



Dear Shareholders,

It is a great honor, and a matter of immense pride, to write to you as the newly appointed Chairman of Bosch Limited. Across the globe, we are living through an extraordinary crisis. The COVID-19 pandemic does demonstrate our limitations, but it also establishes what is important – your health and safety.

The Financial Year 2019-20 has been full of turmoil; while we saw some clarity on Brexit, the world's two largest economies – the US and China – are still locked in a bitter trade battle. The state of perplexity does not end there. While China was celebrating 70 years of Communist Party rule, Hong Kong experienced one of its most violent and chaotic days due to the protests. It was one of the most challenging times across the globe when COVID-19 hit us. For the first time in history, we experienced a complete standstill that has now affected the socio-economic situation.

In India the scenario was no different. While the country re-elected the existing government with a massive majority, the economic situation eroded with each passing month. The GDP of India declined by 1.9 percent as compared to FY 2018-19, falling to 4.2 percent this financial year. The industries that we operate in underwent a paradigm shift even before the COVID-19 outbreak. The automobile sector in India underwent massive structural and cyclical changes. The eventual slowdown impacted Bosch India in a large way, as we draw 80 percent of our revenues from the business.

Amidst these crises, India went ahead with its decision to adopt the BS VI standards as planned on April 1, 2020. In the current times, this indeed was a sizable challenge. The pandemic, and the lockdown that followed, disrupted the supply chains to make the task tougher. The difficulties are expected to increase

in the coming time and it will take a few years for the industry to recover completely. It is inevitable that the current situation will have a less than favorable effect on our production and growth.

At Bosch Limited, this called for a strong need to restructure. In the financial year that concluded, the company saw the last quarter affected adversely due to the pandemic. We optimized our product cost by implementing various measures in logistics, purchasing, and productivity. While our overall business went down by 18.1 percent, we saw a 24.4 percent reduction in the auto segment and a 14.4 percent reduction in others.

We cannot overlook the slowdown brought in by the pandemic, but beyond that, the industry is at the threshold of major technological changes. Technologies affecting electrical and renewable fuel-based mobility solutions are all set to usher in sweeping changes across the industry. The Internet of Things, in the coming years, is going to change automotive experience like never before. This not only means new products and solutions, but new ways of partnerships and new ways of doing business. The global business strategy of Bosch has already started its transformation to development, production, and marketing with an increased focus on localization. India being home to Bosch's largest R&D facility outside Germany, clearly expresses this outlook of the company.

With traveling and social contact restrictions to continue for months to come, the relevance of digital platforms to connect – for business to business, business to customer, and customer to product – is now all the more important. During the last year, Bosch Limited has rolled out multiple solutions, to reach, to connect, and to integrate digitally. This radical shift from the traditional way of operating is one of the many signs to demonstrate the future-readiness of your company.

In addition, we have to be responsible in combating adverse climate change. It is not too late to achieve the climate action targets – but only if major enterprises such as Bosch bring their weight to bear. This will cost money, but it will also create new business and we are determined to make our over 400 locations worldwide, carbon-neutral by end of 2020.

It is time for us to relook at the way we operate and reflect on it. We are optimistic of our approach because we have in-depth experience in a wide range of areas varying from advanced mobility solutions to IOT implementations in consumer business. The need of the hour is to overcome the mountainous challenges ahead of us by exhibiting our future-preparedness. We may have to shift our gears down to tackle rough roads, but our engines of growth and our clear vision of the future will take us steadily forward. Ahead in the future, leading the way.

Be safe and best regards,

Bernhard Straub
Chairman