis Report

A. Economic Overview

Global growth prospects dimmed and risks sharply escalated during the fourth quarter of 2011, as the euro zone crisis entered a perilous new phase. The global economy growth for 2010 and 2011 was 5.2% and 3.8% respectively. Forecasted growth for 2012 and 2013 is 3.3% and 3.9% respectively. Growth in emerging and developing economies is also expected to be slow due to worsening external environment and a weakening of internal demand. The emerging and developing economies growth for 2010 and 2011 was 7.3% and 6.2% respectively. Forecasted growth for 2012 and 2013 is 5.4% and 5.9% respectively. (Source: IMF)

Growth in India is moderating more than was expected earlier. The baseline projection of GDP growth for 2011-12 has been downward revised to 6.9% on the basis of the macro-economic situation prevailing. It is likely to be below potential during 2011-12, but is expected to recover at a modest pace in 2012-13. The slack in investment due to delay in implementation of key policies and reforms may keep the pace of recovery low. Inflation has started to fall, broadly in line with the projected trajectory. Nonetheless, price pressures remain, with risks emanating from suppressed domestic energy prices, the rupee depreciated over 16% in 2011, accelerating prices of imported goods & services and slippage in fiscal deficit. (Source: RBI)

Inflation, rupee depreciation, high commodity prices and hardening interest rates remain key challenges needing focused attention.

B. Industry Structure and Development

The automotive market was buoyant in the first half of the year 2011, continuing the growth saga of previous year 2010. In second half there was a decline in growth due to poor market sentiments, high fuel prices and high inflation leading to costlier loans.

Indian Automotive Industry witnessed an overall growth of 14% in 2011 over and above the high growth achieved in 2010. The first half of 2011 witnessed a healthy growth of 22% and the second half witnessed reduction in growth to 6%.

Across segments, LCV leads the pack by growing strongly at 30% in the year 2011 driven by retail sector growth and robust demand for sub 3.5tonne LCVs. Growth rate for first half and second half was 26% and

35% respectively in 2011 in comparison with 2010.

The growth in HCV segment for the first and second half of 2011 was 14% and 11% respectively in comparison with 2010.

Growth in the Passenger Cars and Utility Vehicle segment was 22% in the first half of 2011 and a negative growth of 3% in the second half of 2011 compared to 2010. The widening price differential between petrol and diesel had distorted the demand in this segment with Diesel share in Passenger cars and Utility Vehicles increasing to 37% in 2011 against 30% in 2010.

The Tractor segment continued to grow steadily with a 24% growth over 2010 backed by bumper agricultural produce registering 27% and 22% growths in first half & second half respectively.

The growth in the 3 wheeler segment for first half and second half were 22% and 10% respectively in the current year 2011 in comparison with previous year 2010.

The table below depicts the extent of growth in 2011 across various sectors in automotive segments.

Vehicle production growth rates:

Segments	+ / (-) PY				
	2007	2008	2009	2010	2011
HCV	4%	-15%	-20%	70%	13%
LCV	20%	-4%	13%	44%	30%
Cars	16%	9%	18%	29%	8%
UV's	17%	-3%	18%	35%	13%
Tractors	-1%	2%	10%	31%	24%
3 Wheelers	-1%	-6%	12%	37%	15%
Total	10%	1%	13%	34%	14%

C. Operational Highlights

The Company witnessed a good growth of 19.6% YoY in sales for the current year 2011. This is over and above the phenomenal growth in sales achieved in 2010.

The profit before tax for the year grew by 30.9% YoY. The Company was able to achieve an increase of 170 basis points in terms of profit before tax percentage and stood at 19.8%, in spite of challenging environment.

The Automotive Aftermarket business has registered a double digit growth for the sixth consecutive year. It grew by 15.2%. The growth was driven primarily by domestic spare market.

Diesel system business grew by 19.2%. The Diesel Systems business continued to drive focused

innovation on the value line CRS (for Light Commercial Vehicles) and the simplification of the CRS1-14 (for small engines). This was achieved through capacity expansion at Nashik and Bangalore Plant.

Starter Motor and Generator business witnessed a growth of 63.1% over previous year. The robust growth primarily driven by New Base Line Generator both in domestic and export market.

Packaging Technology system business grew by 40.0%. The growth was driven primarily by demand from a single largest export order. All machines were delivered in time through process improvements at the division.

Security Technology business grew by 18.4%. New projects received by the division in 2011 contributed for growth.

Power Tools business registered a growth of 22.0% with high contributions from its major business segments like Power Tools, Accessories, Spares, Fischer Fixings, etc.

Power Tools business also increased its market share in a competitive environment and received '5 Diamond Award' for consecutive years of double digit growth at the Bosch Power Tools World Convention (WoCo) 2012 in Germany.

Power Tools business launched over 100 new innovative products / variants and launched its new initiative called 'I&I' (Industrial & Institutional) supported by new marketing initiatives. The year also saw the launch of new range of Measuring Tools & Surveying Equipment under the brand name of "CST/berger"

New Division "Solar Energy" and "Thermo Technology" launched their Product and Services in 2011.

D. Results of operation

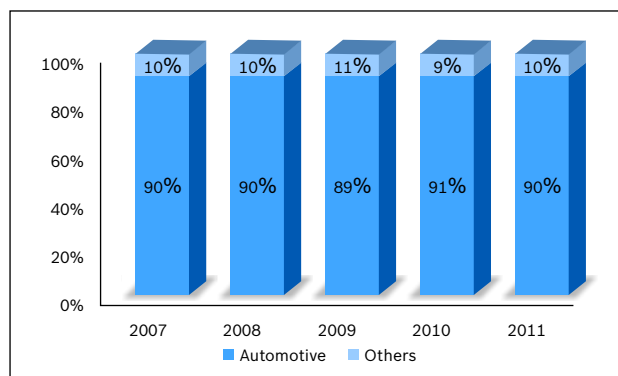
1. Sales

The sales for the year 2011 grew at the rate of 19.6% YoY and stood at TNR 79,294,704 as against sales of TNR 66,305,034 in the previous year 2010.

1.1 Segment results

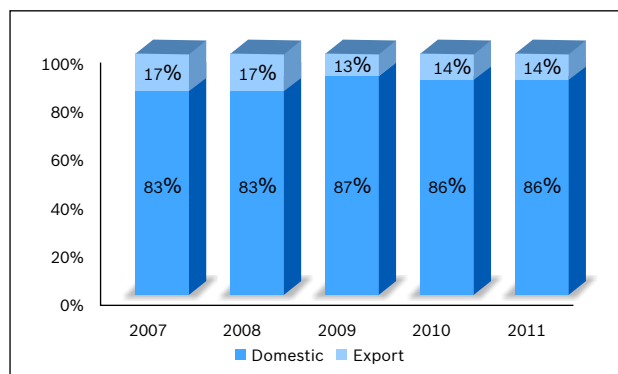
The Company predominantly operates in manufacturing and trading of automotive products and also manufactures non-automotive products (Consisting - Industrial Technology and Consumer goods & Building Technology). Hence the operations of the company can be classified as Automotive and Other segments (Primary Segment).

The share of automotive products has marginally decreased from 91% in the previous year 2010 to 90% for the year 2011.



1.2 Automotive Products

The automotive segment saw a robust growth in sales by 19.1% and stood at TNR 71,566,292 for the current year 2011.



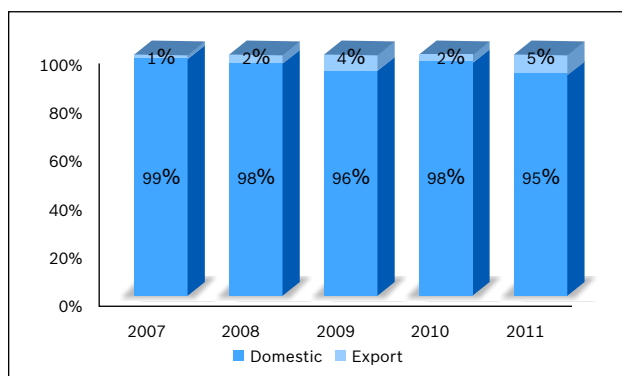
In the automotive segment 86.1% of the sales were derived from domestic sales. The share of export sales in the total sales of the segment has marginally gone up to 13.9% for the current year 2011 from 13.8% of previous year 2010.

1.3 Others

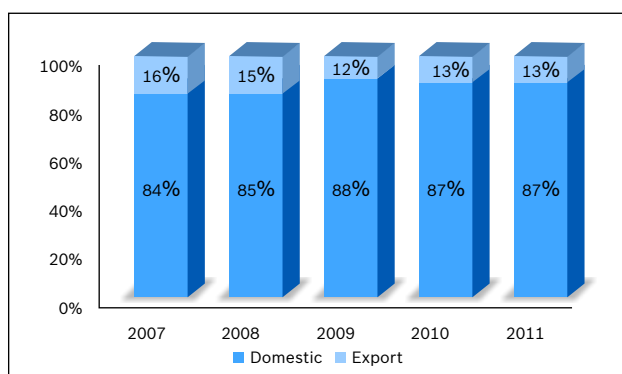
The other segment (Consisting - Industrial Technology and Consumer Goods & Building Technology) saw a healthy growth of 24.2% in sales and stood at TNR 7,728,412 as against TNR 6,222,023 of the previous year 2010.

Within the other segment, the Industrial Technology business grew by 45.5% YoY and Consumer Goods and Building Technology business grew by 21.3% YoY.

The other (Non-Automotive) segment is predominantly driven by domestic sales and accounts for 95.1% of the total sales of the segment. The export sales for other segment increased from 2.4% in the previous year 2010 to 4.9% in the current year 2011.



Below is the breakup of export and domestic sales (Secondary Segment).



The export sales for the Company grew at a healthy rate of 22.3% YoY and improved its share in overall revenue by 0.2% and stood at 13.0% for the current year 2011. The domestic sales also recorded a growth of 19.2%.

2. Interest and Other Income

For the year the income from interest on non-trade investments and deposits in banks has increased by 61.0% to TNR 1,842,460 from TNR 1,144,279 of previous year 2010. The increase in interest income is due to higher interest rates in FD which prevailed during the year and higher ICD.

Income from services increased by 32.1% to TNR

677,136 in the current year 2011 from TNR 512,449 of previous year 2010. This growth is on account of higher development receipt from third parties and rate revision with parent company for development.

The other income has increased by 3.0% YoY to TNR 2,977,884 in the current year 2011 from TNR 2,892,518 of previous year 2010. The increase is on account of sale of long term investments which is partially set off with lower provision reversal of earlier years in 2011 in comparison with 2010.

3. Cost of materials consumed

The percentage of cost of material consumed as against sales for the year 2011 has gone up by 177 basis points to 56.0% as against 54.3% of the previous year 2010. The increase in percentage is mainly due to depreciation in rupee and increasing input prices during the year basically on steel, alloys and other materials.

4. Personnel cost

Personnel cost as a percentage of sales for the year 2011 stood at 11.3%, which has come down by 80 basis points in comparison to 12.1% of previous year 2010. Sales per employee have improved by 12.9% from TNR 5,836 in the previous year 2010 to TNR 6,588 for the current year 2011.

5. Depreciation

The depreciation charge for the current year is marginally higher at TNR 2,578,404 as against a charge of TNR 2,539,651 of previous year 2010 due to additional capital investment during 2011.

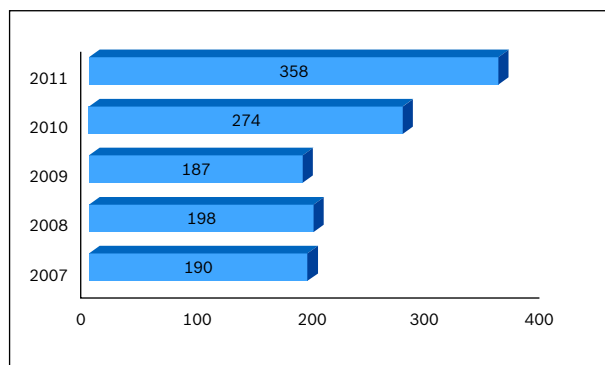
6. Profit

The profit after tax for the year 2011 is TNR 11,225,584 as compared to a profit after tax of TNR 8,589,050 of the previous year 2010, an impressive increase of 30.7% YoY.

The effective tax percentage for the current year 2011 has gone up slightly compared to previous year 2010. The tax benefit on sale of marketable securities partially offset with Nashik EOU de-bonding and lower R&D claims.

7. Earnings per Share (EPS)

The EPS (Basic and Diluted) of the Company for the year 2011 has increased impressively by 30.7% to a record INR 358 per share from INR 274 per share in the previous year 2010.



The EPS for the Company has been growing consistently at a healthy rate over the years except for a small reduction during the slowdown period of 2009.

E. Financial Condition

1. Share Capital

The Company has only one class of share equity share, with a face value of INR 10 each. Authorized share capital is TINR 380,515 divided into 38,051,460 shares of INR 10 each. Issued, subscribed and fully paid-up capital as at December 31, 2011 was TINR 313,989.

2. Reserves and Surplus - Profit and Loss account

The balance retained in profit and loss account as at December 31, 2011 is TINR 7,972,765 which includes retained profit for the year 2011 TINR 1,303,936 after a proposed dividend of INR 50 per share.

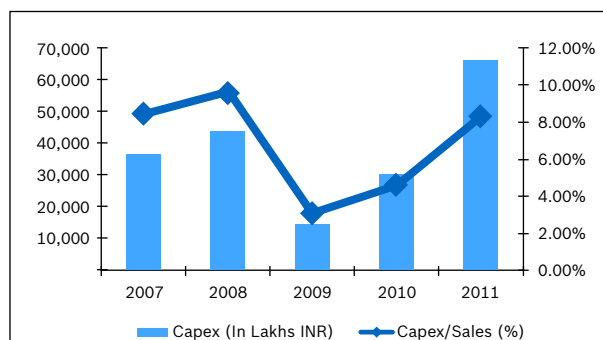
3. Shareholders funds

The total shareholder's funds increased to TINR 47,284,350 as at December 31, 2011 from TINR 40,980,414 as of the previous year 2010 end representing a growth of 15.4%, mainly because of retained profits.

4. Fixed Assets – Capital Expenditure

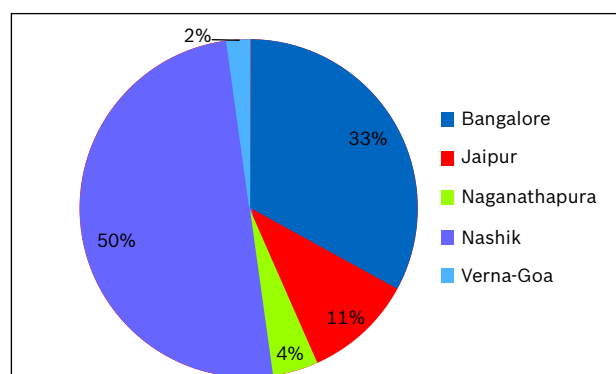
The gross fixed assets as at December 31, 2011 was TINR 34,301,409 as compared to TINR 30,237,959 of previous year 2010.

The Company has incurred a capital expenditure of TINR 6,587,236 during the year 2011, an increase of 118.0% YoY. The following graph shows the trend of capital expenditure and the trend of percentage of capital expenditure to sales.



In 2010 Company had 4.6% of its sales invested in facilities. In 2011 the investment has been scaled up and 8.3% of sales have been invested in various facilities across India.

The Plant wise capital expenditure for the year 2010 is as follows:



5. Investments

The surplus funds of the Company which are not required for immediate use are invested mainly in tax effective and low risk bearing instruments. The total investment as at December 31, 2011 amounted to TINR 16,063,646 as against TINR 16,073,030 for the previous year 2010.

6. Working Capital

6.1 Inventories

Inventory as at December 31, 2011 amounted to TINR 11,830,574 as against TINR 8,092,812 of previous year 2010. The inventory turnover ratio has increased to 46 days as at December 31, 2011 from 37 days of previous year 2010. The increase in inventory is mainly due to change in product mix (increase in sales of new generation products having higher import content) and also due to increase in sales of imported trade goods having high lead time.

6.2 Sundry Debtors

Sundry Debtors as at December 31, 2011 amounted to TNR 9,492,112 as against TNR 7,209,659 of previous year 2010. The debtors turnover ratio has increased to 38 days as at December 31, 2011 from 36 days of previous year 2010. Increase in debtors is mainly on account of tightened credit term in the market due to increase in interest rates, higher sales to OE segments where the change in credit term is between 45 to 60 days.

6.3 Cash and Cash Equivalents

Majority of the cash balance is held in the short term deposits with scheduled banks. The total balance of cash and cash equivalents as at December 31, 2011 was TNR 9,514,538 as compared to TNR 13,258,674 for the previous year 2010.

6.4 Net working capital (Net Current Asset)

Net working capital as a percentage of sales of the company stood at 27.0%, which in the previous year 2010 was 28.5%. The Company took 93 days to convert its working capital to sales revenue against 92 days in the previous year 2010.

F. Key Ratios

Ratio	2010	2011
Return On Capital Employed (%)	27.1%	29.5%
Inventory Turnover ratio (In Days)*	37	46
Debtors Turnover ratio (In Days) *	36	38
Current Ratio	2.01	2.02
Number of Days In Working Capital (Days)	92	93
No. of Employee (Average)	11,360	12,171
*Average is the simple average of opening and closing balance.		

G. Human Resource Development

Emphasis on enhancement of employee's skill and competence in the Company continued as in the previous years. Special emphasis was laid on development of Leadership capabilities at the Middle and Senior Management levels.

Significant efforts and measures have been taken to integrate more women in the organization and to

create an inclusive environment for them.

In constant endeavors to make the Company a better place to work for, necessary changes have been incorporated in the existing HR policies. Attrition continues to be well below market levels due to the measures taken by the Company. The Company has the strength of 12,232 employees as at the close of the year 2011.

Introduction of Low Performance Monitoring policy was a key step towards employee development and ensuring retention of the competence edge of the Company.

Achievement of "Significant Achievement Award" for the Company in HR-Excellence Assessment conducted by Confederation of Indian Industry (CII) is a major recognition at National level.

H. Internal Control System

The Company has an effective and reliable internal control system which is complimented by a Code of Business Conduct binding all its employees to achieve high standards in Corporate Governance. The internal control system is designed to ensure quality and reliability of underlying processes in achieving operational efficiency, reliability of financial data and safe-guarding of assets. The efficacy of internal checks and control systems are validated by self audits, verified during internal audits and reviewed by the Audit Committee. The scope of internal audit is oriented towards mitigating or eliminating risks in business processes.

The Audit Committee reviews the internal audit plan, significant audit findings and sustainability of measures for corrective actions. The internal Audit Plan is also aimed at addressing concerns, if any of Statutory Auditors of the Company.

I. Opportunities and Threats

The Company is all set to leverage the demand in the automotive sector specifically commercial vehicles and tractors. However, the passenger vehicle segment will see a moderate growth. Increased demand for safe personal mobility and increased consumer spending capability are key drivers that will boost sales in this segment.

Non-Automotive businesses are also pitched to grow in the backdrop of committed focus and spending in infrastructure related projects. The rising gap between demand and generation / supply of

electricity will continue to create additional demand for auxiliary power units powered by diesel as well as other sources of energy viz. solar. Also the change in awareness in the use of renewable source of energy provides scope for new business e.g. Solar Energy, Thermo Technology, etc.

J. Risks and Concerns

1. Regulatory risk:

The changes in the tax laws, Government policies and regulatory requirement might affect the Company's business.

2. Input Costs and Inflation:

Prices of inputs are expected to rise significantly. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials and rupee depreciation could impact the Company's profitability to the extent that the same are not absorbed by the market through price increases and/or could have a negative impact on the demand in the domestic market.

3. Currency Risk:

The operations are subject to risk arising from fluctuations in exchange rates with reference to currencies in which the Company transacts. These risks primarily relate to fluctuations of Euro and USD to INR, the management will take appropriate decisions to mitigate the risk.

4. Competition:

The Company is operating in a highly competitive market which may exert pressure both on the top line as well as the bottom line of the Company.

5. Other Risks:

There is no credit and liquidity risk foreseen by the company due to its strong financial position.

The following are the few initiatives taken by the management for mitigating the above mentioned risks;

- ✓ Continuous improvement activities and implementing lean practices/processes through the Bosch Production System (BPS).
- ✓ Retain and motivate talent by focused employee development programs.
- ✓ Enhance local engineering, development and testing capabilities to further drive the "develop locally for the local market" concept.
- ✓ Focus on cost reduction, productivity improvement and import substitution projects.

K. Outlook

The Primary outlook for 2012 shows a moderate growth of around 10% mainly due to continued poor market sentiments coupled with high interest rates and global economic concerns. The slow down seen in second half of 2011 is likely to continue into the first half of 2012 also. Slow growth is mainly attributed by poor market sentiment, high level of inflation leading to higher interest rates, external conditions, dampened investment demand and rupee depreciation. Growth outlook will depend on global conditions and domestic policy reforms.

Government spending on infrastructure projects is likely to continue at a similar pace with more focus on urban transportation, major highway projects and electricity generation, both with conventional and non-conventional sources. Increased per capita income, increased liquid fund in market, higher discretionary spending, growing aspirations of the Indian middle class, growth of retail credit are the other key drivers of the economy this year.

Disclaimer

The information and opinion expressed in this section of the Annual report consists of certain 'forward looking statements' which management believes are true to the best of its information at the time of its preparation. The company shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other person without the express prior written permission of the Company.

Report on Corporate Social Responsibility

The Company's responsibility towards Society and Environment is guided by Bosch values, Bosch principles of social responsibility, work safety and environment protection. The Bosch principles of social responsibility includes - human rights, equal opportunities, integration of handicapped people, free choice of jobs, rights of children, relations with associate representatives and their institutions, fair working conditions, occupational health and safety, clean and safe environment with social engagement.

The Company is promoting the interests of underprivileged and impaired sections of society through its contributions for the social work carried out by charitable organizations, old age homes and schools, and participates in women empowerment programs. The Company shares its best practices through information sharing sessions with other companies, Non Governmental Organizations (NGO) and professional bodies. To sustain cultural values, the Company supports cultural activities through its fine arts club. During the times of natural calamities like floods, cyclone, tsunami, earthquake etc., the Company actively supports the affected people through voluntary participation and donations.

The Company has four thrust areas focusing on the Health & Hygiene, Environment Education,

Community Development and Vocational Training. These are deployed through the social responsibility model that is communicated across the Plants through posters, visual boards and handouts and guides. This aid in generating large number of volunteers willing to do their best towards the betterment of the society that people live in. In the spirit of our founder Robert Bosch, the Company demonstrates social and environment responsibility wherever it does business.

Some of the CSR initiatives undertaken by the respective Plants during the year 2011 are summarized below.

Bangalore Plant:

Under the Child Health Development Program, the Plant organized a health check up camp for the Munichinappa Government School, Aduodi, based on need analysis of underprivileged society around the Bangalore Plant, wherein the healthy children ratio improved to 93% from 7% in 2011. The Diesel Systems Management of Bosch at Stuttgart, Germany, recognized the above project as Business Excellence examples and gave a 'Humanity Award' to the team.

In 2011, the Plant adopted 8 more Government schools covering 1,080 children within a radius of 3 kms around the Company's Plant location.



Demonstration by one of Company's volunteers on Environment Education to school children of a Government School in Wilson Garden, Bangalore.



During the year 2011, 143 houses were made ready and handed over to the villagers at Kairwadgi, near Bagalkote, Karnataka who were affected by the floods in 2010.

The health camp report revealed that there were 1,300 cases to be treated. Further referrals to the specialist doctors were resorted for chronic cases for treatment of various ailments/surgeries.

The Plant collaborated with a Government recognized NGO to implement environment education program in schools in the neighborhood. As a new initiative in 2011, awareness on four themes on water, waste segregation, noise and air pollution is given to the school children every month and at the end of each theme session, a competition was held on the above themes like drawing, painting, story writing, debate, etc and prizes were distributed. Around 1,100 children from the Government school have been covered.

The Plant which is supporting the differently abled people through the organization called 'Ability in disability Foundation (AID)' since 2009, has increased the strength of the differently abled people to 62 inside the Plant and also gave employment to 34 off-site. The work related problems of the differently abled people had been addressed by way of providing them appropriate toilet facilities and canteen facilities.

'Manasi' a social service initiative by the lady employees of Bangalore Plant was recognized for

appreciation award for CSR activities by the corporate Diesel Systems. 'Manasi' works for the upliftment of the underprivileged in the neighborhood with a focus on women & children, which continues its activities for the 8th consecutive year.

The Plant in association with Art of Living Foundation, which has involved in constructing 143 houses for the homeless in Gulbarga District of the Karnataka State, handed over officially the houses to the villagers in Kairwadgi that was hit by the North Karnataka flood.

The various activities of 'Clean Air' campaign continued in full swing and have now been spread to the Company's Nashik Plant as well. The 'Clean Air' campaign has multiplied in Bangalore which is being well appreciated by the various stakeholders like the students in colleges & schools, auto, cab & bus drivers and general public. This is mainly to bring awareness on environment pollution and various measures to reduce the same.

The Plant organized a 'Society Day' for the stakeholders on 28th November 2011. The Plant Management made a presentation to the stakeholders from officials of State Government, members representing charitable institutions,



Participation by the Company in the Emission Checking Campaign organized by Govt. of Karnataka Traffic Police Dept. and Transport Dept. Bangalore Police Commissioner- Mr. Jyothi Prakash Mirji, KSPCB Chairman- Mr. Sadashivaiah, Additional Police Commissioner- Mr. Saleem and Joint Transport Commissioner- Mr. Hemanth Kumar Inaugurated this drive.



Dr. APJ Abdul Kalam, the Former President of India, interacting with the Apprentices at the Bosch Vocational Centre during his visit to the Bangalore Plant on June 01, 2011.

NGO's etc., about the community development projects and other related activities taken up by the Plant during the year 2011. The stakeholders appreciated the efforts taken up by the Plant. The suggestions offered by the participants were recorded for future action.

The Company always emphasized on skill development and has believed in keeping in tune with the latest technology in the market. In the pursuit of improving the skill set and thereby improving the demographic dividend of India, the Company continues to offer comprehensive and exhaustive skill based training programs under the aegis of 'Bosch Vocational Centre (BVC)". The Company imparts training to students under 'Apprentices' scheme and to students under 'engineering stream' besides imparting training to its own employees at BVC. The BVC also conducts training programs for business partners, other business units and employees' children.

As a new initiative under the focus area of vocational training, CNC training and training on Power Tools was imparted to the instructors of Government ITI s. The students of these institutes were given practical training on Diesel engines by our Bosch Technical Centre and also training at Maruti Solar Automobiles. Also, computer courses were conducted by BanP/BVC

for the underprivileged youth from the neighborhood.

Nashik Plant:

The Plant organised annual health camp in which around 800 people from Dahalewadi and surrounding villages were diagnosed and treated for ailments and free medicines were provided. Eminent Specialists from different fields lent their expertise for this social cause. Further, provisions of nutritious diet to the needy and the dental health check-ups have improved the health condition. Also, health and hygiene awareness sessions were conducted on regular basis especially for girls and women not only in adopted village but also in other schools in tribal area. Guidance and help was extended to patients to take advantage of Government medical schemes. An ENT camp was conducted in a school for hearing impaired children. 132 children attended the camp. Free medicines were issued to needy.

In continuation with Income generating programs for Economic empowerment of the underprivileged in the neighborhood villages, more Self Help Groups (SHG) were formed, youngsters were trained for motor driving skills. About 300 fruit bearing trees were planted in the village to generate additional income. Renovation



Health Camp organized by the Nashik Plant at a village in Nashik



Nashik Run organized by the Nashik Run Charitable Trust in 2011

of Anganwadi School carried out in previous years, has resulted in 100 percent increase in attendance of children. The supplementary nutritious diet organized by the Plant has resulted in improved health in 2011.

Solar street lamps were provided in the neighboring villages to overcome hardships due to power shortages. Drinking water was made available to the villagers by reinstating the pumping system. The Plant undertakes tree plantation every year, across Nashik City along with Municipal Corporation. Till date a stretch of about 15 kms of roads are covered with greenery. To generate awareness about vehicular pollution and measures to reduce the same, "Clean air campaign" was started from the year 2011.

The 10th year of the well-known 'Nashik Run' was conducted by the Plant along with its neighboring corporates which had attracted 19000 participants. The funds collected and disbursed for social causes in last 10 years amounts to more than 60 million Rupees. The Nashik Run Charitable Trust works for the benefit of underprivileged members/groups such as physically and mentally challenged, old age people, orphan children, destitute ladies and adivasis of the region.

Jaipur Plant

The RO plant set up Jaipur Plant provided drinking water to 513 families in and around the Goner village. The plant's operating expenses were met with selling of water and the sale was about 8,000 liters a day. This volume has ensured the sustenance of the plant.

The Plant has also adopted an Industrial Training Institute and has got it shifted to Sanganer, which has enabled the ITI to get the much awaited NCVT accreditation. Necessary infrastructure in class rooms has been provided and the campus is being maintained by the inmates. A grant of ₹ 25 mio. has been approved by the State Government, for the development of the ITI.

The necessary improvement in the class rooms and providing furniture and black boards (glass base) was done in 2011, in 5 schools. Computer laboratory was set up in one school.

With respect to one of our key focus area of health and hygiene, a health camp covering about 300 children and 16 mothers and teachers was organized for dental health. About 95% were detected to be suffering from various levels of Fluorosis. The treatment has also been started and 65 children and 7 teachers have already been treated in 2011. Toilets in two schools have been



Installation of solar lights in neighboring villages in Nashik



RO Plant set up by Bosch at Goner village close to the Bosch Jaipur Plant provides clean drinking water to around 500 families.

improved for good hygiene.

Rain water harvesting model was displayed in the Plant premises as 'CSR corner' to demonstrate the system to all the employees. Free consultation was arranged and awareness to employ the scheme in the houses was given. Energy day was organized in the Plant to help neighboring industries to conserve energy. 200 trees were planted outside the Plant premises.

Verna Plant, Goa:

The Plant continued in 2011 the project 'Prerna' with the aim to serve the needy and those neglected by their own kith and kin. The activities of Prerna are sponsored by the contributions made by the employees of the Plant with additional support from the management. The Plant organised visit to a neighboring village in June 2011 and distributed school bags and note books to the needy students from Class I to Class VII. The Plant associates were accorded a warm welcome by the school management for the efforts taken up.

Bosch India Foundation:

With the vision of "Enabling Lives and Livelihood", in 2011, Bosch India Foundation (BIF) (www.boschindia.com/foundation) increased its reach to 7 locations in India. By the end of its 3rd

year of functioning, the Foundation had benefited 3,515 youth of various underprivileged communities through support of skill trainings and medical projects.

Enabling lives and livelihood...

In order to enable people to live life with dignity, it is important for them to become productive members of society. This will create sustainable development in the long run. Hence the vision of the Foundation created by the Bosch subsidiaries in India includes the quality of life and the importance of livelihood in sustaining life.

Enabling Lives....

BIF supports two major health projects which are aimed at correcting disabling physiological abnormalities of those children whose parents cannot afford treatment.

For the third year, the Foundation supported 20 surgeries for young children with complex orthopedic problems and helped them walk. Surgeries are conducted by Sparsh Vachana to a select set of 200 underprivileged children every year.

The Foundation also continued its support to the Gujarat Cleft and Craniofacial Research Institute (GCCRI) which conducts free corrective



Sericulture – a BIF supported skill training program that doubles the income of rural women



'Enabling Livelihood' –training in electronics that also generates self employment

surgeries for those born with facial deformity. Over 800 children mainly from poor rural localities have benefited from the support of BIF and been restored dignity.

Change starts with awareness. Health awareness and check up camps were conducted along with partners and doctors in four rural and urban slum areas to promote health and hygiene.

Enabling Livelihood.....

Over 40% of Indian youth drop out from school mainly due to financial liabilities. BIF through NGO partners provide these youth with skill trainings to become productive members of India's work-force. To ensure that the skill trainings are accessible and helpful to these underprivileged youth; they are offered free of cost, of short duration (2-6 months), high on hands-on learning, flexi-timed and market relevant.

In 2011, vocational trainings were introduced in eight new trades such as automobile service

mechanic, tractor mechanic, motor winding, AC mechanic, masonry, carpentry, tally accounting and DTP through partnership with 20 committed NGOs who are in close contact with the community and its needs. The highlight of the year was the free Automobile Mechanic training offered through the Bosch Training Centre in Ahmedabad for underprivileged youth. More such trainings using Bosch competence for social good is being planned. Yet another highlight was the vocational training support extended to 84 mentally challenged and spastics' youth across three locations in India. These trainings would help these youth to earn a livelihood through sheltered workshops.

BIF presently supports about 37 batches of students (1,588 youth) in 22 trades across 7 locations in India. BIF does its activities along with the active support and involvement of Bosch volunteers in the various locations.

Auditors' Report

To The Members of Bosch Limited

1. We have audited the attached Balance Sheet of Bosch Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
 4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2012

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Bosch Limited on the financial statements for the year ended December 31, 2011.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has granted unsecured loan to a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of the aforesaid loan amounts to ₹ 240,000,000.
- (b) In our opinion, the rate of interest and other terms and conditions of the aforesaid loan is not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loan, the party is repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
- (d) In respect of the aforesaid loan, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub clauses (f) and (g) of clause (iii) of Paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us no major weakness have been noticed or reported.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at December 31, 2011 which have not

been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Disputed Amount (TINR)	Payment made in the normal course of appeal proceedings (TINR)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty, Service Tax and interest	27,824	-	1992-94, 2002-04, 2005-11	Up to Commissioner's Level
		14,698	10,740	1998-01, 2003-06	Customs, Excise, Service Tax Appellate Tribunal
		6,466	-	2002-04	High Court
		29,016	-	1985-88, 1994-95	Supreme Court
Customs Act, 1962	Customs duty and interest	51,696	-	1991-92, 2009-10	Up to Commissioner's Level
		5,859	3,645	2009-10	Customs, Excise, Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax and interest	941	-	1979-80, 1983-84	Up to Commissioner's Level
		75,843	-	1990-94, 1995-04	High Court
State and Central Sales Tax Acts	Sales tax, interest and penalty	67,601	10,794	1993-94, 1995-10	Up to Commissioner's Level
		28,845	22,808	1996-97, 1998-99, 2000-01, 2002-05	Sales Tax Tribunal
Entry Tax Act	Entry tax and interest	6,721	-	1993-94, 1999-01	Up to Commissioner's Level
		3,478	-	1991-93	High Court

10. The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
20. The other clauses, (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner

Place : Bangalore
Date : February 28, 2012

Membership Number: F25516

Balance Sheet

as at December 31, 2011

[₹ in Thousands (TINR)]

	Schedule	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	313,989	313,989
Reserves and Surplus	2	46,970,361	40,666,425
		47,284,350	40,980,414
Loan Funds			
Secured Loans	3	181,095	30,435
Unsecured Loans	4	2,890,325	2,733,454
		3,071,420	2,763,889
Total		50,355,770	43,744,303
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		34,301,409	30,237,959
Less : Depreciation		28,100,495	25,878,075
Net Block		6,200,914	4,359,884
Capital Work-in-Progress		4,406,644	2,242,165
		10,607,558	6,602,049
Investments	6	16,063,646	16,073,030
Deferred Tax Asset [Refer Note 7 of Schedule 19]		2,276,000	2,182,000
Current Assets, Loans and Advances			
Inventories	7	11,830,574	8,092,812
Sundry Debtors	8	9,492,112	7,209,659
Cash and Bank Balances	9	9,514,538	13,258,674
Other Current Assets	10	503,094	589,214
Loans and Advances	11	11,022,277	8,370,506
		42,362,595	37,520,865
Less :			
Current Liabilities and Provisions			
Current Liabilities	12	15,271,322	13,370,518
Provisions	13	5,682,707	5,263,123
		20,954,029	18,633,641
Net Current Assets		21,408,566	18,887,224
Total		50,355,770	43,744,303
Notes on Accounts	19		

The schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus
B. Muthuraman
Renu S Karnad
Prasad Chandran
Soumitra Bhattacharya
V.K. Viswanathan
Dr. Manfred Duernholz

Place : Bangalore
Date : February 28, 2012

A. Vijay Shankar
Company Secretary

Directors

Profit and Loss Account

for the year ended December 31, 2011

[₹ in Thousands (TINR)]

	Schedule	2011	2010
INCOME			
Gross Sales		85,331,640	70,721,699
Less : Excise duty		6,036,936	4,416,665
Net Sales		79,294,704	66,305,034
Income from Services		677,136	512,449
Interest	14	1,842,460	1,144,279
Other Income	15	2,977,884	2,892,518
		84,792,184	70,854,280
EXPENDITURE			
Cost of Goods Sold	16	44,435,621	35,984,153
Operating Expenses	17	22,747,463	20,644,209
Depreciation		2,578,404	2,539,651
		69,761,488	59,168,013
Less : Expenses Capitalised		709,158	341,645
		69,052,330	58,826,368
PROFIT BEFORE TAX		15,739,854	12,027,912
Provision for Taxation			
Income tax			
- for the year		4,710,000	3,660,000
- excess reversal relating to prior years		(101,730)	(53,138)
Deferred tax (credit)/ charge		(94,000)	(168,000)
		4,514,270	3,438,862
PROFIT AFTER TAX		11,225,584	8,589,050
Profit brought forward from previous year		6,668,829	3,291,319
Profit available for Appropriation		17,894,413	11,880,369
APPROPRIATIONS			
Capital Reserve		-	623
Proposed Final Dividend		1,569,945	1,255,956
Interim Dividend		2,668,907	-
Tax on Proposed Final Dividend		254,684	208,599
Tax on Interim Dividend		432,963	-
Reversal of Dividend Distribution Tax		(4,851)	(3,638)
General Reserve		5,000,000	3,750,000
Profit carried forward		7,972,765	6,668,829
		17,894,413	11,880,369
Details of R & D Expenses/ (Income)	18		
Notes on Accounts	19		
Earnings per share - Basic and Diluted (in ₹) of face value of ₹ 10 each [Refer Note 6 of Schedule 19]		358	274

The schedules referred to above form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus
B. Muthuraman
Renu S Karnad
Prasad Chandran
Soumitra Bhattacharya
V.K. Viswanathan
Dr. Manfred Duernholz

Place : Bangalore
Date : February 28, 2012

A. Vijay Shankar
Company Secretary

Directors

Cash Flow Statement

for the year ended December 31, 2011

[₹ in Thousands (TINR)]

	2011	2010
A Cash flow from operating activities		
Profit before tax	15,739,854	12,027,912
Adjustments for :		
Depreciation	2,578,404	2,539,651
Unrealised Exchange difference	(29,639)	3,987
(Profit) / Loss on sale of fixed assets	(9,223)	(6,815)
(Profit) / Loss on sale / redemption of investments	(793,276)	-
Premium paid on investments amortised	15,573	10,097
Profit on sale of business	-	(623)
Dividend income	(193,576)	(403,653)
Interest income	(1,846,731)	(1,183,618)
Interest expense	4,271	39,339
Operating profit before working capital changes	15,465,657	13,026,277
Adjusted for :		
(Increase) / decrease in inventories	(3,737,762)	(2,581,011)
(Increase) / decrease in sundry debtors	(2,282,453)	(1,376,380)
(Increase) / decrease in loans and advances	(747,004)	(1,388,325)
Increase / (decrease) in current liabilities and provisions	1,990,821	5,205,260
Cash generated from operations	10,689,259	12,885,821
Direct taxes paid (net of refunds)	(4,683,037)	(4,026,727)
Net cash from operating activities	6,006,222	8,859,094
B Cash flow from investing activities		
Additions to fixed assets	(6,587,236)	(3,021,270)
Sale of fixed assets	12,546	15,712
Considerations received from sale of business	-	623
Purchase of investments	(8,550,000)	(12,477,680)
Sale of investments	9,493,276	10,944,114
Inter corporate deposit repayment received	7,280,000	5,438,800
Inter corporate deposit given	(7,600,000)	(6,218,800)
Inter corporate loans (given) / repayment received	(1,510,000)	(830,000)
Dividend received	37,385	30,212
Interest received	1,932,851	1,054,453
Net cash from / (used in) investing activities	(5,491,178)	(5,063,836)
C Cash flow from financing activities		
Proceeds/ (Repayment) from borrowings (Net)	307,531	(79,245)
Dividends paid	(3,924,863)	(941,967)
Tax on Dividend Distribution	(636,711)	(156,449)
Interest paid	(5,309)	(36,433)
Net cash from / (used in) financing activities	(4,259,352)	(1,214,094)
Net cash flows during the year (A+B+C)	(3,744,308)	2,581,164
Unrealised exchange gain/(loss) on cash and cash equivalents	172	(190)
Cash and cash equivalents (Opening balance as per schedule 9)	13,258,674	10,677,700
Cash and cash equivalents (Closing balance as per schedule 9)	9,514,538	13,258,674

Notes : 1) Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified under section 211(3C) of the Companies Act, 1956.

2) Conversion of Investments in mutual funds from one plan to another and dividend reinvested has not been considered above as there was no actual cash inflow/ outflow.

3) Closing balance of cash and cash equivalents includes restricted cash in the form of unclaimed dividend of TINR 19,724 (2010: TINR 9,781).

This is the Cash Flow Statement referred to in our Report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Dr. A. Hieronimus V.K. Viswanathan
B. Muthuraman Dr. Manfred Duernholz
Renu S Karnad
Prasad Chandran
Soumitra Bhattacharya

Place : Bangalore
Date : February 28, 2012

A. Vijay Shankar
Company Secretary

Directors

Schedules to Balance Sheet

SCHEDULE 1: SHARE CAPITAL

[₹ in Thousands (TINR)]

	2011	2010
<i>Authorised</i>		
38,051,460 (2010 : 38,051,460) Equity shares of ₹ 10 each	380,515	380,515
<i>Issued, Subscribed and fully Paid up</i>		
38,051,460 (2010 : 38,051,460) Equity shares of ₹ 10 each	380,515	380,515
Less: Equity Shares bought back [Refer Note 3 and 5 below]	66,526	66,526
<i>Net Issued, Subscribed and fully Paid up</i>		
31,398,900 (2010: 31,398,900) Equity shares of ₹ 10 each	313,989	313,989

Notes:

- 22,349,420 (2010 : 22,349,420) Equity shares are held by Robert Bosch GmbH (Federal Republic of Germany), the holding company.
- 3,469,558 (2010 : 3,469,558) Equity shares of ₹ 100 each were allotted as bonus shares by capitalisation of reserves and 48,000 (2010 : 48,000) Equity shares of ₹ 100 each were allotted pursuant to a contract for consideration other than cash.
- 600,000 (2010 : 600,000) Equity shares of ₹ 100 each were bought back in the years 2000, 2001 and 2002 under Section 77A of the Companies Act, 1956 and Securities Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- The Company's Equity shares of ₹ 100 each were sub-divided into Equity shares of ₹ 10 each with effect from July 16, 2004.
- 652,560 (2010 : 652,560) Equity shares of ₹ 10 each were bought back in the year 2008 and 2009 under Section 77A of the Companies Act, 1956 and Securities Exchange Board of India (Buy Back of Securities) Regulations, 1998.

SCHEDULE 2: RESERVES AND SURPLUS

[₹ in Thousands (TINR)]

	2011	2010
Capital Reserve (Refer Note 1 below)		
Opening Balance	42,615	41,992
Addition	-	623
Closing Balance	42,615	42,615
Share Premium Account	8,069	8,069
Capital Redemption Reserve	66,526	66,526
General Reserve		
Opening Balance	33,880,386	30,130,386
Addition	5,000,000	3,750,000
Closing Balance	38,880,386	33,880,386
Profit and Loss Account	7,972,765	6,668,829
	46,970,361	40,666,425

Note:

- Capital Reserve comprises of:
 - Profit on sale of Business to Bosch Rexroth (India) Limited TINR 2,600 (2010 : TINR 2,600)
 - GTZ Aid received TINR 4,001 (2010 : TINR 4,001)
 - Profit on sale of Business to Bosch Chassis Systems India Ltd TINR 2,500 (2010 : TINR 2,500)
 - Profit on sale of Business to ED Electronic Devices Wholesale Trading Pvt Ltd TINR 29,577 (2010: TINR 29,577)
 - Profit on sale of Business to Bosch Electrical Drives India Pvt Ltd TINR 3,918 (2010: TINR 3,918)
 - Others TINR 19 (2010 :TINR 19)

Schedules to Balance Sheet

SCHEDULE 3: SECURED LOANS

[₹ in Thousands (TINR)]

	2011	2010
Cash credit from Banks (Secured by hypothecation of present and future stocks of raw materials, finished goods, work-in-progress and book debts)	181,095	30,435
	181,095	30,435

SCHEDULE 4: UNSECURED LOANS

[₹ in Thousands (TINR)]

	2011	2010
Interest free Sales Tax Deferral Loan from Government of Maharashtra and Rajasthan [Amount repayable within one year : TINR 617,184 (2010: TINR 15,166)]	2,890,325	2,733,454
	2,890,325	2,733,454

SCHEDULE 5: FIXED ASSETS

[₹ in Thousands (TINR)]

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	2010	Additions	Deductions/ Adjustments	2011	2010	For the year	Deductions/ Adjustments	2011	2011	2010
Land - Freehold	67,181	-	-	67,181	-	-	-	-	67,181	67,181
- Leasehold (Refer Note 1 below)	173,061	718,790	-	891,851	12,999	901	-	13,900	877,951	160,062
Buildings (Refer Note 2 below)	2,342,009	11,774	-	2,353,783	1,396,473	90,558	-	1,487,031	866,752	945,536
Buildings - R & D*	111,240	1,826	-	113,066	111,240	1,826	-	113,066	-	-
Plant and Machinery	24,450,404	3,175,832	315,200	27,311,036	21,539,881	2,003,126	329,083	23,213,924	4,097,112	2,910,523
Plant and Machinery - R & D*	1,587,998	331,912	18	1,919,892	1,587,998	331,912	18	1,919,892	-	-
Furniture and Equipment	1,062,865	115,046	26,868	1,151,043	882,030	83,584	10,449	955,165	195,878	180,835
Furniture and Equipment - R & D*	81,851	2,441	719	83,573	81,851	2,441	719	83,573	-	-
Motor Vehicles	342,829	59,986	14,805	388,010	247,082	58,906	14,018	291,970	96,040	95,747
Motor Vehicles - R & D*	18,521	5,150	1,697	21,974	18,521	5,150	1,697	21,974	-	-
	30,237,959	4,422,757	359,307	34,301,409	25,878,075	2,578,404	355,984	28,100,495	6,200,914	4,359,884
Previous year	28,711,892	1,775,769	249,702	30,237,959	23,579,229	2,539,651	240,805	25,878,075		
Capital work-in-progress (Refer Note 3 below)									4,406,644	2,242,165
									10,607,558	6,602,049

Notes:

- 1) Registration formalities is pending completion in respect of additions during the year.
- 2) Includes TINR 1 (2010: TINR 1) being the value of shares in co-operative housing societies.
- 3) Includes capital advances TINR 1,199,681 (2010: TINR 271,183) and machinery in transit TINR 1,282,048 (2010: TINR 205,665)

* Relating to DSIR approved R & D facilities, proposed to be considered for certain Income Tax benefit.

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS

[₹ in Thousands (TINR)]

Investments (Long term, unquoted, unless otherwise stated)	Number		Amount	
	2011	2010	2011	2010
A NON - TRADE INVESTMENTS IN SUBSIDIARY COMPANY AT COST: SHARES				
MICO Trading Private Ltd. Equity Shares of ₹ 10/- each fully paid	100,000	100,000	1,000	1,000
TOTAL - A			1,000	1,000
B TRADE INVESTMENTS AT COST: SHARES				
MHB Filter India Private Ltd., Equity Shares of ₹ 10/- each fully paid	17,500,000	17,500,000	175,000	175,000
TOTAL - B			175,000	175,000
C NON-TRADE INVESTMENTS AT COST: SHARES, DEBENTURES AND BONDS				
ICICI Bank Ltd. Equity Shares of ₹ 10/- each fully paid (Quoted)	437,110	437,110	16,487	16,487
Housing Development Finance Corporation Ltd. Equity Shares of ₹ 2/- each fully paid (Quoted)	3,404,800	3,404,800	13,619	13,619
HDFC Bank Ltd. Equity Shares of ₹ 2/- each (2010: ₹ 10/- each) fully paid (Quoted) (During the year Equity shares are sub divided at 1:5)	188,500	37,700	364	364
Rural Electrification Corporation Ltd. 6.25% Capital Gains Secured Redeemable Bonds of ₹ 10,000/- each	500	500	5,000	5,000
6% Capital Gains Secured Redeemable Bonds of ₹ 10,000/- each	500	500	5,000	5,000
India Infrastructure Finance Corporation Limited 6.85% Tax Free Unsecured Bonds of ₹ 100,000/- each (Quoted)	38,000	38,000	3,832,131	3,847,706
Indian Railway Finance Corporation 6% Tax Free Secured Bonds of ₹ 100,000/- each (Quoted)	1,500	1,500	150,000	150,000
TOTAL - C			4,022,601	4,038,176
D NON-TRADE INVESTMENTS AT COST: UNITS OF MUTUAL FUNDS				
Birla Sunlife Mutual Fund				
Birla Sunlife Fixed Term Plan - Series CF - 367 Days Growth Option of ₹ 10/- each (15,000,000 Units matured during the year)	-	15,000,000	-	150,000
Birla Sunlife Fixed Term Plan - Series CG - 367 Days Growth Option Units of ₹ 10/- each (15,000,000 Units matured during the year)	-	15,000,000	-	150,000
Birla Sunlife Fixed Term Plan - Series DX - Growth Option Units of ₹ 10/- each (15,000,000 Units purchased during the year)	15,000,000	-	150,000	-
Birla Sunlife Fixed Term Plan - Series DY - Growth Option Units of ₹ 10/- each (20,000,000 Units purchased during the year)	20,000,000	-	200,000	-

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

[₹ in Thousands (TINR)]

Investments (Long term, unquoted, unless otherwise stated)	Number		Amount	
	2011	2010	2011	2010
Deutsche Mutual Fund				
Deutsche Fixed Term Plan - Series 71 - Growth Option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
Deutsche Fixed Term Plan - Series 72 - Growth option Units of ₹ 10/- each (15,000,000 units matured during the year)	-	15,000,000	-	150,000
Deutsche Fixed Term Plan - Series 73 - Growth option of ₹ 10/- each (35,000,000 units matured during the year)	-	35,000,000	-	350,000
Deutsche Fixed Term Plan - Series 75 - Growth option of ₹ 10/- each (10,000,000 units matured during the year)	-	10,000,000	-	100,000
Deutsche Fixed Term Plan - Series 77 - Growth option of ₹ 10/- each (30,000,000 units matured during the year)	-	30,000,000	-	300,000
DWS Ultra Short Term - Institutional Fund - Growth option Units of ₹ 10/- each of Liquid Fund	23,219,095	23,219,095	250,000	250,000
DWS Fixed Term Fund Series 81 - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
DWS Fixed Term Fund Series 80 - Growth option Units of ₹ 10/- each (30,000,000 units purchased during the year)	30,000,000	-	300,000	-
DWS Fixed Term Fund - Series 88 - Growth option Units of ₹ 10/- each (25,000,000 units purchased during the year)	25,000,000	-	250,000	-
DWS Fixed Term Fund - Series 92 - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
DWS Fixed Term Fund - Series 95 - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
Fidelity Mutual Fund				
Fidelity Fixed Maturity Plan Series 3 - Plan F - Growth option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
Fidelity Fixed Maturity Plan Series 5 - Plan E - Growth Option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
Fidelity Fixed Maturity Plan Series 6 - Plan C - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
Franklin Templeton Fund				
Templeton India Income Opportunities Fund Fixed Term Plan - Growth option Units ₹ 10/- each (262,141,598 units matured during the year)	-	262,141,598	-	2,700,000
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Units of ₹ 10/- each of Liquid Fund (15,601,028 units re-invested during the year)	231,236,268	215,635,240	2,315,045	2,158,854
Templeton India Ultra short bond fund Super Institutional Plan - Growth Unit of ₹ 10/- each of Liquid Fund	21,220,970	21,220,970	250,000	250,000

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

[₹ in Thousands (TINR)]

Investments (Long term, unquoted, unless otherwise stated)	Number		Amount	
	2011	2010	2011	2010
HDFC Mutual Fund				
HDFC Fixed Maturity Plan 13 M March 10 - Series XII - Growth option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
HDFC Fixed Maturity Plan 13 M March 10(2) - Series XII - Growth option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
HDFC Fixed Maturity Plan 370 D June 2010 (1) Series - XV - Growth option Units of ₹ 10/- each (37,500,000 units matured during the year)	-	37,500,000	-	375,000
HDFC Fixed Maturity Plan 370 D August 2010 (1) Series - XV - Growth option Units of ₹ 10/- each (35,000,000 units matured during the year)	-	35,000,000	-	350,000
HDFC Cash Management - Treasury Advantage Plan - Wholesale - Growth option Units of ₹ 10/- each of Liquid Fund	12,452,990	12,452,990	250,000	250,000
HDFC Fixed Maturity Plan 370 D May 2011 (1) Series - XVIII - Growth option Units of ₹ 10/- each (50,000,000 units purchased during the year)	50,000,000	-	500,000	-
HDFC Fixed Maturity Plan 375 D July 2011 (2) Series - XVIII - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
HDFC Fixed Maturity Plan 370 D October 2011 (1) Series - XIX - Growth option Units of ₹ 10/- each (75,000,000 units purchased during the year)	75,000,000	-	750,000	-
HDFC Fixed Maturity Plan 370 D December 2011 (2) Series - XIX - Growth option Units of ₹ 10/- each (15,000,000 units purchased during the year)	15,000,000	-	150,000	-
ICICI Prudential Mutual Fund				
ICICI Prudential Fixed Maturity Plan Series 51- 14 Months Plan D Institutional - Growth option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
ICICI Prudential Fixed Maturity Plan Series 51- 13 Months Plan C Institutional - Growth option Units of ₹ 10/- each (30,000,000 units matured during the year)	-	30,000,000	-	300,000
ICICI Prudential Fixed Maturity Plan Series 51- 1 Year Plan B - 371 Days Institutional Growth option Units of ₹ 10/- each (25,000,000 units matured during the year)	-	25,000,000	-	250,000
ICICI Prudential Annual Interval Fixed Maturity Plan 1 Institutional - Growth option Units of ₹ 10/- each (52,463,276 units matured during the year)	-	52,463,276	-	525,000
ICICI Prudential Fixed Maturity Plan Series 53 - 1 Year Plan A Cumulative - Growth option Units of ₹ 10/- each (15,000,000 units matured during the year)	-	15,000,000	-	150,000
ICICI Prudential Annual Interval Fixed Maturity Plan - III - Institutional - Growth option Units of ₹ 10/- each (29,994,601 units matured during the year)	-	29,994,601	-	300,000
ICICI Prudential Fixed Maturity Plan - Series 53 - 1 Year Plan D Cumulative - Growth option Units of ₹ 10/- each (40,000,000 units matured during the year)	-	40,000,000	-	400,000
ICICI Prudential Fixed Maturity Plan Series 54 - 1 year Plan C Cumulative - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
ICICI Prudential Fixed Maturity Plan Series 54 - 1 year Plan C Cumulative - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
ICICI Prudential Fixed Maturity Plan Series 54 - 1 year Plan C Cumulative - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
ICICI Prudential Fixed Maturity Plan Series 56 - 1 year Plan E Cumulative - Growth option Units of ₹ 10/- each (25,000,000 units purchased during the year)	25,000,000	-	250,000	-
ICICI Prudential Fixed Maturity Plan Series 55 - 1 year Plan G Cumulative - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
ICICI Prudential Fixed Maturity Plan Series 57 - 1 year Plan A Cumulative - Growth option Units of ₹ 10/- each (30,000,000 units purchased during the year)	30,000,000	-	300,000	-
ICICI Prudential Fixed Maturity Plan Series 59 - 1 year Plan B Cumulative - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
ICICI Prudential Fixed Maturity Plan Series 59 - 1 year Plan F Cumulative - Growth option Units of ₹ 10/- each (15,000,000 units purchased during the year)	15,000,000	-	150,000	-
ICICI Flexible Income Plan Premium - Growth option Units of ₹ 100/- each of Liquid Fund	1,467,910	1,467,910	250,000	250,000

Schedules to Balance Sheet

SCHEDULE 6: INVESTMENTS (Contd.)

[₹ in Thousands (TINR)]

Investments (Long term, unquoted, unless otherwise stated)	Number		Amount	
	2011	2010	2011	2010
IDFC Mutual Fund				
IDFC Fixed Maturity Plan Yearly Series 33- Growth option Units of ₹ 10/- each (35,000,000 units matured during the year)	-	35,000,000	-	350,000
IDFC Fixed Maturity Plan Yearly Series 34- Growth option Units of ₹ 10/- each (10,000,000 units matured during the year)	-	10,000,000	-	100,000
IDFC Fixed Maturity Plan - Yearly Series 46 - Growth option Units of ₹ 10/- each (25,000,000 units purchased during the year)	25,000,000	-	250,000	-
IDFC Fixed Maturity Plan - Yearly Series 52 - Growth option Units of ₹ 10/- each (45,000,000 units purchased during the year)	45,000,000	-	450,000	-
IDFC Fixed Maturity Plan - Yearly Series 53 - Growth option Units of ₹ 10/- each (25,000,000 units purchased during the year)	25,000,000	-	250,000	-
IDFC Fixed Maturity Plan - Yearly Series 59 Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
Tata Mutual Fund				
Tata Fixed Horizon Fund - Fixed Maturity Plan Series 27 Scheme A - Growth option Units of ₹ 10/- each (45,000,000 Units matured during the year)	-	45,000,000	-	450,000
Tata Fixed Maturity Plan Series 34 Scheme B - Growth option Units of ₹ 10/- each (45,000,000 Units purchased during the year)	45,000,000	-	450,000	-
Tata Fixed Maturity Plan Series 34 Scheme C- Growth option Units of ₹ 10/- each (10,000,000 units purchased during the year)	10,000,000	-	100,000	-
Tata Fixed Maturity Plan Series 36 Scheme C- Growth option Units of ₹ 10/- each (40,000,000 units purchased during the year)	40,000,000	-	400,000	-
Tata Fixed Maturity Plan Series 37 Scheme C- Growth option Units of ₹ 10/- each (25,000,000 units purchased during the year)	25,000,000	-	250,000	-
State Bank Mutual Fund				
SBI Debt Fund Series 6 - 367 Days - Growth option Units of ₹ 10/- each (40,000,000 units purchased during the year)	40,000,000	-	400,000	-
SBI Debt Fund Series 7 - 367 Days - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
SBI Debt Fund Series 9 - 367 Days - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
SBI Debt Fund Series 11 - 367 Days - Growth option Units of ₹ 10/- each (20,000,000 units purchased during the year)	20,000,000	-	200,000	-
TOTAL - D			11,865,045	11,858,854
Total - (A+B+C+D)			16,063,646	16,073,030
Notes:				
1. Aggregate of quoted Investments				
Cost			4,012,601	4,028,176
Market Value			6,602,617	7,158,995
2. Aggregate of unquoted Investments				
Cost			12,051,045	12,044,854

Schedules to Balance Sheet

SCHEDULE 7: INVENTORIES

[₹ in Thousands (TINR)]

	2011	2010
Raw materials and components	3,285,593	2,062,028
Work-in-progress	1,513,383	988,643
Finished goods	2,641,233	1,627,892
Trade goods	3,707,905	3,147,387
Stores and spares	322,614	115,289
Loose tools	359,846	151,573
	11,830,574	8,092,812

Inventory includes Goods in Transit TINR 2,086,126 (2010: TINR 1,790,664)

SCHEDULE 8: SUNDRY DEBTORS

[₹ in Thousands (TINR)]

	2011	2010
<i>Unsecured, considered good</i>		
Debts outstanding for a period exceeding six months	261,295	325,245
Other debts	9,230,817	6,884,414
	9,492,112	7,209,659
<i>Unsecured, considered doubtful</i>		
Debts outstanding for a period exceeding six months	266,024	290,652
Other debts	-	-
	266,024	290,652
	9,758,136	7,500,311
Less: Provision for doubtful debts	(266,024)	(290,652)
	9,492,112	7,209,659

SCHEDULE 9: CASH AND BANK BALANCES

[₹ in Thousands (TINR)]

	2011	2010
Cash on hand [including Cheques on hand and remittance in transit TINR 374,923 (2010: TINR 280,270)]	375,424	281,113
Balances with Scheduled Banks		
In current accounts	92,286	97,780
In dividend accounts	19,724	9,781
In deposit accounts	9,027,104	12,870,000
	9,514,538	13,258,674

Schedules to Balance Sheet

SCHEDULE 10: OTHER CURRENT ASSETS
(Unsecured considered good)

[₹ in Thousands (TINR)]

	2011	2010
Interest accrued on Investments	243,553	242,068
Interest accrued on Deposits	259,541	347,146
	<u>503,094</u>	<u>589,214</u>

SCHEDULE 11: LOANS AND ADVANCES [Refer Note 10 of Schedule 19]
(Unsecured considered good, unless otherwise stated)

[₹ in Thousands (TINR)]

	2011	2010
Advances recoverable in cash or in kind or for value to be received		
Secured	159,617	150,920
Unsecured*	<u>2,899,689</u>	<u>2,217,436</u>
*[Includes due from subsidiary, MICO Trading Private Ltd TINR 132 (2010: TINR 132)]	3,059,306	2,368,356
Inter corporate deposit	3,600,000	3,280,000
Other deposits	278,769	252,337
Inter corporate loan	3,140,000	1,630,000
Advance Tax		
[Net of Provision TINR 12,700,824 (2010: TINR 10,712,105)]	350,864	276,097
Balances with Customs, Port Trust and Excise Authorities etc.	<u>593,338</u>	<u>563,716</u>
	<u>11,022,277</u>	<u>8,370,506</u>

SCHEDULE 12: CURRENT LIABILITIES

[₹ in Thousands (TINR)]

	2011	2010
Sundry creditors		
Dues of		
- Micro Enterprises and Small Enterprises [Refer Note 26 of Schedule 19]	106,525	72,192
- Others	<u>11,666,367</u>	<u>9,858,937</u>
	11,772,892	9,931,129
Advance from customers	508,152	381,515
Unclaimed dividend #	19,724	9,781
Other liabilities	<u>2,970,554</u>	<u>3,048,093</u>
	<u>15,271,322</u>	<u>13,370,518</u>

There is no amount due to be credited to Investor Education and Protection Fund.

SCHEDULE 13: PROVISIONS

[₹ in Thousands (TINR)]

	2011	2010
Proposed Final dividend (including dividend distribution tax)	1,824,629	1,464,555
Employee Benefits	1,887,648	1,703,771
Trade demand and Others	901,126	1,067,243
Warranty	<u>1,069,304</u>	<u>1,027,554</u>
	<u>5,682,707</u>	<u>5,263,123</u>

Schedules to Profit and Loss Account

SCHEDULE 14: INTEREST

[₹ in Thousands (TINR)]

	2011	2010
Interest income :		
Non trade Investments (Gross) [Tax deducted at source Nil; (2010 : Nil)]	270,052	204,826
Banks and other accounts (Gross) [Tax deducted at source TINR 135,268 (2010:TINR 103,211)]	1,576,679	978,792
	1,846,731	1,183,618
Less : Interest expense :		
Banks and other accounts	4,271	39,339
	4,271	39,339
	1,842,460	1,144,279

SCHEDULE 15: OTHER INCOME

[₹ in Thousands (TINR)]

	2011	2010
Sale of scrap	207,438	173,567
Dividend from non-trade investments		
- Current	-	230,793
- Long term	193,576	172,860
	193,576	403,653
Profit on sale/redemption of investments (Net)		
- Long term	793,276	-
Rent	342,266	312,388
Custom duty rebate	293,102	89,234
Provisions/Liabilities no longer required written back	834,553	1,569,193
Miscellaneous income	286,564	242,547
Exchange Gain(Net)	17,886	95,121
Profit on sale of fixed assets (Net)	9,223	6,815
	2,977,884	2,892,518

SCHEDULE 16: COST OF GOODS SOLD

[₹ in Thousands (TINR)]

	2011	2010
Raw materials and components		
Opening stock	2,062,028	1,530,799
Purchases	28,652,271	22,183,091
	30,714,299	23,713,890
Less : Closing stock	3,285,593	2,062,028
	27,428,706	21,651,862
Trade goods		
Opening stock	3,147,387	1,786,476
Purchases	19,105,514	16,280,016
	22,252,901	18,066,492
Less : Closing stock	3,707,905	3,147,387
	18,544,996	14,919,105
Change in the value of work-in-progress and finished goods		
Opening stock		
Work-in-progress	988,643	832,124
Finished goods	1,627,892	1,197,597
	2,616,535	2,029,721
Closing stock		
Work-in-progress	1,513,383	988,643
Finished goods	2,641,233	1,627,892
	4,154,616	2,616,535
	(1,538,081)	(586,814)
	44,435,621	35,984,153

Schedules to Profit and Loss Account

SCHEDULE 17: OPERATING EXPENSES

[₹ in Thousands (TINR)]

	2011	2010
Personnel costs		
Salaries, wages, bonus, separation costs etc.	7,480,228	6,312,895
Contributions to provident and other funds	644,434	678,753
Welfare	836,702	1,033,071
	8,961,364	8,024,719
Tools consumed	1,357,766	1,193,655
Stores consumed	743,933	637,543
Power	1,009,847	865,410
Repairs and maintenance		
Machinery	821,481	855,236
Buildings	511,540	509,737
Others	226,825	255,831
	1,559,846	1,620,804
Royalty and technical service fee	1,290,648	1,214,212
Rent	224,127	185,947
Rates, taxes and licences	177,536	232,053
Commission on sales	41,199	37,838
Insurance	58,969	44,640
Packing, freight and forwarding	1,636,714	1,356,926
Warranty and service expenses	330,497	824,615
Travelling and conveyance	797,056	649,802
Legal and other professional expenses	1,103,451	775,628
Advertisement and Sales Promotion expenses	934,262	996,588
Miscellaneous expenses (Refer Note 15 of Schedule 19)	2,520,248	1,983,829
	22,747,463	20,644,209

SCHEDULE 18: R & D EXPENSES/(INCOME)*

[₹ in Thousands (TINR)]

	2011	2010
R & D Expenses:		
Materials Consumed	54,935	17,568
Employee Cost	446,679	350,598
Other Expenses	302,847	277,905
	804,461	646,071
R & D Income:		
Income from services	(659,323)	(376,808)
Other Income	(248)	(75)
	(659,571)	(376,883)

* Relating to DSIR approved R & D facilities, proposed to be considered for certain Income Tax benefit.

Notes on accounts

SCHEDULE 19 : NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011.

1. Significant accounting policies :

(a) Accounting basis and convention:

The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principle in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition:

Sale of goods is recognised on despatch of goods to customers and is recorded net of trade discounts, claims, etc., as considered appropriate.

Interest on investments and deposits is recognised on a time proportion basis. Dividend income is accounted for when it is declared.

Income from services is recognised on rendering of services based on agreements/ arrangements with the concerned parties.

(c) Fixed assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.

(d) Investments:

Current Investments are stated at lower of cost and fair value. Long term Investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments. Premium paid on acquisition of government bonds is amortised over the residual period of such bonds.

(e) Depreciation:

(i) Depreciation on fixed assets is provided using the written down value method based on the useful life as estimated by the management. The estimated useful life for various fixed assets is given below :

		Useful life (in years)
Buildings :		
Residential	:	59
Factory/Office	:	29
Plant and Machinery :		
General	:	6
Data Processing Equipment	:	3
Furniture and Equipment	:	8
Motor Vehicles	:	5

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

(ii) In respect of assets which are not directly connected with the production activity such as Research and Development assets, pollution control and energy saving devices and low value assets not exceeding ₹ 15,000/- per unit, depreciation is provided at 100% in the quarter of addition.

(iii) Cost of application software is expensed off on purchase.

(iv) 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.

(v) The aggregate depreciation so provided in the accounts is not less than the depreciation which would have been provided had the rates specified in Schedule XIV of the Companies Act, 1956, been adopted.

(vi) Cost of leasehold land is amortized over the lease term.

Notes on accounts

(f) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. In case of work-in-progress and finished goods, appropriate overheads are included. Obsolete / slow moving inventories are adequately provided for. Excise duty on finished goods lying in factories and customs duty on raw materials in bonded warehouses are considered for valuation of inventories, as applicable. Purchased goods in transit are accounted at cost.

(g) Employee Benefits:

(i) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and 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. Such contributions are recognised as expenses in the period in which the employee renders related service. In respect of certain employees, Provident Fund contributions are made to Trusts administered by the Company, which is in nature of defined benefit plan. The interest rate 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. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity. The cost of providing 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 Profit and Loss Account.

(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, mainly including long term compensated absences, service awards, death relief benefits are determined based on actuarial valuation carried out at each balance sheet date. Estimated liability on account of long term benefits and defined benefit plans is discounted to the present value, using the yield on government bonds as the discounting rate, as on the date of the balance sheet. Actuarial gains and losses in respect of the same are charged to the Profit and Loss Account.

(h) Foreign currency transactions:

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 are recognised in the Profit and Loss Account.

Forward exchange contracts outstanding as at the year end on account of firm commitment/ highly probable forecast transactions are marked to market and the resultant loss, if any, is recognised in the Profit and Loss Account.

(i) 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. Operating lease expense/ income is recognised in the Profit and Loss Account on a straight line basis over the lease term.

(j) Income Tax :

(i) Current Taxation:

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Notes on accounts

(ii) Deferred Taxation:

Deferred income tax is provided, on all timing differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

(k) 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 recoverable amount an impairment loss is recognised in the Profit and Loss Account to the extent the carrying amount exceeds recoverable amount.

(l) Provisions:

Provisions are recognised when the Company has a present 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.

(m) Research and Development:

Capital expenditure on Research & Development is capitalized as fixed assets and depreciated in accordance with depreciation policy of the Company. Revenue expenditure incurred in research phase is expensed as incurred. Development expenditure is capitalized as an internally generated intangible asset only if it meets the recognition criteria under Accounting Standard 26 on Intangible Assets, which inter-alia includes demonstration of technical feasibility, generation of future economic benefits etc. Expenditure that cannot be distinguished between research phase and development phase is expensed as incurred.

2. Disclosure on Retirement Benefits as required in Accounting Standard (AS) 15 on "Employee Benefits" are given below:

(a) Post Retirement Benefit- Defined Contribution Plans

The Company has recognised an amount of TINR 222,990 (2010:TINR 213,526) as expense under the defined contribution plans in the Profit and Loss Account.

(b) Post Retirement Benefit- Defined Benefit Plans

The Company makes annual contributions to the Mico Employees' Gratuity Fund and makes monthly contributions to Mico Workmen (Bangalore Works & Sales Houses) Provident Fund Trust, a funded defined benefit plan 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.

[₹ in Thousands (TINR)]

	Provident Fund		Gratuity	
	2011	2010	2011	2010
(i) Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:				
Obligations at the beginning of the year	4,061,953	3,450,277	2,290,943	1,990,261
Service Cost	193,677	227,743	215,604	247,803
Contributions from Plan Participants	516,592	502,522	-	-
Interest Cost	348,304	264,053	200,779	156,893
Benefits Settled	(383,817)	(380,735)	(120,142)	(106,629)
Actuarial (gain)/loss	46,152	(1,907)	(4,353)	(191)
Past Service Cost	-	-	-	2,806
Obligations at the end of the year	4,782,861	4,061,953	2,582,831	2,290,943

Notes on accounts

[₹ in Thousands (TINR)]

	Provident Fund		Gratuity	
	2011	2010	2011	2010
(ii) Change in Plan Assets:				
Plan assets at fair value at the beginning of the year	4,270,586	3,645,928	2,014,099	1,825,054
Expected return on plan assets	373,242	317,700	185,548	150,264
Actuarial gain/(loss)	318	(1,666)	17,814	(21,343)
Asset distributed on settlements	-	-	-	-
Contributions	729,368	689,359	215,340	166,753
Benefit Settled	(383,817)	(380,735)	(120,142)	(106,629)
Plan assets at fair value at the end of the year	4,989,697	4,270,586	2,312,659	2,014,099

(iii) Reconciliation of present value of the obligation and the fair value of the plan assets:				
Present value of obligation at the end of the year	4,782,861	4,061,953	2,582,831	2,290,943
Fair value of plan asset at the end of the year	4,989,697	4,270,586	2,312,659	2,014,099
(Surplus)/ Deficit recognised in the Balance Sheet (*)	(206,836)	(208,633)	270,172	276,844

(*) Surplus relating to Provident Fund is not recognised in the Balance Sheet as the plan assets belong to the Trusts.

(iv) Expenses recognised in the Profit and Loss Account:				
Service Cost	193,677	227,743	215,604	247,803
Interest Cost	348,304	264,053	200,779	156,893
Expected return on plan assets	(373,242)	(317,700)	(185,548)	(150,264)
Actuarial (gain)/ loss	45,834	(241)	(22,167)	21,152
Past Service Cost	-	-	-	2,806
Net Cost	214,573	173,855	208,668	278,390

	Provident Fund		Gratuity	
	2011	2010	2011	2010
(v) Investment Details:	% Invested	% Invested	% Invested	% Invested
Government of India Securities	29.69	32.56	17.79	21.99
State Government Securities	20.17	20.70	34.66	29.78
Public Sector Securities	39.36	41.17	34.82	32.88
Private Sector Securities	3.40	3.95	-	0.62
Treasury Bills	-	-	0.42	0.71
Special Deposit Scheme	7.38	1.62	12.31	14.02
Total	100.00	100.00	100.00	100.00

(vi) Actual Return on Plan Assets	9.17%	8.36%	9.86%	6.95%
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Notes on accounts

[₹ in Thousands (TINR)]

	Provident Fund		Gratuity	
	2011	2010	2011	2010
(vii) Assumptions:				
Discount factor (Note 1 below)	9.0%	8.1%	9.0%	8.1%
Estimated Rate of return on plan assets (Note 2 below)	8.4%	8.4%	9.0%	8.1%
Attrition rate	2.0%	2.0%	2.0%	2.0%
Rate of escalation in salary per annum (Note 3 below)	9.3%	9.3%	9.3%	9.3%
Retirement Age	60	58 / 60	60	58 / 60

(viii) As per the best estimate of the management, contribution expected to be paid to the Mico Employees Gratuity Fund is TINR 228,378 (2010:TINR 199,112) and to the Provident Fund Trusts is TINR 236,030 (2010: TINR 186,836) plans during the year ending December 31, 2012.

(ix) Net Asset/ (Liability) recognised in Balance Sheet in respect on Gratuity (including experience adjustment impact):

	2011	2010	2009	2008	2007
Present value of defined benefit obligation	2,582,831	2,290,943	1,990,261	1,787,694	1,622,800
Fair value of plan assets	2,312,659	2,014,099	1,825,054	1,671,163	1,611,100
(Surplus)/ Deficit recognised in the Balance Sheet	270,172	276,844	165,207	116,531	11,700
Experience adjustment of Plan Assets [Gain/ (Loss)]	17,814	(21,343)	(4,420)	26,300	5,400
Experience adjustment of Plan Obligation [(Gain)/ Loss]	(4,353)	(191)	17,056	51,676	(96,719)

(x) Net Asset/ (Liability) recognised in Balance Sheet in respect on Provident Fund (including experience adjustment impact):

	2011	2010
Present value of defined benefit obligation	4,782,861	4,061,953
Fair value of plan assets	4,989,697	4,270,586
(Surplus)/ Deficit recognised in the Balance Sheet	(206,836)	(208,633)
Experience adjustment of Plan Assets [Gain/ (Loss)]	318	(1,666)
Experience adjustment of Plan Obligation [(Gain)/ Loss]	46,152	(1,907)

(c) Long term compensated absences - Principal Actuarial Assumptions:

	2011	2010
Discount factor (Note 1 below)	9.0%	8.1%
Attrition rate	2.0%	2.0%
Rate of escalation in salary per annum (Note 3 below)	9.3%	9.3%
Retirement Age	60	58 / 60

Notes:

- 1) 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.
- 2) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- 3) 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.

Notes on accounts

3. Segment Information :

The Company's operations predominantly relate to manufacturing and trading of automotive products. The Company is also manufacturing industrial equipments and consumer goods which are non-automotive products. The risks and rewards associated with these two businesses are significantly different. Therefore, the primary segment consists of "Automotive Products" and "Others" which are essentially non-automotive products. Secondary segment information is organised in two geographical segments, namely "India" and "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. These are as set out in the note on significant accounting policies. The inter-segment sales are recorded at cost.

a) Details of Primary Segment

[₹ in Thousands (TINR)]

Business Segment	Automotive Products		Others		Eliminations		Consolidated Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue								
External Sales	71,566,292	60,083,011	7,728,412	6,222,023	-	-	79,294,704	66,305,034
Inter-Segment Sales	-	-	709,158	341,645	(709,158)	(341,645)	-	-
Total Revenue	71,566,292	60,083,011	8,437,570	6,563,668	(709,158)	(341,645)	79,294,704	66,305,034
Result								
Segment Result	12,775,240	10,706,432	789,340	369,612	-	-	13,564,580	11,076,044
Unallocated Corporate income/(expenses) - Net							332,814	(192,411)
Operating Profit							13,897,394	10,883,633
Add: Interest Income							1,846,731	1,183,618
Less: Interest Expenses							4,271	39,339
Less: Income Taxes (Net)							4,514,270	3,438,862
Net Profit							11,225,584	8,589,050
Other Information								
Segment Assets	29,938,489	21,093,968	3,737,489	2,722,216	-	-	33,675,978	23,816,184
Unallocated Corporate Assets							37,633,821	38,561,760
Total Assets					-	-	71,309,799	62,377,944
Segment Liabilities	16,446,305	14,689,634	2,671,361	2,002,727	-	-	19,117,666	16,692,361
Unallocated Corporate Liabilities							4,907,783	4,705,169
Total Liabilities					-	-	24,025,449	21,397,530
Capital Expenditure	5,717,864	2,185,022	259,395	157,457				
Depreciation	2,405,891	2,397,021	45,392	36,405				
Non Cash Expenses other than Depreciation	-	-	-	-				

(b) Details of Secondary Segment

Revenue from geographical segment is based on location of its customers. Total carrying amount of assets and the total cost incurred during the period to acquire fixed assets is based on geographical locations of the assets.

[₹ in Thousands (TINR)]

Geographical Segment	Sales		Carrying cost of assets		Capital expenditure	
	2011	2010	2011	2010	2011	2010
India	68,950,560	57,844,316	69,436,769	61,187,017	6,587,236	3,021,270
Outside India	10,344,144	8,460,718	1,873,030	1,190,927	-	-
Total	79,294,704	66,305,034	71,309,799	62,377,944	6,587,236	3,021,270

Notes on accounts

4. Related Party Transactions:

Holding Company : Robert Bosch GmbH, Germany

Other related parties where transactions have taken place during the year :

Fellow Subsidiary Companies:

Beissbarth GmbH, Germany	Moehwald GmbH, Germany
Bosch (China) Investment Ltd., China	Moeller & Devicon A/S, Denmark
Bosch Automotive Diagnostics Equipment (Beijing) Ltd., China	Ohta Iron Works Co., Ltd., Japan
Bosch Automotive Diesel Systems Co., Ltd., China	P.T. Robert Bosch, Indonesia
Bosch Automotive Electronics India Private Ltd., India	Precision Seals Manufacturing Ltd., India
Bosch Automotive Products (Changsha) Co., Ltd., China	Robert Bosch (Australia) Pty. Ltd., Australia
Bosch Automotive Products (Nanjing) Co., Ltd., China	Robert Bosch (France) S.A.S., France
Bosch Automotive Products (Suzhou) Co., Ltd., China	Robert Bosch (Malaysia) SDN. BHD., Malaysia
Bosch Automotive Thailand Co. Ltd., Thailand	Robert Bosch (Pty.) Ltd., South Africa
Bosch Car Multimedia Portugal, S.A., Portugal	Robert Bosch (South East Asia) Pte. Ltd., Singapore
Bosch Chassis Systems India Ltd., India	Robert Bosch AG, Austria
Bosch Corporation, Japan	Robert Bosch Argentina Industrial S.A., Argentina
Bosch Diesel s.r.o., Czech Republic	Robert Bosch Car Multimedia GmbH, Germany
Bosch Electrical Drives Co., Ltd., Korea	Robert Bosch Company Ltd., China
Bosch Electrical Drives India Private Ltd., India	Robert Bosch Elektronika Gyártó Kft., Hungary
Bosch Engineering GmbH, Germany	Robert Bosch Elektrowerkzeuge GmbH, Germany
Bosch Lawn and Garden Ltd., Great Britain	Robert Bosch Energy and Body Systems Kft., Hungary
Bosch Management Support GmbH, Germany	Robert Bosch Engineering and Business Solutions Ltd., India
Bosch Packaging Services AG, Switzerland	Robert Bosch España Fábrica Madrid S.A., Spain
Bosch Packaging Technology (Hangzhou) Co., Ltd., China	Robert Bosch España Fábrica Treto S.A., Spain
Bosch Packaging Technology B.V., Netherlands	Robert Bosch España Gasoline Systems S.A., Spain
Bosch Packaging Technology SA, Switzerland	Robert Bosch España, S.L.U., Spain
Bosch Packaging Technology, Inc., United States	Robert Bosch Fahrzeugelektrik Eisenach GmbH, Germany
Bosch Power Tools (China) Ltd., China	Robert Bosch Fuel Systems LLC, United States
Bosch Rexroth (India) Ltd., India	Robert Bosch Inc., Philippines
Bosch Rexroth AG, Germany	Robert Bosch Korea Diesel Ltd., Korea
Bosch Rexroth Corporation, United States	Robert Bosch Korea Ltd., Korea
Bosch Rexroth Electric Drives and Controls GmbH, Germany	Robert Bosch LLC, United States
Bosch Rexroth Ltda., Brazil	Robert Bosch Ltd., Great Britain
Bosch Rexroth Mechatronics GmbH, Germany	Robert Bosch Ltd., Thailand
Bosch Rexroth Otomasyon Sanayi ve Ticaret A.S., Turkey	Robert Bosch Ltda., Brazil
Bosch Sanayi ve Ticaret A.S., Turkey	Robert Bosch Middle East FZE, United Arab Emirates
Bosch Security Systems B.V., Netherlands	Robert Bosch Packaging Technology B.V., Netherlands
Bosch Security Systems Inc., United States	Robert Bosch Packaging Technology Inc., United States
Bosch Security Systems Pty. Ltd., Australia	Robert Bosch Power Tools SDN. BHD., Malaysia
Bosch Sicherheitssysteme Engineering GmbH, Germany	Robert Bosch S.p.A., Italy
Bosch Sicherheitssysteme GmbH, Germany	Robert Bosch Sdn. Bhd., Malaysia
Bosch Solar Thin Film GmbH, Germany	Robert Bosch Tool Corporation, United States
Bosch Termotechnologia, S.A., Portugal	Robert Bosch Vietnam Co., Ltd., Vietnam
Bosch Trading (Shanghai) Co., Ltd., China	Robert Bosch, S. de R.L. de C.V., Mexico
BSH Home Appliances Private Limited, India	Robert Bosch, spol. s.r.o., Czech Republic
BT Magnet-Technologie GmbH, Germany	Scintilla AG, Switzerland
Centro Studi Componenti per Veicoli S.p.A., Italy	sia Abrasives Industries AG, Switzerland
erphi electronic GmbH, Germany	SICAM S.r.l., Italy
ETAS Automotive India Private Ltd., India	Tecnologie Diesel e Sistemi Frenanti S.p.A., Italy
ETAS Entwicklungs- und Applikationswerkzeuge für elektronische Systeme GmbH, Germany	United Automotive Electronic Systems Co., Ltd., China
MIVIN Engineering Technologies Private Ltd., India	Weifu High Technology Co., Ltd., China

Subsidiary Company : MICO Trading Private Limited, India

Joint Venture : MHB Filters India Private Limited, India

Other entity under the control of the company : BOSCH India Foundation, India

Key Management Personnel: Mr. V.K.Viswanathan, Dr. Manfred Duernholz and Mr. Soumitra Bhattacharya (from July 1, 2011)

Note : The information disclosed is based on the names of the parties as identified by the management, which has been relied upon by the auditors.

Notes on accounts

[₹ in Thousands (TINR)]

Particulars	Holding Company	Fellow Subsidiaries	Subsidiary	Joint Venture	Key Management Personnel	Other entity under the control of the Company	Total
Sales	5,738,453 (4,576,499)	3,655,949 (3,207,212)		12,002 (7,929)			9,406,404 (7,791,640)
Services rendered (including reimbursements)	314,410 (311,134)	347,151 (166,902)		8,258 (3,285)			669,819 (481,321)
Rent Income		342,253 (312,376)					342,253 (312,376)
Interest Income		271,579 (129,475)					271,579 (129,475)
Purchases of : Fixed Assets	1,702,748 (274,946)	93,041 (81,509)					1,795,789 (356,455)
Goods	11,030,500 (8,982,244)	6,552,243 (5,890,921)		660,645 (601,715)			18,243,388 (15,474,880)
Services received: Royalty and Technical Service fee	1,258,681 (1,200,395)	31,967 (13,817)					1,290,648 (1,214,212)
Professional, consultancy and others	1,103,964 (866,200)	740,657 (590,310)					1,844,621 (1,456,510)
Dividend paid (Cash basis)	2,793,678 (670,483)						2,793,678 (670,483)
Donation expenses						20,000 (21,473)	20,000 (21,473)
Inter Corporate Loan given during the year		1,510,000 (830,000)					1,510,000 (830,000)
Investments in Equity shares			- (900)	- (14,250)			- (15,150)
Inter Corporate Loan Receivable		3,140,000 (1,630,000)					3,140,000 (1,630,000)
Sundry Debtors	717,708 (353,009)	1,144,490 (856,221)		4,847 (3,190)			1,867,045 (1,212,420)
Other Advances Receivable			132 (132)				132 (132)
Sundry Creditors	4,295,839 (2,642,150)	2,045,038 (1,620,886)		33,802 (53,886)		20,178 (21,578)	6,394,857 (4,338,500)
Advance to suppliers	- (432,052)						- (432,052)
Managerial Remuneration: Mr. V.K. Viswanathan					35,150 (32,026)		35,150 (32,026)
Dr. Manfred Duernholz					34,049 (33,707)		34,049 (33,707)
Mr. Soumitra Bhattacharya (from July 1, 2011)					5,954 (-)		5,954 (-)
Rent expense Mr. V.K. Viswanathan					363 (363)		363 (363)
Unpaid Bonus/ Commission as at year end					34,565 (32,140)		34,565 (32,140)
Loan and Advances transactions : Loan/Advances given during the year (*)					4,458 (-)		4,458 (-)
Recovery during the year					629 (480)		629 (480)
Amount outstanding at the year end					7,571 (3,742)		7,571 (3,742)

(*) includes TINR 3,120 (2010: Nil) relating to loan outstanding at the time of becoming Key Management Personnel.

Note: Figures in bracket relate to previous year.

Names of fellow subsidiaries having transaction value in excess of 10% in line transactions [₹ in Thousands (TINR)]

Particulars	Name of the fellow Subsidiary	2011
Sales	Robert Bosch Korea Diesel Ltd., Korea	1,190,728
Services rendered (including reimbursements)	Robert Bosch Engineering and Business Solutions Ltd., India	113,208
Rent Income	Robert Bosch Engineering and Business Solutions Ltd., India	293,457
Interest Income	Bosch Automotive Electronics India Pvt Ltd., India	48,796
Services received:	Bosch Rexroth (India) Ltd., India	232,203
Professional, consultancy and others	Robert Bosch Engineering and Business Solutions Ltd., India	392,668
Inter Corporate Loan given during the year	Bosch Rexroth India Ltd., India	1,250,000
	Bosch Automotive Electronics India Pvt Ltd., India	240,000

Notes on accounts

5. Information on leases as per Accounting Standard 19 on "Accounting for Leases":

(a) Finance Lease :

The company does not have any item covered under finance lease which needs disclosure as per Accounting Standard 19 - "Accounting for Leases".

(b) Operating Lease Expenses :

The Company has various operating leases for equipments, office facilities, guest houses and residential premises for employees that are renewable on a periodic basis. Rental expenses for operating leases recognised in the Profit and Loss Account for the year amounts to TINR 224,127 (2010 : TINR 185,947).

Disclosure in respect of Non-Cancellable Lease is as given below:

[₹ in Thousands (TINR)]

Future minimum lease payments	2011	2010
- Not later than 1 year	26,762	16,178
- Later than 1 year and not later than 5 years	34,075	16,544
- Later than 5 years	-	-

(c) Operating Lease Income :

Rental income received during the year in respect of operating lease is TINR 342,266 (2010 : TINR 312,388).

Details of assets given on operating lease as of December 31, 2011 are as below:

[₹ in Thousands (TINR)]

	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	2011	2010	2011	2010	2011	2010	2011	2010
Buildings	715,425	706,827	434,107	395,968	281,318	310,859	31,258	34,540
Plant and Machinery	380,124	358,838	359,586	323,468	20,538	35,370	14,832	25,549
Furniture and Equipment	83,278	83,278	80,226	78,700	3,052	4,578	1,526	1,860
Total	1,178,827	1,148,943	873,919	798,136	304,908	350,807	47,616	61,949

6. Earnings Per Share :

[₹ in Thousands (TINR)]

	2011	2010
Profit attributable to equity shareholders	11,225,584	8,589,050
Weighted average number of Equity Shares outstanding during the year	31,398,900	31,398,900
Nominal value of Equity Shares (₹)	10	10
Basic and Diluted Earnings per Share (₹)	358	274

7. Deferred tax asset (net) is in respect of :

[₹ in Thousands (TINR)]

	2011	2010
(a) Difference between books and Income tax written down value of depreciable fixed asset.	1,661,329	1,597,086
(b) Expenses debited to the Profit and Loss Account in a year but allowable as deductible expenses for tax purposes in the subsequent years as reduced by the claims allowable in the current year in respect of such expenses on a payment basis.	614,671	584,914
	2,276,000	2,182,000

Notes on accounts

8. Details of Company's share in the joint venture Assets, Liabilities, Income and Expenses as required by Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" is indicated below:

Name of the Joint Venture : MHB Filter India Private Limited.
Country of Incorporation : India
Percentage of ownership interest : 25%

	[₹ in Thousands (TINR)]	
	2011	2010
Assets		
Fixed Assets	63,575	74,145
Capital Work in Progress	-	1,039
Investments	3	8,186
Deferred Tax Assets	7,663	29,991
<u>Current Assets, Loans and Advances</u>		
Inventories	23,800	22,901
Sundry Debtors	24,097	14,311
Cash and Bank Balances	5,418	6,477
Loans and Advances	6,787	8,092
Liabilities		
<u>Current Liabilities and Provisions</u>		
Current Liabilities	44,639	39,243
Provisions	699	611
Income		
Sales	184,702	141,859
Other Income	2,949	2,332
Expenditure		
Cost of Goods Sold	130,208	112,541
Operating Expenses	66,115	52,619
Depreciation	8,287	8,599
Other Matters		
Contingent Liabilities	-	-
Capital Commitment	2,280	5,107

9. Disclosures under Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets"

	[₹ in Thousands (TINR)]			
Description	As at 31.12.2010	Additions during the year	Utilised/Reversed during the year	As at 31.12.2011
Trade Demand and Others (Note 1 below)	1,067,243 (892,474)	434,439 (780,472)	600,556 (605,703)	901,126 (1,067,243)
Warranty (Note 2 below)	1,027,554 (1,162,240)	330,497 (824,615)	288,747 (959,301)	1,069,304 (1,027,554)

Notes:

1. 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 costs, it is not possible to estimate the timing / uncertainties relating to their outflows.
2. 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 2 to 3 years.
3. Figures in bracket relate to previous year.

Notes on accounts

10. Disclosure under Clause 32 of Listing Agreement :
Loans and Advances (Schedule 11) includes :

[₹ in Thousands (TINR)]

	Outstanding		Maximum amount outstanding	
	2011	2010	2011	2010
Inter Corporate Loan				
- Bosch Rexroth (India) Ltd.,	2,750,000	1,500,000	2,750,000	1,500,000
- MIVIN Engg. Technologies Private Ltd.,	150,000	130,000	150,000	130,000
- Bosch Automotive Electronics India Pvt. Ltd.	240,000	-	240,000	-
Non/Low interest bearing loans to employees/directors	669,753	594,901	713,583	594,901

[₹ in Thousands (TINR)]

		2011	2010
11.	Contingent liabilities :		
	(a) Claims against the Company not acknowledged as debts:		
	(i) Excise / Customs	Net of tax 235	235
		Gross 352	352
	(ii) Trade Demands	Net of tax -	155,603
		Gross -	233,000
	(b) Guarantees given by Banks on behalf of the Company	215,692	256,380
	(c) Bills Discounted not matured	650,363	845,620
	(d) Certain industrial disputes are pending before various judicial authorities - amounts not ascertainable.		
12.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	2,521,192	1,115,504
13.	(a) Advances include dues from directors and an officer of the Company	8,881	5,232
	(b) Maximum amount due from directors and an officer of the Company at any time during the year	10,404	6,471

Notes on accounts

[₹ in Thousands (TINR)]		
	2011	2010
14. (a) Managerial remuneration :		
(i) Remuneration to wholetime directors :		
Salary	32,790	27,640
Bonus/Commission	34,565	32,140
Contribution to provident and other funds *	4,846	3,925
Other perquisites	2,952	2,028
	75,153	65,733
(ii) Directors' sitting fee	250	180
(iii) Commission to non-wholetime directors	2,595	2,425
	77,998	68,338

* Provision for / contribution to group gratuity which is based on actuarial valuation on an overall company basis is excluded.

[₹ in Thousands (TINR)]		
	2011	2010
(b) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.		
Profit before taxation	15,739,854	12,027,912
Add : Managerial remuneration	77,998	68,338
Depreciation charged in the accounts	2,578,404	2,539,651
Net profit/ (loss) on fixed assets sold or discarded under Section 350	(34,293)	(33,511)
	18,361,963	14,602,390
Less: Depreciation as per Section 350	2,247,866	2,058,788
Profit on sale of fixed assets (Net)	9,223	6,815
Profit/ (loss) on sale of investments (Net)	793,276	-
	3,050,365	2,065,603
Net profit	15,311,598	12,536,787
Bonus/ Commission to Wholetime directors	34,565	32,140
Percentage of Net profit	0.23	0.26
Commission to Non-wholetime directors	2,595	2,425
Percentage of Net profit	0.02	0.02
[Commission to Non-Wholetime directors restricted to 1% of Net profit or TINR 6,000 (2010 : TINR 6,000) whichever is lower]		

Notes on accounts

15. Miscellaneous expenses include :

[₹ in Thousands (TINR)]

	2011	2010
(a) Remuneration to auditors : (Excluding Service tax)		
Statutory Audit fee	4,800	4,230
Taxation matters and Tax audit fees	1,350	1,372
Other services	2,900	1,620
Reimbursement of expenses	550	550
(b) Donations	20,527	22,316
(c) Bad debts written off	109,552	49,067
(d) Provision for doubtful debts	159,495	149,439
(e) Cash discount to customers	280,433	261,241
(f) Premium paid on investment amortised	15,573	10,097

16. Particulars of Gross Sales :

[₹ in Thousands (TINR)]

Products	Unit	2011		2010	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs.('000)	4,377	28,553,583	3,695	22,640,085
Injectors, Nozzles and Nozzle holders	Pcs.('000)	23,032	19,839,259	21,496	16,332,919
Auto Electricals	Pcs.('000)	2,043	5,209,040	1,451	3,492,008
Portable Electric Power tools	Pcs.('000)	684	3,118,593	561	2,275,051
Filter and Filter Inserts	Pcs.('000)	42,929	3,255,545	38,535	2,909,010
Spark Plugs	Pcs.('000)	31,715	1,084,488	26,032	847,583
Security Systems	Pcs.('000)	432	1,183,589	365	999,911
Lubricating oil	Kilo litres	15,022	1,588,470	12,917	1,123,929
Spares and Components :					
- Fuel Injection Equipment			15,629,553		14,879,086
- Portable Electric Power Tools			2,541,490		2,279,648
- Auto Electricals			1,522,019		1,432,485
Others			1,806,011		1,509,984
			85,331,640		70,721,699

Notes:

- 1) The quantitative information of sale of spares and components and others have not been given as these comprise of numerous items.
- 2) The above quantity is after adjusting for free issues etc.

Notes on accounts

17. Purchase of Trade goods :

[₹ in Thousands (TINR)]

Products	Unit	2011		2010	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs ('000)	146	1,815,124	92	1,216,559
Portable Electric Power Tools	Pcs ('000)	304	1,648,045	214	1,540,638
Filter and Filter Inserts	Pcs ('000)	43,377	2,242,833	39,059	2,142,129
Security Systems	Pcs ('000)	471	873,652	380	874,398
Lubricating oil	Kilo litres	14,521	1,187,923	13,194	886,712
Spares and Components					
- Fuel Injection Equipment			8,403,186		6,956,862
- Portable Electric Power Tools			1,765,826		1,489,258
Others			1,168,925		1,173,460
			19,105,514		16,280,016

Note:

1. The quantitative information of stock of spares and components and others have not been given as these comprise of numerous items.

18. Installed Capacity and Production :

Products	Unit	Installed Capacity		Production	
		2011	2010	2011	2010
Fuel Injection Equipment	Pcs. (' 000)	6,114	4,290	4,325	3,651
Injectors, Nozzles and Nozzle Holders	Pcs. (' 000)	25,750	21,780	23,770	21,452
Auto Electricals	Pcs. (' 000)	3,436	3,187	2,078	1,489
Portable Electric Power Tools	Pcs. (' 000)	594	593	427	362
Spark Plugs	Pcs. (' 000)	32,900	27,300	32,836	25,879
Special Purpose Machines	Nos.	146	76	118*	38*
Packaging Machines	Nos.	260	143	260	143
Spares and Components	Pcs. (' 000)	31,903	27,170	26,109	24,156

Notes:

1. Installed capacity is as certified by the management and relied upon by the auditors as this is a technical matter.
 2. A part of installed capacity of spares and components is used as OE fitment in Fuel injection equipments.
- * Includes use for captive consumption.

Notes on accounts

19. Opening and Closing Stocks of Manufactured and Trade goods :

[₹ in Thousands (TINR)]

Products	Unit	2011 Closing Stock		2011 Opening Stock	
		Quantity	Value	Quantity	Value
Fuel Injection Equipment	Pcs ('000)	209 (115)	1,174,871 (603,150)	115 (67)	603,150 (316,583)
Injectors, Nozzles and Nozzle holders	Pcs ('000)	1,596 (858)	796,519 (331,088)	858 (902)	331,088 (284,143)
Auto Electricals	Pcs ('000)	133 (98)	243,798 (192,574)	98 (60)	192,574 (97,061)
Portable Electric Power Tools	Pcs ('000)	157 (110)	399,847 (321,699)	110 (95)	321,699 (360,616)
Filter and Filter Inserts	Pcs ('000)	3,128 (2,680)	196,339 (170,860)	2,680 (2,156)	170,860 (108,561)
Spark Plugs	Pcs ('000)	2,144 (1,023)	55,728 (27,262)	1,023 (1,176)	27,262 (27,276)
Security Systems	Pcs ('000)	86 (47)	449,479 (360,714)	47 (32)	360,714 (31,671)
Lubricating oil	Kilo litres	1,071 (1,572)	92,127 (108,820)	1,572 (1,295)	108,820 (70,267)
Spares and Components - Fuel Injection Equipment			771,896 (601,874)		601,874 (461,438)
Others			675,894 (776,563)		776,563 (263,725)
Goods in transit			1,029,672 (1,008,794)		1,008,794 (775,121)
Excise Duty on above			462,968 (271,881)		271,881 (187,611)
			6,349,138 (4,775,279)		4,775,279 (2,984,073)

Notes:

1. The quantitative information of stock of spares and components and others have not been given as these comprise of numerous items.
2. Net of shortage/excess/adjustment etc.
3. Figures in brackets relate to the previous year.

Notes on accounts

20. Consumption of raw materials and components :

[₹ in Thousands (TINR)]

	Unit	2011		2010	
		Quantity	Value	Quantity	Value
Components			24,599,691		19,754,059
Steel	Tonnes	3,688	206,608	1,821	129,068
Others			2,622,407		1,768,735
			27,428,706		21,651,862

Notes:

1. The quantitative information on consumption of components and others have not been given as these comprise of numerous items.
2. Net of shortage/excess/adjustment etc.

21. Value of imported and indigenous Raw Materials, Spares and Components consumed:

[₹ in Thousands (TINR)]

	2011		2010	
	%	Value	%	Value
Imported (including customs duty)	45	12,654,544	42	9,570,785
Indigenous	55	15,662,335	58	13,017,020
	100	28,316,879	100	22,587,805

[₹ in Thousands (TINR)]

	2011	2010
22. C.I.F. Value of imports :		
Raw materials	12,325,544	9,225,116
Components, spare parts, etc.,	1,022,018	884,309
Capital goods	2,432,841	905,925
Trade goods	12,171,720	10,230,350
	27,952,123	21,245,700

[₹ in Thousands (TINR)]

	2011	2010
23. Expenditure in foreign currencies :		
Royalty and Technical service fee (net of tax)	1,161,583	1,092,791
Professional fees, travelling, trainees' expenses, etc.	1,879,315	1,141,516
	3,040,898	2,234,307

[₹ in Thousands (TINR)]

	2011	2010
24. Earnings in foreign exchange :		
F.O.B. value of exports	10,344,144	8,460,718
Others including professional fees etc.	457,192	388,630
	10,801,336	8,849,348

Notes on accounts

25. Remittances in foreign currency on account of dividends to non-resident shareholders :

[₹ in Thousands (TINR)]

				2011	2010
No. of shareholders	No. of Shares	Face Value (Rs.)	Particulars		
1	22,349,420	10	Final 2009	-	670,483
	22,349,420	10	Final 2010	893,977	-
	22,349,420	10	Interim 2011	1,899,701	-
				2,793,678	670,483

26. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

[₹ in Thousands (TINR)]

		2011	2010
(a)	The amount due and remaining unpaid as at the balance sheet date		
-	Principal	98,313	65,163
-	Interest thereon	8,212	7,029
(b)	The amount of Principal and Interest paid beyond due date during the year		
-	Principal	48,002	206,094
-	Interest thereon	-	-
(c)	Interest due on Principal amounts paid beyond the due date during the year but without interest	-	-
(d)	Interest accrued and remaining unpaid as at balance sheet date	1,183	3,629
(e)	Total interest due but not paid for the earlier years	7,029	3,400

Note: The above information has been furnished to the extent such parties have been identified by the management, which has been relied upon by the auditors.

27. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current year's classifications.

Signature to Schedule 1 to 19

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2012

A. Vijay Shankar
Company Secretary

For and on behalf of the Board

Dr. A. Hieronimus
B. Muthuraman
Renu S Karnad
Prasad Chandran
Soumitra Bhattacharya

V.K. Viswanathan
Dr. Manfred Duernholz

Directors

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No. **L85110KA1951PLC000761**
 Balance Sheet Date **31 12 2011** State Code **08**
 Date Month Year

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue **NIL** Rights Issue **NIL**
 Bonus Issue **NIL** Private Placement **NIL**

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities **71309799** Total Assets **71309799**

Source of Funds

Paid-up Capital **313989** Reserves & Surplus **46970361**
 Secured Loans **181095** Unsecured Loans **2890325**

Application of Funds

Net Fixed Assets **10607558** Investments **16063646**
 Net Current Assets **21408566** Misc. Expenditure **NIL**
 Accumulated Losses **NIL** Deferred Tax Asset **2276000**

IV. Performance of Company (Amount in ₹ Thousands)

Turnover (including other income) **84792184** Total Expenditure **69052330**
 Profit before tax **15739854** Profit before appropriation **11225584**
 Earnings per Share in ₹ **358** Dividend rate % **500**

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

Item Code No. **84.08 & 84.09**
 (ITC Code)
 Product Description **FUEL INJECTION EQUIPMENT & COMPONENTS**
 Item Code No. **85.11**
 (ITC Code)
 Product Description **AUTO ELECTRICAL ITEMS**
 Item Code No. **85.08**
 (ITC Code)
 Product Description **PORTABLE ELECTRIC POWER TOOLS**

For and on behalf of the Board

Dr. A. Hieronimus V.K. Viswanathan
 B. Muthuraman Dr. Manfred Duernholz
 Renu S Karnad
 Prasad Chandran
 Soumitra Bhattacharya

Subsidiary Company

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(1) AND (3) OF THE COMPANIES ACT, 1956.

MICO Trading Private Limited

[₹ in Thousands (TINR)]

(a) Holding Company's interest: 100,000 Equity shares of ₹ 10 each fully paid up (i.e., 100% of the paid up Equity Capital)	
(b) Net aggregate amount of the Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts:	
(i) For the Subsidiary's financial year ended 31 st December 2011	40
(ii) For its previous financial years	(18)
(c) Net aggregate amount of the subsidiary's profits/(losses) dealt with in the Holding Company's accounts:	
(i) For the Subsidiary's financial year ended 31 st December 2011	Nil
(ii) For its previous financial years	Nil

For and on behalf of the Board

Dr. A. Hieronimus	V.K. Viswanathan
B. Muthuraman	Dr. Manfred Duernholz
Renu S Karnad	
Prasad Chandran	
Soumitra Bhattacharya	

Place : Bangalore
Date : February 28, 2012

A. Vijay Shankar
Company Secretary

Directors

MICO Trading Private Limited**Directors**

V.K. Viswanathan
Manfred Duernholz

Auditors

Price Waterhouse & Co.

Bankers

Canara Bank

Registrerd Office

Hosur Road
Adegodi, Bangalore - 560 030

Report of the Directors

The Directors present their NINETEENTH Annual Report together with the Audited Statements of Accounts for the year ended 31st December 2011.

The Company has not commenced business.

Directors

Pursuant to Article 92 of the Articles of Association of the Company Dr. Manfred Duernholz retires by rotation at the Nineteenth Annual General Meeting. He is eligible for re-election.

Energy, Technology, Foreign Exchange etc.,

As the Company has not commenced operations, the Directors have nothing to report in respect of the above.

Auditors

M/s. Price Waterhouse & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of The Companies Act, 1956, we report that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- Accounting policies have been selected and applied consistently and the judgements and estimates made 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 of the profit or loss of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

Certificate of Compliance under section 383A of the Companies Act, 1956

A Secretarial Compliance Certificate issued by Mr. K. V. Venkata Rangan, the Company Secretary in Whole-time practice, is annexed to the report.

For and on behalf of the Board of Directors

Bangalore
February 28, 2012

V.K. Viswanathan
Manfred Duernholz
Directors

Secretarial Compliance Certificate

[Under proviso to Sec.383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2011]

To
The Members of MICO Trading Pvt. Ltd.

I have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st December 2011. In my opinion and to the best of my information and based on my examinations as well as records made available and explanations furnished to me by the Company, its Officers and agents, I certify that in respect of the aforesaid financial year:

1. The paid-up capital of the Company is ₹ 10,00,000 and thus, it has the minimum paid-up Capital prescribed under the Act for private companies. Its maximum number of members during the financial year was three (3). There are no employee shareholders. The Company during the year under scrutiny: i) has not invited public to subscribe for its shares and ii) has not invited or accepted any deposits from public or its members, directors or their relatives.
2. The Company has kept and maintained statutory registers with

entries duly updated therein, as required under the provisions of the Act and the Rules made thereunder.

3. The Company has duly filed requisite Forms, Returns and Documents with the Registrar of Companies and such other authorities, as may be applicable under the said act within the time limits stipulated under the Act and the Rules made thereunder.
4. The Board of Directors duly met four times during the year, on 28.02.11, 01.06.11, 30.08.11 and 06.12.11. In respect of these meetings, proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended 31st December 2010 was held on 28.02.11 after giving requisite notice to members and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary general meeting was held during the financial year.
8. Being a Private Company, Section 295 of the Act relating to Loans to directors, etc., is not applicable.
9. There were no contracts requiring the sanction of the Board under Section 297 of the Act and as such, no entries were made in the register maintained under Section 301 of the Act.
10. None of the directors of the Company held any office or place of profit attracting the provisions of Section 314 of the Act.
11. The Company has not issued any duplicate share certificate/s during the year financial year.
12. There was no allotment of shares during the financial year. Also there were no transfers of shares during the year.
13. The Company has not declared any dividend during the financial year.
14. The provisions of Section 217(2AA) of the Act relating to 'Directors' Responsibility Statement' have been complied with. A Copy of the Compliance Certificate was attached to the Report of the Board of Directors for the financial year ended 31.12.2011 as required under proviso to Section 383A of the Act. The Company has duly complied with the other requirements of Section 217 of the Act.
15. The Board of Directors of the Company is duly constituted and there were no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
16. The Company being a private company, provision to section 269 of the Act with regard to appointment of Managing Director or Whole-time Director is not applicable.
17. The Company has not appointed any sole selling agents attracting the provisions of Section 294 and 294A of the Act during the financial year.
18. The Company was not required to obtain any approvals under the various provisions of the Act from the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities during the financial year.
19. The Company has no Preference Shares/Debentures.
20. The Company has not bought back any shares during the financial year.
21. During the financial year, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act.
22. The Company has not made any borrowings during the financial year.
23. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
24. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
25. The Company has not altered any of the provisions of its Memorandum of Association during the financial year.
26. As per records made available and information given, there were no prosecution proceedings initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, nor were any prosecution proceedings pending against the Company for offences under the Act.
27. Since there are no employees in the Company the question of setting up provident fund trust under section 418 of the Act or receiving any money as security from them does not arise.

Bangalore
28.02.2012

(K.V. Venkata Rangan)
Practicing Company Secretary
FCS:934; CP: 404

Auditors' Report

To The Members of MICO Trading Private Limited

1. We have audited the attached Balance Sheet of MICO Trading Private Limited (the "Company") as at December 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on December 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at December 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. clauses (f) and (g) of clause (iii) of Paragraph 4 of the Order are not applicable.
6. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
7. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
8. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable for the year.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
10. (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
11. As at the balance sheet date the accumulated losses of the Company do not exceed fifty percent of its net-worth. The Company has not incurred any cash losses in the financial year ended December 31, 2011 but has incurred cash losses in the preceding financial year.
12. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
13. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
15. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
16. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
17. The Company has not obtained any term loans.
18. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
21. The other clauses, (i), (ii), (iv), (viii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

Place : Bangalore
Date : February 28, 2012

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of MICO Trading Private Limited on the financial statements for the year ended December 31, 2011.

1. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub clauses (b), (c) and (d) of clause (iii) of Paragraph 4 of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, accordingly sub

Place : Bangalore
Date : February 28, 2012

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Balance Sheet as at December 31, 2011

[₹ in Thousands (TINR)]

	Schedule	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,000	1,000
Total		1,000	1,000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Cash and Bank Balances	2	1,066	1,017
Loans and Advances	3	8	12
		1,074	1,029
Less : Current Liabilities and Provisions			
Current Liabilities	4	146	145
Provisions	5	4	-
		150	145
Net Current Assets		924	884
Profit and Loss Account			
Total		76	116
		1,000	1,000
Notes on Accounts	6		

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Place : Bangalore
Date : February 28, 2012

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Profit & Loss Account for the year ended December 31, 2011

[₹ in Thousands (TINR)]

	Schedule	2011	2010
INCOME			
Interest Income		85	9
[Tax deducted at source : TINR 9 (2010: TINR 2)]			
EXPENDITURE			
Professional Fees		28	27
		28	27
PROFIT/ (LOSS) BEFORE TAXATION		57	(18)
Provision for Taxation			
- Current		17	-
- Deferred		-	-
PROFIT/ (LOSS) AFTER TAXATION		40	(18)
Balance brought forward		(116)	(98)
Balance carried forward to Balance Sheet		(76)	(116)
Basic/Diluted Earnings per share (₹)			
Face value ₹ 10 each (Refer Note 5 of Schedule 6)		0.4	(1.1)
Notes on Accounts	6		

The schedules referred to above and notes thereon form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants

Radhakrishnan B
Partner
Membership Number: F25516

For and on behalf of the Board

Place : Bangalore
Date : February 28, 2012

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Cash flow Statement for the year ended December 31, 2011

[₹ in Thousands (TINR)]

	2011	2010
A. Cash flow from operating activities		
Profit/(loss) before tax	57	(18)
Adjustments for :		
Interest Received	(85)	(9)
Operating profit/(loss) before working capital changes	(28)	(27)
Adjusted for		
Increase / (decrease) in current liabilities	1	-
Cash generated from operations	(27)	(27)
Direct Taxes (paid)/refund received	(9)	(2)
Net cash from operating activities	(36)	(29)
B. Cash flow from investing activities		
Interest received	85	2
Net cash from/ (used in) investing activities	85	2
C. Cash flow from financing activities		
Equity capital raised during the year	-	900
Net cash from/ (used in) financing activities	-	900
Net cash flows during the year (A+B+C)	49	873
Cash and Cash equivalents (Opening balance)	1,017	144
Cash and Cash equivalents (Closing balance)	1,066	1,017

Note : Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 as notified under section 211(3C) of the Companies Act, 1956.

This is the Cash Flow Statement referred to in our report of even date

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2012

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Schedules to Balance Sheet

SCHEDULE 1: SHARE CAPITAL

[₹ in Thousands (TINR)]

	2011	2010
<i>Authorised</i>		
100,000 (2010 : 100,000) Equity shares of ₹ 10 each	1,000	1,000
<i>Issued, Subscribed and fully Paid up</i>		
100,000 (2010 : 100,000) Equity shares of ₹ 10 each	1,000	1,000
Note : The above shares are held by Bosch Ltd., India the holding company	1,000	1,000

SCHEDULE 2: CASH AND BANK BALANCES

[₹ in Thousands (TINR)]

	2011	2010
Cash on hand	-	-
Balances with Scheduled Banks		
- In current account	45	18
- In deposit accounts	1,021	999
	1,066	1,017

SCHEDULE 3: LOANS AND ADVANCES

[₹ in Thousands (TINR)]

	2011	2010
<i>(Unsecured and considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	8	9
Advance Tax	-	3
	8	12

SCHEDULE 4: CURRENT LIABILITIES

[₹ in Thousands (TINR)]

	2011	2010
Sundry Creditors		
Dues to Micro Enterprises and Small Enterprises (Refer Note 8 of Schedule 6)	-	-
Dues of Others*	146	145
* Includes TINR 132 (2010: TINR 132) payable to Bosch Ltd., India, the holding company	146	145

SCHEDULE 5: PROVISIONS

[₹ in Thousands (TINR)]

	2011	2010
Taxation		
[Net of Advance Tax TINR 13 (2010: Nil)]	4	-
	4	-

Notes on accounts

SCHEDULE 6: NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

1. Significant Accounting Policies:

(a) The financial statements are prepared under historical cost convention in accordance with Generally Accepted Accounting Principle in India and comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

(b) Interest on bank deposits is recognised on a time proportion basis.

(c) Taxes On Income

Provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

[₹ in Thousands (TINR)]

	2011	2010
2. Contingent Liabilities	-	-
3. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	-	-
4. Remuneration to auditors: (excluding service tax)		
Audit Fees	13	12
Taxation matters	12	12
5. Earnings per Share		
Net Profit/(Loss) after taxation	40	(18)
Weighted Average number of Equity Shares of ₹ 10 each	100,000	16,164
Basic and Diluted Earnings Per Share (₹)	0.4	(1.1)

6. Segmental Reporting :

The Company has not commenced business. Segment information for reportable segments as envisaged under AS 17 on segment reporting as notified under section 211 (3C) of the Companies Act, 1956, have not been disclosed as there has been no operations during the year.

7. Related Party Disclosure :

Holding Company: Bosch Limited, India

Amount payable : TINR 132 (2010 : TINR 132)

8. The Company does not have any transactions or dues in relation to any supplier registered under Micro, Small and Medium Enterprises Development Act, 2006.

9. Previous year's figures have been regrouped/recast, wherever necessary, to conform to current year's classifications.

Signatures to Schedules 1 to 6.

For Price Waterhouse & Co.
Firm Registration Number: 007567S
Chartered Accountants
Radhakrishnan B
Partner
Membership Number: F25516

Place : Bangalore
Date : February 28, 2012

For and on behalf of the Board

V.K.Viswanathan
Dr. Manfred Duernholz
Directors

Balance Sheet Abstract

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.
 Balance Sheet Date State Code
 Date Month Year

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue
 Right Issue
 Bonus Issue
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities <input type="text" value="1150"/>	Total Assets <input type="text" value="1150"/>
Source of Funds	
Paid-up Capital <input type="text" value="1000"/>	Reserve & Surplus <input type="text" value="NIL"/>
Secured Loans <input type="text" value="NIL"/>	Unsecured Loans <input type="text" value="NIL"/>
Application of Funds	
Net Fixed Assets <input type="text" value="NIL"/>	Investments <input type="text" value="NIL"/>
Net Current Assets <input type="text" value="924"/>	Misc. Expenditure <input type="text" value="NIL"/>
Accumulated Losses <input type="text" value="76"/>	

IV. Performance of Company (Amount in ₹ Thousands)

Turnover (including other income) <input type="text" value="85"/>	Total Expenditure <input type="text" value="28"/>
Profit before tax <input type="text" value="57"/>	Profit before appropriation <input type="text" value="40"/>
Earnings per Share in ₹ <input type="text" value="0.4"/>	Dividend rate % <input type="text" value="-"/>

V. Generic Names of Principal Products / Services of Company (as per monetary terms)

- NOT APPLICABLE -

For and on behalf of the Board

Place : Bangalore
 Date : February 28, 2012

V.K.Viswanathan
 Dr. Manfred Duernholz
 Directors

Shareholder Information

Board Meetings

Board Meetings are usually held in February/March, June, September and December. Particulars of Board Meetings held in 2011 are given below.

Monday, February 28
Wednesday, May 18
Wednesday, June 1
Tuesday, August 30
Friday, December 9

Annual General Meeting (AGM)

The Annual General Meeting of the Company is usually held in June each year. Particulars of the AGM held during the last three years are given below.

- 2009 - 10.30 a.m. Thursday, May 28;
Taj Residency, Bangalore
- 2010 - 10.30 a.m. Thursday, June 03;
Taj Residency, Bangalore
- 2011 - 10.30 a.m. Wednesday, June 01;
Vivanta by Taj, Bangalore

Particulars of Special Resolutions passed in the last three AGMs are given below.

- 28.05.09 - Nil.
- 03.06.10 - Payment of commission to Non Whole-time Directors not exceeding in aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956, for each of the 5 financial years of the Company commencing from 01.01.2010 to 31.12.2014.
- 01.06.11 - Commencement of business pursuant to clause 149(2A) of the Companies Act, 1956, relating to carrying on the business of import, export, purchase, sale, trade and manufacture of products, systems and accessories including execution of projects, servicing and maintenance with relation to Solar Energy and Thermo Technology.

During the last financial year, no resolution was passed through postal ballot in accordance with section 192A of the Companies Act, 1956.

Financial Year

The financial year of the Company is from January to December. The financial results for the quarter / half-year / year are published as under.

Quarter/half-year/year	In the month of
quarter ending 31 st March	April/May
quarter/half-year ending 30 th June	July/August
quarter ending 30 th September	October/November
Year ending 31 st December	February/March

Book Closure

The Register of Members and Share Transfer books are usually closed in May each year for about 13 days for ascertaining the names of the shareholders entitled to receive dividend.

Dematerialization of Shares

71.18% of the paid-up capital is held by Robert Bosch GmbH. Of the balance 28.82% held by public, shares representing 27.80% of the paid-up capital have been dematerialized.

The Company entered into 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 (CDS): August 04, 2000.

Members still holding share certificates in physical form are requested to dematerialize their shares by approaching any of the Depository Participants registered with the Securities and Exchange Board of India (SEBI). From June 26, 2000 the shares of the Company are mandated by SEBI for trading in dematerialized form.

Listing of Shares

The Company's equity shares are listed at the following stock exchanges in order to impart liquidity and convenience for trading:

Name and address of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 023	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 in dematerialized form is INE 323 A01026.

Listing fee for the year 2011-2012 has been paid to these exchanges.

From 30th November 2007, the National Stock Exchange of India Limited (NSE) included equity shares of the Company in the Futures and Options (F&O) segment.

Custodial Fee

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No.MRD/DoP/SE/DEP/CIR-4/2005 dated 28th January, 2005, Issuer Companies are required to pay custodial fees to the depositories with effect from 1st April, 2005. Accordingly, the Company has paid the annual custodial fee for the year 2011-12 to NSDL and CDS on the basis of the number of beneficial accounts maintained by them as on 31st March 2011.

Procedure for claiming unpaid dividend

In terms of Section 205A(5) of The Companies Act, 1956, monies 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 established by the Central Government.

Brief particulars of dividend amount remaining unpaid 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 (31.12.2011) (₹)	Due date for transfer to the Fund*
2004	15.06.05	18.07.05	724,260	17.07.12
2005	01.06.06	05.07.06	868,164	04.07.13
2006 (Interim)	(12.03.07)	11.04.07	836,292	11.04.14
2006 (Final)	07.06.07	11.07.07	294,456	10.07.14
2007	05.06.08	10.07.08	1,827,900	10.07.15
2008	28.05.09	02.07.09	1,918,625	01.07.16
2009	03.06.10	08.07.10	2,498,280	07.07.17
2010	01.06.11	06.07.11	3,436,080	05.07.18
2011 (special)	(01.06.11)	06.07.11	7,319,945	05.07.18

* [as per sub-section 5 of Section 205A of The Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999]

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. It may be noted that after the unpaid dividend is transferred to the said Fund, the same cannot be claimed.

Bank particulars for Dividend Warrants

With a view to preventing fraudulent encashment of dividend warrants, members holding shares in physical form are advised to furnish to the Company particulars of their bank account with a request to incorporate the same in the dividend warrant.

Electronic Clearing Service

The Company makes payment of dividend through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS) to members at select centers. Under this system of payment of dividend, the shareholders get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. However, the Company may pay the dividend by issue of warrants where no ECS/NECS particulars made available to the Company. Members holding Shares in physical form, who wish to avail of the ECS/NECS facility, are requested to give the ECS/NECS mandate in the prescribed form. The form can be obtained from the Company's website www.boschindia.com under the Section 'Shareholder Information'.

Payment of Dividend

Dividend warrants are posted to Members at their registered address usually within two days of the declaration of dividend at the Annual General Meeting.

Dividend warrants in respect of shares held in electronic/dematerialized form are posted to the beneficial owners to their address as per the information furnished by NSDL and CDS as on the record date. Warrants for high value amounts are sent through Registered Post.

Particulars of dividend declared in the previous years (from the year 2000) are given below.

Year	Dividend per share (₹)	Year	Dividend per share (₹)
2000	31.00	2006	12.00 (interim)
2001	31.00	2006	4.00 (final)
2002	3.00 (interim)	2007	25.00
2002	40.00 (final)	2008	25.00
2003	65.00	2009	30.00
2004	10.00	2010	40.00
2005	12.00	2011	85.00 (special)

(Note: upto 2003: on shares of face value ₹ 100; from 2004: on shares of face value ₹ 10)

Shares held in physical/dematerialised form

M/s. Integrated Enterprises (India) limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, is the Company's Registrar and Transfer Agent (R&T) both in respect of shares held in physical form and dematerialized form.

Inquiries may be addressed either to the Registrar and Transfer Agent or to the Secretarial Department of the Company.

Requirement of PAN for certain transactions

The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD/DoP/Cir-05/2009 dated May 20, 2009, clarified that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it is mandatory for the transferee(s) to furnish copy of PAN card to the Company / RTAs for registration of such transfer of shares.

Further, SEBI vide circular ref.no. MRD/DoP/SE/RTA/ Cir-03/2010 dated January 07, 2010, clarified that for deletion of name of the deceased shareholder(s), transmission of shares to the legal heir(s) and for transposition of shares, it shall be mandatory to furnish a copy of PAN card to the Company/RTAs.

Nomination

Pursuant to the provisions of Section 109A of The Companies Act, 1956, 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 the prescribed Form 2B (in duplicate), if not already filed. Form 2B can be downloaded from the Company's website www.boschindia.com under the section 'Shareholder Information'. Members holding shares in electronic form are requested to give the nomination to their respective Depository Participants directly.

Rights of members

The following are some of the important rights of the members:

1. Receive notices of General Meetings, Annual Report, Balance sheet, Profit and Loss Account and Auditors Report.
2. Attend and vote at the General Meetings and appoint proxy in their stead.
3. Demand for a poll along with other members who collectively hold not less than 1/10th of the voting power or who collectively hold 5000 shares (i.e., shares on which aggregate sum of not less than ₹ 50,000 has been paid up).
4. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10th of the total paid up capital of the Company.
5. Receive dividends and other corporate

benefits like rights, bonus shares etc., when declared / announced.

6. Transfer the shares.
7. Receive the share certificates upon transfer within one month from the date of lodgement.
8. Inspect minutes book of General Meetings.
9. Inspect various registers such as Register of Members, Register of Directors, Register of Directors' Shareholding etc.
10. Nominate a person to whom his/her shares shall vest in the event of death.
11. Appoint or remove director(s) and auditor.
12. Seek relief in case of oppression and mismanagement.

Audited Annual Financial Results

The statement of Audited Financial Results and the statement of segment-wise revenue, results and capital employed for the year ended 31st December, 2011 prepared pursuant to Clause 41 of the listing agreements entered into with the Stock Exchanges are available in the Company's website www.boschindia.com. The statement was approved by the Board of Directors at their Meeting held on 28.02.2012.

Shareholding Pattern (as on 31.01.2012)

Category	No. of Members	No. of Shares held	% to the Capital
Robert Bosch GmbH	1	2,23,49,420	71.18
Public Financial Institutions	9	30,90,280	9.84
Foreign Institutional Investors	85	18,07,511	5.76
Mutual Funds	60	9,96,382	3.17
Nationalized Banks	9	8,690	0.03
Bodies Corporate	707	7,29,696	2.32
Foreign Nationals/ NRIs/OCBs	534	89,992	0.29
Public	22,673	23,26,929	7.41
Total	24,078	3,13,98,900	100.00

Distribution of Shareholding (as on 31.01.2012)

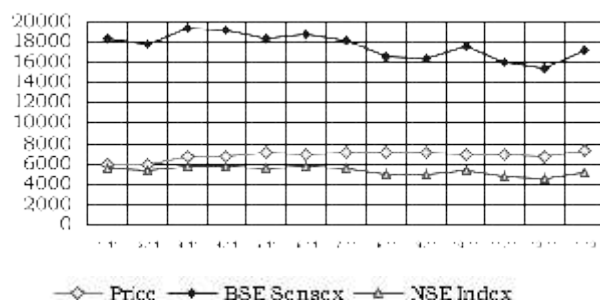
No. of Shares held	Members		Shares	
	No.	%	No.	%
1-500	23,156	96.17	11,06,996	3.53
501-1000	445	1.85	3,18,370	1.02
1001-2000	240	1.00	3,29,227	1.02
2001-3000	64	0.27	1,58,389	0.52
3001-4000	29	0.12	99,895	0.30
4001-5000	20	0.08	89,754	0.32
5001-10000	37	0.15	2,52,882	0.87
>10000	87	0.36	2,90,43,387	92.42
Total	24,078	100.00	3,13,98,900	100.00

Price and Volume of Shares Traded

Month/ Year	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	High ₹	Low ₹	Volume Nos.	High ₹	Low ₹	Volume Nos.
Feb 2011	6150	5855	9464	6158	5901	156071
Mar 2011	6835	5900	42562	6897	5801	197777
Apr 2011	7038	6268	42436	7020	6251	133005
May 2011	7145	6550	74924	7139	6545	173980
Jun 2011	7250	6748	29880	7240	6750	91277
Jul 2011	7480	6855	23568	7580	6861	88731
Aug 2011	7460	6500	25077	7475	6780	112036
Sep 2011	7480	6850	25105	7464	6878	64689
Oct 2011	7167	6899	9394	7170	6884	102066
Nov 2011	7244	6810	17617	7255	6801	118490
Dec 2011	7170	6425	28794	7175	6448	108927
Jan 2012	7400	6702	37786	7350	6662	116023

(Source: BSE, NSE)

Share Price (BSE) and Index



Shareholders holding more than 1% of the share capital of the Company (as on 31.01.2012)

Sl. No.	Name of the Shareholder	No. of shares held	% to paid-up capital
1.	Robert Bosch GmbH	2,23,49,420	71.18
2.	General Insurance Corpn. of India	10,11,359	3.22
3.	The New India Assurance Co. Ltd.	9,28,572	2.96
4.	Aberdeen Asset Managers Ltd.	9,40,000	2.99
5.	United India Insurance Co. Ltd.	3,94,843	1.26

Website

The Company's website www.boschindia.com contains comprehensive information about the Company, Products, Services and Solutions, Press Releases and Shareholder Information. The 'Shareholder Information' section serves to inform the Shareholders by providing key information like Board of Directors and the Committees of the Board, Corporate Governance, Financial Results, Shareholding Pattern, Distribution of Shareholding, Dividend etc.

Registrar and Transfer Agent

(For shares held in physical & dematerialised form)

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

Tel: (080) 23460815 to 818;
Fax: (080) 23460819

Investor Service Centre

Secretarial Department (BCS)
Bosch Limited
Hosur Road, Adugodi
Bangalore – 560 030

Tel: (080) 2299 2393 (Extn. 2314);
Fax: (080) 2299 2181

Monday to Friday:
9.00 a.m. to 12.00 noon except holidays.

Designated e-mail ID for redressal of investor complaints
investor@in.bosch.com

Compliance Officer

Mr. A. Vijay Shankar, Company Secretary

Inquiries, if any, may be addressed to the Compliance Officer.

National Network

Manufacturing Facilities

Factories

Bangalore

Post Box No. 3000
Hosur Road, Adugodi
Bangalore - 560 030
Phone: (080) 2299 2393
Fax: (080) 2227 2728

Naganathapura

Post Box No. 6887
Electronic City P.O.
Bangalore - 560 100
Phone: (080) 2852 1221
Fax: (080) 2852 1239

Nashik

Post Box No. 64
75, MIDC Estate
Satpur, Trimbak Road
Nashik - 422 007
Phone: (0253) 235 0342 - 45
Fax: (0253) 235 3143

Jaipur

SP-663
RIICO Industrial Area
Sitapura
Jaipur - 302 022
Phone: (0141) 277 1700
Fax: (0141) 277 1787

Verna (Goa)

Packaging Technology Division
N4, Phase IV,
Verna Industrial Estate
Verna, Salcate, Goa - 403 722
Phone: (0832) 6692 018
Fax: (0832) 6692 028

Sales Offices

Ahmedabad

31/32, JMC House, Level 3
Opp. to Parimal Garden
Ellis Bridge
Ahmedabad - 380 006

Bangalore

21/1, Mission Road
Bangalore - 560 027

Chandigarh, Mohali & Panchkula

SCO 301
Sector - 09
Panchkula - 134 109

Chennai

'Blossom Centre'
New No: 30 (Old No: 27)
North Boag Road
T. Nagar
Chennai - 600 017

Delhi & Gaziabad

'Rishyamook'
85-A, Panchkuian Road
New Delhi - 110 001

Ernakulam

MCM Building,
IN. SY. No. 145/12A, 38/232
N.H. By-Pass Road
Padivattom
Ernakulam
Cochin - 682 024

Guwahati

3rd Floor
Mayur Garden Building
Opp. Rajiv Bhavan
G S Road
Guwahati - 781 005

Indore

2nd Floor, MAN House
15th PU-3, Scheme No. 54
AB Road
Indore - 452 008

Jaipur

T 304
Sangam Towers
Church Road
Off MI Road
Jaipur - 302 001

Kolkata

91-A, Park Street
Kolkata - 700 019

Lucknow

2nd Floor, Madan Plaza
14, Station Road
Lucknow - 226 001

Mumbai

79, Dr. Annie Besant Road
Worli
Mumbai - 400 018

Patna

Plot No. 21/A-2,
Opp. UNICEF Office
Pataliputra Colony
Patna - 800 013

Jharkhand

Bhagirathi Complex
Opp. Adivasi Hospital
Karam Toli Road
Ranchi - 834 008

Raipur

2nd Floor
Pithalia Complex
Opp. Telephone Exchange
Near Fafadih Chowk
Raipur - 492 001

Secunderabad

'Sweksha', Plot No. 117
Srinagar Colony
Trimulgherry
Secunderabad - 500 015

Bhubaneshwar

Plot No. N-6/454
IRC Village
Jayadev Vihar
Nayapalli
Bhubaneshwar - 751 015

Regd. Office:

Bosch Limited

P.B. No. 3000, Hosur Road

Adugeodi, Bangalore - 560 030

Ph: (080) 2299 2393

www.boschindia.com

2Q Reproductions

