

## Textual information (1)

### Disclosure in board of directors report explanatory [Text Block]

#### BOARD'S REPORT

For the year ended March 31, 2018

To  
The Members

The Directors have pleasure in presenting the Thirty Sixth Annual Report, together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

#### FINANCIAL RESULTS (STANDALONE) (INR Million)

	Year ended Mar 31st2018	Year ended Mar 31st2017
Revenue from Operations (net of excise duty)	11,169	10,100
Other Income	260	394
Total Income	11,429	10,494
Profit Before Depreciation, Interest & Income Tax (PBDIT)	1,314	1,335
Depreciation & Interest	(338)	(291)
Profit Before Tax (PBT)	976	1044
Provision for taxation	(302)	(313)
Profit After Tax (PAT)	674	731
Other Comprehensive Income (OCI) *	(12)	(21)
Total Comprehensive Income including PAT	662	710
Add : Balance brought forward from last year	4,783	4,073
Balance available for appropriation	5,445	4,783
Appropriations:		
Dividend	-	-

Tax on Proposed Dividend / Dividend	-	-
Transfer to General Reserve	-	-
Surplus retained in Profit & Loss Account	5,445	4,783

# Figures for March 2018 and March 2017 have been reclassified as per Indian Accounting Standards (IND AS) as prescribed by Ministry of Corporate Affairs.

\* OCI excluded from PAT

Compliance with Indian Accounting Standards (Ind AS) :

The financial statements up to year ended March 31st, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013 (Previous GAAP).

From April 1, 2017, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and accordingly, the financial statements for the year ended March 31, 2018 are prepared in accordance with the Ind AS.

(Refer Note 38 of Notes to accounts for an explanation on the transition from previous GAAP to Ind AS)

## PERFORMANCE

Your Company posted Revenue from operations (net of excise duty, which is shown as expenditure in the statement of profit and loss) of INR 11,169 Mio for the financial year 2017-18, against last year's INR 10,100 Mio, registering a growth of 10.6%. The growth in revenue has mainly come from increase in sales of ABS, Actuation products and also from increase in sales of Wheel Speed Sensors and Driver assistance products.

During the financial year 2017-18, your Company invested for start of production of ABS for 2 wheelers. The Company had to incur start-up cost and one-time payment of technical access fee of around INR 95 Mio., put together. Additionally, during the previous financial year 2016-17, there was a one-time write-back of provisions for expenses no longer required to be paid, amounting to INR 117 Mio. Hence, the Profit before Tax for the financial year 2017-18 at INR 976 Mio is less than previous year mainly due to these two reasons. Adjusting for these two exceptional items, for the respective years, the Profit after tax, on like to like basis, would be 7.3% of net sales for 2018-17, as compared to 6.1% of net sales for previous financial year.

## DIVIDEND & RESERVES

Your Directors do not recommend any dividend for the financial year ended March 31, 2018.

The Company does not propose to transfer any amount to its Reserves for the year under review.

## DEPOSITS

During the year under review, there were no deposits as per the provisions of the Companies Act, 2013.

## DIRECTORS

Ms. A R Padmaja (DIN :07123197) and Dr. Andreas Wolf (DIN : 07088505), Directors are liable to retire by rotation, and being eligible, offer themselves for re-appointment.

Approval of the members for the aforementioned re-appointments is being sought at the forthcoming Annual General Meeting. Brief profiles of Ms. Padmaja and Dr. Wolf form part of the Notice convening the 36th Annual General Meeting.

## NUMBER OF BOARD MEETINGS

During the year under review, five meetings of the Board of Directors were held. The maximum interval between any two meetings was well within the maximum period of one hundred twenty days.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors report that:

during the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures;

they have selected and consistently applied accounting policies that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for that period;

proper and sufficient care has been taken to maintain accounting records, following the provisions of this Act, which specifies necessary action to safeguard the Company's assets and preventing as well as detecting fraud and other irregularities;

they have prepared the annual accounts on a 'going concern' basis; and

systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as Annexure A.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND INITIATIVES

The CSR Committee comprises of two members. Mr. Umesh N, Managing Director, is the Chairman of the Committee and the other member is Ms. AR Padmaja, Director. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors.

The Board of Directors has adopted a CSR policy inline with the provisions of the Companies Act, 2013. As a part of CSR, the Company has undertaken directly as well as through Bosch India Foundation (BIF, a Trust of Bosch companies in India), various activities in the areas of education, health, water and sanitation. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Annual Report on Corporate Social Responsibility Activities of the Company is enclosed as Annexure 'B' and forms a part of this report.

#### RISK MANAGEMENT

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action. Risks were discussed at the meetings of the Board of Directors of the Company.

#### STATUTORY AUDITORS & AUDITOR'S REPORT

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for reappointment.

The Directors recommend the appointment M/s. Price Waterhouse Chartered Accountants LLP, as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the 41st Annual General Meeting. The necessary resolution is being placed for consideration of the members at the 36th Annual General Meeting.

The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

#### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 192(2) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended, has been provided in Annexure C.

#### EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return of the Company, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith in Annexure D.

#### RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into by the Company during the financial year were in the ordinary course of business and on an arm's length basis. Disclosure of particulars of material contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is not applicable to your Company being Private Limited. Related party disclosures as per Accounting Standard 18 have been provided in Note 37 to the Financial Statements.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not advanced any loans/given guarantees/made investments specified under Section 186 of the Companies Act, 2013.

#### INTERNAL FINANCIAL CONTROLS

The Board is of the opinion that there exists adequate internal controls commensurate with the size and operations of the Company.

#### MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There are no adverse material changes or commitments occurring after March 31, 2018, which may affect the financial position of the Company or may require disclosure.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### SUBSIDIARY COMPANY

Pursuant to Section 129 of the Companies Act, 2013 and Accounting Standard 21, the Consolidated Audited Financial Statements of your Company and its subsidiary, M/s. Precision Seals Mfg. Ltd., as on March 31, 2018, are presented as part of this Report.

The statement pursuant to the provisions to Section 129(3) of the Companies Act 2013, containing salient features of the financial statement of the Company's Subsidiary in Form AOC-1 is given in Annexure F.

#### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements, pursuant to Section 129 of the Companies Act, 2013 are attached to the Standalone Financial Statements of the Company.

#### SECRETARIAL STANDARDS

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October 2017. The Company is in compliance with the revised secretarial standards.

#### EMPLOYEE RELATIONS

Relations with the employees at all levels continued to be cordial and constructive.

#### OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### APPRECIATION

Your Directors wish to place on record their appreciation for the co-operation received from the Central Government and the Governments of Maharashtra, Haryana & Gujarat, Bankers, our esteemed customers, suppliers, members and promoters, Robert Bosch LLC and Robert Bosch Investment Nederland BV. Your Directors would like to place on record their deep appreciation of the unstinted efforts & contributions made by the Management Team & the employees of the Company at all levels.

For and on Behalf of the Board of Directors

GERHARD STEIGER  
CHAIRMAN  
(DIN : 02946897)  
Dated : July 30, 2018

#### ANNEXURE – A

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors

Conservation of energy :

The steps taken or impact on conservation of energy

Replaced low efficiency motors with high efficiency motors (2 Nos.)  
Downsizing of the motors  
Refrigeration chillers replaced with water cooled heat exchangers (5 Nos.)  
Conventional air conditioners (ACs) replaced with VRV type ACs (3 Nos.)  
Installed LED lights in place of conventional lights (over 100 Nos.)

The steps taken by the company for utilizing alternate sources of energy

Installed rooftop Solar power plant of 600kW capacity with average power generation of 2500 units/day under Opex model  
Purchased private power thru Group Captive Mechanism

The capital investment on energy conservation equipment

INR 0.5 Million

Technology absorption :

The efforts made towards technology absorption:

Subsequent to the contemporary technologies of brake system's applications with multiple OEMs, the newly developed solutions like Comp'ACT 6.5" and 8" type Vacuum Boosters are successfully released for multiple vehicle models of Renault-Nissan and Maruti-Suzuki.

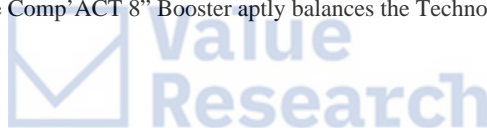
The new technological features like Dual Servo ratio are effectively introduced in the projects for Toyota & Mahindra

Tandem Master Cylinder type TMC8e which was developed in Europe, is successfully released in Indian project of Toyota.

The benefits derived like product improvement, cost reduction, product development or import substitution

Continuous focus on Product improvements, cost reduction etc. enabled the Company to maintain its competitive position and share of business with leading Indian and global OEMs and also to acquire the new projects in the market.

Development of value proposition products like Comp'ACT 8" Booster aptly balances the Technological and Commercial demands of OEMs.



In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Technology imported	Technology acquired for Contemporary products and Globally Harmonised brake systems is fully absorbed and applied in various OEM applications.
Year of Import	
Has technology been fully absorbed?	Technology of TMC8e type design is being first applied for Toyota Project & planned SOP during 2018.
If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.	Being well proven design globally, full absorption of technology possible within two years from first SOP.

The expenditure incurred on Research and Development: INR39.95 Million

Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows :

Foreign exchange earnings : INR 198.54 Million

Foreign exchange outgo : INR 6122.14 Million

For and on Behalf of the Board of Directors



GERHARD STEIGER

CHAIRMAN

Dated :July 30, 2018

ANNEXURE – B

Annual Report on Corporate Social Responsibility (CSR) activities

A brief outline of the Company’s CSR Policy, including overview of projects or programs proposed to be undertaken :

Bosch Chassis is committed for well being of all stakeholders. It is committed to bring equilibrium in use of natural resources and making efforts to maintain the ecological balances in the areas of operations and taking all efforts to rebuild / replenish, the natural resources used in the process of its operations, and create a positive environment for bringing various entities / organizations working in the domain of protecting environment, developing well being of human resources, providing education, health and safety to the marginalized sections of society, to work for the overall growth and well being of society and environment. It believes in the principle of well being of every human being.

The Company has framed its CSR policy in compliance with the provisions of the Companies Act, 2013.CSR activities are implemented by the in-house CSR team or through initiatives of Bosch India Foundation (BIF, a trust of Bosch companies in India).

BIF focuses on two key thrust areas, Holistic village development and Artisan Training centers.

Holistic Village Development : The key intervention areas of the holistic village developments are :

Economic empowerment: Women empowerment, Agriculture, Livestock and Youth development

Health and Hygiene: Preventive health care, Women and child health

Education: Primary, Middle and secondary with continued higher education

Infrastructure: Village infrastructures, Community infrastructures

Environment and Water: Clean and green village, waste management and pure drinking water

BIF is presently working in 187 villages around the facilities of various Bosch entities in Bidadi, Jaipur, Coimbatore, Ahmedabad, Nashik and Pune. BIF has the necessary structure built up to implement the activities.