

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 1: General Information**

Bosch Limited (the “Company”) is the flagship company of Robert Bosch Company in India. Headquartered out of Bengaluru, the Company has its key manufacturing facilities in Nashik, Naganathapura, Jaipur, Gangaikondan, Chennai and Bidadi. The Company has presence across automotive technology, industrial technology, consumer goods and energy and building technology. It manufactures and trades in products such as diesel and gasoline fuel injection systems, automotive aftermarket products, industrial equipments, electrical power tools, security systems and industrial and consumer energy products and solutions. The Company’s shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements are approved for issue by the Company’s Board of Directors on May 22, 2020.

**Note 2: Summary of Significant Accounting Policies**

## (a) Basis of preparation:

## (i) Compliance with Ind AS

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies

## (ii) Historical cost convention

The financial statement has been prepared on a historical cost basis, except for:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value at the end of each reporting period; and
- defined benefit plans (plan assets measured at fair value at the end of each reporting period)

## (iii) The assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## (b) Revenue recognition:

The Company recognizes revenue under the core principle to depict the transfer of control to the Company’s customers in an amount reflecting the consideration the Company expects to be entitled.

- (i) Sale of products is recognised when the control in the goods are transferred to the buyer which is when the performance obligation is met, based on contract with customers. Revenue is based on price agreed with the customers and are net of returns, trade discounts, cash discounts, sales incentives, goods & service tax, etc.
- (ii) Sale of services with respect to fixed price contracts which extend over one accounting period is recognised on percentage of completion method over the period of contract with the customers. Revenue with respect to time-and-material contracts are recognised at the point of time when control is transferred to customer. Provisions for estimated losses, if any, on contracts which are in progress at the year end are recorded in the period in which such losses become probable based on the expected estimates at the reporting period.
- (iii) Rental income arising from operating lease of investment properties is accounted on accrual basis based on contractual terms with the lessee and is disclosed under other operating revenue in Statement of Profit and Loss.

## (c) Investments and other financial assets:

## (i) Classification

The Company classifies its financial assets under the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## (ii) Initial recognition and measurement

All financial assets are recognised initially at its fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss.

## (iii) Subsequent measurement

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary/ associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

## (iv) Impairment of financial assets

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Company assesses the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the company determines whether there has been a significant increase in credit risk. The losses arising from impairment are recognised in Statement of Profit or Loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## (v) Derecognition of financial assets

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

## (vi) Income recognition

Interest income

Interest income from financial assets measured at amortised cost is recognised using the effective interest rate method and are disclosed in Statement of Profit and Loss.

## (vii) Dividends

Dividends from equity instruments are recognised as other income in Statement of Profit and Loss only when the right to receive payment is established.

## (d) Property, plant and equipment:

Freehold land is carried at historical cost and other items of property, plant and equipment including capital spares are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of Profit or Loss within other income or expense.

Depreciation on property, plant and equipments is provided using the written down value method. As required under Schedule II to the Companies Act 2013, the Company periodically assesses the estimated useful life of its tangible assets based on the technical evaluation considering anticipated technological changes and actual usage of the assets. The estimated useful life is either equal to or lower than those prescribed under Part C of Schedule II to the Companies Act, 2013.

The estimated useful life for various property, plant and equipments is given below:

	Useful life (in years)
Buildings :	
Residential :	59
Factory/ Office :	29
Plant and machinery :	
General :	6
Data processing equipment :	3
Furniture and fixtures :	8
Office equipment :	5

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

Vehicles : 5

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

Low value assets not exceeding INR 15,000/- per unit and all Research and Development assets (except for Buildings) are depreciated at 100% in the quarter of addition.

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.

Cost of application software is expensed off on purchase.

(e) Investment properties:

Property that is held for rental income and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction cost. It is carried at cost less accumulated depreciation. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 Property, Plant and Equipment's requirements for cost model.

Land is carried at historical cost, however, buildings are depreciated using the written down value method over their estimated useful lives as mentioned in 2(d) above.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit or Loss in the period in which the property is derecognised.

(f) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

(g) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is generally ascertained on weighted average basis. Cost of raw materials, traded goods and indirect materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete/ slow moving inventories are adequately provided for.

(h) Employee benefits:

(i) Short term employee benefits:

All employee benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are classified as short term employee benefits, which include salaries, wages, short term compensated absences and performance incentives and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet. These 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. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. Such contributions are recognised as expense in the period in which the employee renders related service.

Provident Fund contributions made to Trusts administered by the Company are treated as defined benefit plan. The interest 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. The Company also provides for post employment defined benefit in the form of Gratuity. The cost of defined 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 Other Comprehensive Income (OCI).

(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, including long term compensated absences, service awards, and ex-gratia are determined based on actuarial valuation carried out at each Balance Sheet date. Estimated liability on account of long term employee benefits is discounted to the present value using the yield on government bonds as the discounting rate for the term of obligations as on the date of the Balance Sheet. Actuarial gains and losses in respect of the same are charged to the Statement of Profit and

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

Loss.

(iv) Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. The termination benefits are measured based on the number of employees expected to accept the offer in case of voluntary retirement scheme.

(i) Foreign currency transactions:

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

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 at the year end are recognised in the Statement of Profit and Loss.

(j) Leases:

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. On the date of initial application the Company has recognised equivalent lease liability and right of use asset without impacting opening reserves. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the Company's Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of "Right of Use" asset and "Lease liability"

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

of the same amount.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under IAS 17.

The difference between the lease obligation recorded as at March 31, 2019 under Ind AS 17 disclosed under Note 35(a) of the Annual Report for year ended March 31, 2019 and the value of the lease liabilities as at April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(k) Income tax :

(i) Current tax:

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income. In this case, the tax is also recognised in Other Comprehensive Income.

(l) 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 estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which that are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(m) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per payment terms. They are recognised initially at their fair value and subsequently measured at amortised cost.

(n) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using effective interest method.

(o) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present legal or constructive 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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(p) Government grants:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

Government grants relating to the purchase of property, plant and equipment are deducted while calculating the carrying amount of the asset resulting in reduced depreciation over the life of property, plant and equipment.

## (q) Segment Reporting

Segment reporting is based on the management approach with regard to segment identification, under which information regularly provided to the chief operating decision maker (CODM) for decision-making purposes is considered decisive. The executive directors are the chief operating decision maker of the company, who assess the financial position, performance and make strategic decisions.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses/ income".

## (r) Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (s) Derivatives and hedging activities:

The Company uses derivative financial instruments such as forward exchange contracts and currency option contracts to hedge its risks associated with foreign currency fluctuations. Such derivative contracts are not designated as hedges and are accounted for at Fair Value through Profit and Loss.

## (t) Embedded derivatives:

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 Financial Instruments are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to host contracts are not separated.

## (u) Discontinued operation:

A discontinued operation is a component of the entity that has been disposed and that represents a separate line of business. The results of discontinued operation is presented separately in the Statement of Profit and Loss.

## (v) Earning per share (basic and diluted):

Earning per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

**Note 3: Critical estimates and judgements**

The preparation of standalone financial statements in accordance with Ind AS requires that assumptions and estimates be made for some line items. This note provides the areas that involve a higher degree of judgement or complexity.

## (a) Estimation of current tax expense and payable - Note 26

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income tax Act, 1961. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The recognition of deferred tax assets is premised on their future recoverability being probable.

## (b) Estimation of defined benefit obligation and other employee obligations - Note 27

Employee benefit obligations are measured using actuarial methods. This requires various assumptions, including with respect to salary trends, attrition rate, discounting factor, etc.

## (c) Estimation of provision for warranty claims - Note 14

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 1 to 3 years.

## (d) Leases-Note 35

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 4 (a) : Property, plant and equipment**

	Gross Block				Accumulated Depreciation and Impairment					Net Block			
	As at April 1, 2019	Reclassified on account of adoption of Ind AS 116 (Refer Note 35)	Additions	Deductions / Adjustments	As at March 31, 2020	As at April 1, 2019	Reclassified on account of adoption of Ind AS 116 (Refer Note 35)	Depreciation for the year	Impairment for the year	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land - Freehold	189 (189)	- (-)	- (-)	9 (-)	180 (189)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	180 (189)	189 (189)
- Leasehold	1,653 (1,653)	1,653 (-)	- (-)	- (-)	- (1,653)	40 (30)	40 (-)	- (10)	- (-)	- (-)	- (40)	- (1,613)	1,613 (1,623)
Buildings [refer note (a) below]	4,725 (4,638)	- (-)	2,717 (87)	318 (-)	7,124 (4,725)	1,547 (1,193)	- (-)	512 (354)	- (-)	86 (-)	1,973 (1,547)	5,151 (3,178)	3,178 (3,445)
Buildings - R & D	26 (26)	- (-)	1 (-)	- (-)	27 (26)	5 (3)	- (-)	2 (2)	- (-)	- (-)	7 (5)	20 (21)	21 (23)
Plant and machinery [refer note (d) below]	18,454 (16,576)	- (-)	2,539 (2,136)	169 (258)	20,824 (18,454)	13,611 (10,737)	- (-)	2,640 (3,099)	577 (-)	86 (225)	16,742 (13,611)	4,082 (4,843)	4,843 (5,839)
Plant and machinery - R & D	801 (571)	- (-)	106 (230)	0 (-)	907 (801)	801 (571)	- (-)	106 (230)	- (-)	0 (-)	907 (801)	- (-)	- (-)
Office equipment	210 (182)	- (-)	61 (30)	10 (2)	261 (210)	162 (136)	- (-)	40 (28)	- (-)	7 (2)	195 (162)	66 (48)	48 (46)
Office equipment - R & D	9 (8)	- (-)	3 (1)	- (-)	12 (9)	9 (8)	- (-)	3 (1)	- (-)	- (-)	12 (9)	- (-)	- (-)
Furniture and fixtures	273 (240)	- (-)	115 (35)	16 (2)	372 (273)	197 (147)	- (-)	68 (52)	- (-)	11 (2)	254 (197)	118 (76)	76 (93)
Furniture and fixtures - R & D	17 (9)	- (-)	3 (8)	- (-)	20 (17)	17 (9)	- (-)	3 (8)	- (-)	- (-)	20 (17)	- (-)	- (-)
Vehicles	469 (404)	- (-)	51 (85)	18 (20)	502 (469)	329 (251)	- (-)	77 (93)	- (-)	16 (15)	390 (329)	112 (140)	140 (153)
Vehicles - R & D	1 (1)	- (-)	- (-)	- (-)	1 (1)	1 (1)	- (-)	- (-)	- (-)	- (-)	1 (1)	- (-)	- (-)
<b>Total</b>	<b>26,827</b> <b>(24,497)</b>	<b>1,653</b> <b>(-)</b>	<b>5,596</b> <b>(2,612)</b>	<b>540</b> <b>(282)</b>	<b>30,230</b> <b>(26,827)</b>	<b>16,719</b> <b>(13,086)</b>	<b>40</b> <b>(-)</b>	<b>3,451</b> <b>(3,877)</b>	<b>577</b> <b>(-)</b>	<b>206</b> <b>(244)</b>	<b>20,501</b> <b>(16,719)</b>	<b>9,729</b> <b>(10,108)</b>	<b>10,108</b> <b>(11,411)</b>

**Note 4 (b) : Capital work in progress**

4,870  
(6,442)      6,442  
(3,132)

- Impairment loss has been recognised on certain machines impacted by introduction of the new BS-VI norms [Refer Note 43].
- Buildings include Mio INR 0 (2018-19: Mio INR 0) being the value of shares in co-operative housing societies.
- Deductions/adjustments for the current year includes assets whose cost is Mio 418 INR and opening accumulated depreciation is Mio INR 303 as part of sale of packaging division [Refer Note 33].
- Depreciation for the year includes depreciation towards discontinued operation amounting to Mio INR 35 (2018-19: Mio INR 23).
- Deductions/adjustments for the current year includes Mio INR 161 of government grant.
- Plant and machinery includes capital spares capitalised.
- Capital work-in-progress mainly comprises plant and machinery and building under construction.
- Refer note 39 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
- Figures in brackets relate to previous year.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 5 : Investment properties**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Opening gross carrying amount	2,164	2,160
Additions	10	4
Closing gross carrying amount	2,174	2,164
Accumulated depreciation		
Opening accumulated depreciation	619	451
Depreciation charge	151	168
Closing accumulated depreciation	770	619
Opening Capital work-in-progress	104	55
Closing Capital work-in-progress	62	104
	1,466	1,649

(i) Amounts recognised in Statement of Profit and Loss for investment properties

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	1,130	1,043
Direct operating expenses from property that generated rental income	(52)	(33)
Profit from investment properties before depreciation	1,078	1,010
Depreciation charge	(151)	(168)
Profit from investment properties	927	842

(ii) Contractual obligations: Refer note no 41 for disclosure of contractual obligations relating to investment properties.

(iii) Fair value of investment properties:

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Land	11,524	10,158
Building	5,837	5,896
	17,361	16,054

**Note 6 : Investments in subsidiary and associate :**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unquoted equity investments valued at cost (all fully paid)				
Associate (also a fellow subsidiary):				
Newtech Filter India Private Limited, equity shares of Rs.10/- each fully paid	17,500,000	17,500,000	175	175
Subsidiary :				
MICO Trading Private Limited, equity shares of Rs.10/- each fully paid	100,000	100,000	1	1
Joint Venture:				
PreBO Automotive Private Limited, equity shares of Rs.10/- each fully paid	3,200,000	-	32	-
	20,800,000	17,600,000	208	176



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 7 (a): Investments****(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Quoted investments</b>				
<b>(a) Investment in equity instruments valued at FVOCI:</b>				
ICICI Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	2,404,105	2,404,105	780	963
Housing Development Finance Corporation Limited (Quoted) Equity shares of Rs.2/- each fully paid	3,404,800	3,404,800	5,560	6,701
HDFC Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	377,000	188,500	325	437
<b>(b) Investment in bonds at amortised cost:</b>				
India Infrastructure Finance Corporation Limited				
8.41% Tax Free secured bonds of Rs.1,000/- each	100,000	100,000	100	100
8.16% Tax Free secured bonds of Rs.1,000/- each	850,000	850,000	850	850
Indian Railway Finance Corporation Limited				
7.55% Tax Free secured bonds of Rs.100,000/- each	200	200	20	20
8.00% Tax Free secured bonds of Rs.1,000/- each	54,445	54,445	54	54
8.23% Tax Free secured bonds of Rs.1,000/- each	1,500,000	1,500,000	1,500	1,500
7.07% Tax Free secured bonds of Rs.1,000/- each	90,600	90,600	91	91
6.70% Tax Free secured bonds of Rs.100,000/- each	-	5,000	-	500
Power Finance Corporation Limited				
8.20% Tax Free secured bonds of Rs.1,000/- each	71,197	71,197	71	71
National Highway Authority of India Limited				
8.20% Tax Free secured bonds of Rs.1,000/- each	433,981	433,981	434	434
7.14% Tax Free secured bonds of Rs.1,000/- each	85,709	85,709	86	86
National Thermal Power Corporation Limited				
8.19% Tax Free secured bonds of Rs.1,000,000/- each	400	400	400	400
7.11% Tax Free secured bonds of Rs.1,000/- each	37,474	37,474	37	37
National Housing Bank				
8.25% Tax Free secured bonds of Rs.5,000/- each	63,843	63,843	319	319
Rural Electrification Corporation Limited				
8.19% Tax Free secured bonds of Rs.1,000/- each	750,000	750,000	750	750
National Highway Authority Of India Limited (unquoted)				
5.25% Capital Gain Bonds of Rs.10,000/- each	-	500	-	5
<b>(c) Investment in Mutual Funds at FVTPL:</b>				
<b>ICICI Prudential Mutual Fund</b>				
ICICI Prudential FMP Series 82 - 1215 Days Plan H Direct Plan-Cumulative of Rs.10/- each	10,000,000	10,000,000	119	109
ICICI Prudential FMP Series 82 - 1185 Days Plan M Direct Plan-Cumulative of Rs.10/- each	30,000,000	30,000,000	356	326
ICICI Prudential Saving Fund-Direct Plan-Growth of Rs.100 each (Formerly known as ICICI Prudential Flexible Income Plan - Direct Plan - Growth Units of Rs.100/- each)	2,264,083	1,573,795	884	568
ICICI Prudential Short Term Fund-Direct Plan - Growth Option Units of Rs.10/- each	36,412,801	36,412,801	1,615	1,469
<b>HDFC Mutual Fund</b>				
HDFC FMP 1158D February 2018 (1)-Direct -Growth-Series 39 Units of Rs.10/- each	35,000,000	35,000,000	416	381
HDFC FMP 1105D August 2018 (1)-Direct -Growth-Series 42 Units of Rs.10/- each	15,000,000	15,000,000	175	160
HDFC FMP 1122D August 2018 (1)-Direct -Growth-Series 42-Units of Rs.10/- each	15,000,000	15,000,000	174	160
HDFC Floating Rate Debt Fund-Direct Plan-Wholesale Option-Growth Option units of Rs.10/- each (Formerly known as	22,646,706	22,646,706	801	741

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 7 (a): Investments****(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
HDFC Floating Rate Income Fund - Short Term Plan - Growth - Direct Plan Units of Rs.10/- each)				
HDFC Floating Rate Debt Fund-Regular Plan-Wholesale Option-Growth Option units of Rs.10/- each (Formerly known as HDFC Floating Rate Income Fund-Short Term Plan-Regular Plan-Wholesale Option-Growth Option units of Rs.10/- each)	12,218,255	12,218,255	429	397
HDFC Short Term Debt Fund-Direct Plan -Growth Option units of Rs.10/- each (Formerly known as HDFC Short Term Opportunities Fund - Direct Plan -Growth Option units of Rs.10/- each)	72,479,132	72,479,132	1,659	1510
<b>SBI Mutual Fund</b>				
SBI Debt Fund Series C-18 (1100 Days)-Direct Growth Units of Rs.10/- each	30,000,000	30,000,000	353	324
SBI Debt Fund Series C-19 (1100 Days)-Direct Growth Units of Rs.10/- each	30,000,000	30,000,000	352	322
SBI Debt Fund Series C-21 (1100 Days)-Direct Growth Units of Rs.10/- each	20,000,000	20,000,000	229	212
SBI Debt Fund Series C-23 (1100 Days)-Direct Growth Units of Rs.10/- each	20,000,000	20,000,000	232	212
SBI Banking & PSU Fund- Direct Plan - Growth Units of Rs.1000/- each (Formerly known as SBI Treasury Advantage Fund-Direct Plan - Growth Units of Rs.1000/- each)	368,600	368,600	872	791
SBI Short Term Debt Fund-Direct Plan-Growth Units of Rs.10/- each	46,878,052	46,878,052	1,131	1,033
SBI Magnum Low Duration Fund-Direct Plan-Growth Units of Rs 1000/-each	244,121	-	642	-
SBI Magnum Low Duration Fund-Regular Plan-Growth Units of Rs 1000/-each	40,763	-	106	-
<b>UTI Mutual Fund</b>				
UTI Fixed Term Income Fund Series XXIX -XIV (1131 days)- Direct Growth Plan Option of Rs.10/- each	20,000,000	20,000,000	235	215
UTI Short Term Income Fund -Growth-Direct Plan-Growth Plan- Units of Rs.10/- each (Formerly known as UTI Short Term Income Fund - Growth - Institutional Option - Direct Plan - Growth Units of Rs.10/- each)	101,156,122	101,156,122	2,262	2344
<b>DSP Mutual Fund (Formerly known as DSP BlackRock Mutual Fund)</b>				
DSP Ultra Short Fund -Direct Plan -Growth Units of Rs.1000/- each (Formerly known as DSP BlackRock Money Manager Fund - Growth - Direct Units of Rs.1,000/- each)	-	515,761	-	1,308
DSP Low Duration Fund - Direct Plan-Growth Units of Rs.10/- each (Formerly known as DSP BlackRock Low Duration Fund - Growth - Direct Units of Rs.10/- each)	86,546,643	86,546,643	1,290	1192
DSP FMP Series 237 -36M-Direct-Growth- Units of Rs.10/- each	20,000,000	20,000,000	233	214
<b>IDFC Mutual Fund</b>				
IDFC Fixed Term Plan - Series 140 Direct Plan - Growth (1145 Days) Units of Rs.10/- each	10,000,000	10,000,000	118	108
IDFC Fixed Term Plan - Series 161 Direct Plan- Growth (1098 Days) Units of Rs.10/- each	10,000,000	10,000,000	116	106
IDFC Low Duration Fund -Growth -Direct Units of Rs.10/- each of Liquid Fund (Formerly known as IDFC Ultra Short Term Fund - Growth - Direct Plan units of Rs.10/- each)	37,228,568	20,482,309	1,076	548
IDFC Low Duration Fund -Growth-Regular Units of Rs.10/- each of Liquid Fund (Formerly known as IDFC Ultra Short Term Fund - Growth - Regular Plan units of Rs.10/- each)	17,942,236	8,645,238	513	229

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 7 (a): Investments****(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
IDFC Bond Fund -Short Term Plan-Direct Plan -Growth units of Rs.10 each (Formerly known as IDFC Super Saver Income Fund - Short Term - Direct Plan - Growth units of Rs.10/- each)	10,188,845	10,188,845	442	403
<b>Tata Mutual Fund</b>				
Tata Fixed Maturity Plan Series 53 Scheme A - Direct Plan - Growth Units of Rs.10/- each	10,000,000	10,000,000	118	108
Tata Fixed Maturity Plan Series 55 Scheme G -Direct Plan- Growth Units of Rs.10/- each	20,000,000	20,000,000	232	212
Tata Treasury Advantage Fund-Direct Plan-Growth Units of Rs.1000/- each (Formerly known as Tata Ultra Short Term Fund - Direct Plan - Growth Units of Rs.1000/- each)	201,236	201,236	596	578
Tata Short Term Bond Fund - Direct Plan-Growth Units of Rs.10/- each	16,667,828	69,422,732	623	2362
<b>Aditya Birla Sun Life Mutual Fund (Formerly known as Birla Sun Life Mutual Fund)</b>				
Aditya Birla Sun Life Fixed Term Plan - Series PD (1177 days) - Direct Growth Units of Rs.10/- each	10,000,000	10,000,000	119	109
Aditya Birla Sun Life Fixed Term Plan - Series PG (1148 days) - Direct Growth Units of Rs.10/- each	10,000,000	10,000,000	118	109
Aditya Birla Sun Life Fixed Term Plan - Series QG (1100 days) - Growth Direct Units of Rs.10/- each	25,000,000	25,000,000	294	270
Aditya Birla Sun Life Fixed Term Plan - Series QK (1099 days) - Growth Direct Units of Rs.10/- each	25,000,000	25,000,000	293	269
Aditya Birla Sunlife Floating Rate Fund-Growth -Direct plan Units of Rs.100/- each (Formerly known as Birla Sunlife Floating Rate Fund- Long Term Plan -Growth -Direct plan Units of Rs.100/- each)	4,543,805	1,982,165	1,146	462
Aditya Birla Sun Life Corporate Bond Fund - Growth-Regular Plan Units of Rs.10/- each (Formerly known as Birla Sun Life Short Term Fund - Growth - Regular Plan Units of Rs.10/- each)	4,591,242	4,591,242	359	329
Aditya Birla Sun Life Corporate Bond Fund - Direct-Growth-Plan Units of Rs.10/- each (Formerly known as Birla Sun Life Short Term Fund - Direct - Growth - Plan Units of Rs.10/- each)	19,086,765	19,086,765	1,506	1377
Aditya Birla Sun Life Fixed Term Plan - Series SN (1099 days) - Growth Direct Units of Rs.10/- each	10,000,000	-	110	-
<b>Franklin Templeton Mutual Fund</b>				
Franklin India Fixed Maturity Plan - Series 2-Plan C-1205 Days - Direct - Growth Plan Units of Rs.10/- each	10,000,000	10,000,000	119	109
Franklin India Fixed Maturity Plan - Series 3-Plan B 1139 Days-Direct Growth Plan Units of Rs.10/- each	15,000,000	15,000,000	178	163
Franklin India Fixed Maturity Plan - Series 3-Plan C 1132 Days Direct Growth Plan Units of Rs.10/- each	10,000,000	10,000,000	118	108
Franklin India Fixed Maturity Plan - Series 4-Plan A 1098 Days-Direct Growth Plan Units of Rs.10/- each	25,000,000	25,000,000	293	268
Franklin India Fixed Maturity Plan - Series 4-Plan B 1098 Days-Direct Growth Plan Units of Rs.10/- each	10,000,000	10,000,000	116	106
Franklin India Fixed Maturity Plan - Series 4-Plan C- 1098 Days-Direct-Growth Plan Units of Rs.10/- each	10,000,000	10,000,000	116	106
<b>Kotak Mutual Fund</b>				
Kotak FMP Series 228 - Direct-Growth-Units of Rs.10/- each	10,000,000	10,000,000	119	109
Kotak FMP Series 237 - Direct-Growth-Units of Rs.10/- each	15,000,000	15,000,000	175	160
Kotak FMP Series 240 - Direct-Growth-Units of Rs.10/- each	10,000,000	10,000,000	117	107

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 7 (a): Investments****(i) Non-current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Kotak FMP Series 243- Direct-Growth-Units of Rs.10/- each	15,000,000	15,000,000	177	161
Kotak Bond Short Term -Direct plan -Growth Units of Rs.10/- each (Formerly known as Kotak Bond - Direct plan -Growth Units of Rs.10/- each )	46,862,755	46,862,755	1,881	1,709
Kotak Corporate Bond Fund-Direct Plan-Growth-Units of Rs.1000/- each	38,868	-	109	-
<b>Total</b>	<b>1,053,831,181</b>	<b>1,067,299,909</b>	<b>37,239</b>	<b>37,991</b>
Aggregate amount of quoted investments				
Investments carried at amortised cost			4,712	5,212
Investments carried at FVOCI			6,665	8,101
Investments carried at FVTPL			25,862	24,673
Aggregate amount of unquoted investments				
Investments carried at amortised cost			-	5
Aggregate amount of market value of quoted investments			37,621	38,460
Aggregate amount of market value of unquoted investments			-	5
Aggregate amount of impairment in the value of investments			-	-

**(ii) Current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Quoted investments</b>				
<b>(a) Investment in mutual funds at FVTPL:</b>				
Aditya Birla Sunlife Liquid Fund -Growth -Direct Units of Rs.100/- each	784,933	-	251	-
Aditya Birla Sunlife Overnight Fund -Growth -Direct Units of Rs.1000/- each	186	-	0	-
Aditya Birla Sun Life Money Manager Fund - Direct-Growth-Plan Units of Rs.100/- each	2,602,834	-	705	-
DSP Ultra Short Fund -Direct Plan -Growth Units of Rs.1000/- each (Formerly known as DSP BlackRock Money Manager Fund - Growth - Direct Units of Rs.1,000/- each)	1,66,297	-	453	-
IDFC Cash Fund - Growth- Direct Plan units of Rs.1000/- each	83,511	-	200	-
IDFC Ultra Short Term Fund -Direct Plan-Growth units of Rs.10/- each	39,738,959	-	453	-
Kotak Money Market Fund-Direct Plan-Growth-Units of Rs.1000/- each	136,727	-	453	-
SBI Magnum Ultra Short Duration Fund-Direct Plan-Growth Units of Rs 1000/-each	101,062	-	453	-
<b>ICICI Prudential Mutual Fund</b>				
ICICI PrudentialFMP Series 78 - 1212 Days Plan A Direct Plan-Cumulative of Rs.10/- each	-	20,000,000	-	258
ICICI Prudential FMP Series 78 -1190 Days Plan E Direct Plan-Cumulative of Rs.10/- each	-	15,000,000	-	193
ICICI Prudential FMP Series 78 -1185 Days Plan F Direct Plan-Cumulative of Rs.10/- each	-	20,000,000	-	257

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 7 (a): Investments****(ii) Current investments**

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
ICICI Prudential FMP Series 78 - 1170 Days Plan I Direct Plan-Cumulative of Rs.10/- each	-	20,000,000	-	257
ICICI Prudential FMP Series 78 - 1168 Days Plan J Direct Plan-Cumulative of Rs.10/- each	-	15,000,000	-	192
<b>Adithya Birla Mutual Fund (Formerly known as Birla Sun Life Mutual Fund)</b>				
Aditya Birla Sun Life Fixed Term Plan - Series NI (1163 days)-Growth Regular Units of Rs.10/- each	-	25,000,000	-	319
<b>HDFC Mutual Fund</b>				
HDFC FMP 1183D January 2016 (1)-Direct -Growth-series 35 Units of Rs.10/- each	-	10,000,000	-	128
HDFC FMP 1167D January 2016 (1)-Direct -Growth-series 35 Units of Rs.10/- each	-	1,00,00,000	-	128
HDFC FMP 1155D February 2016 (1)-Direct -Growth-series 35 Units of Rs.10/- each	-	15,000,000	-	192
HDFC FMP 1132D February 2016 (1)-Direct -Growth-series 35 Units of Rs.10/- each	-	10,000,000	-	128
<b>SBI Mutual Fund</b>				
SBI Debt Fund Series B – 31 (1200 Days)-Direct Plan Growth Units of Rs.10/- each	-	15,000,000	-	191
<b>UTI Mutual Fund</b>				
UTI Fixed Term Income Fund Series Series XXIV -VI (1181 days)-Direct Growth Plan Option of Rs.10/- each	-	10,000,000	-	128
<b>Total</b>	<b>43,614,507</b>	<b>184,999,997</b>	<b>2,968</b>	<b>2,371</b>
Aggregate amount of quoted investments: Investments carried at FVTPL			2,968	2,371
Aggregate amount of market value of quoted investments			2,968	2,371
Aggregate amount of impairment in the value of investments			-	-

**Note 7 (b) : Trade receivables**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
- Related parties [refer note (a) below and note 34]	2,172	2,304
- Others	13,102	14,598
Less: Allowance for credit losses	(1,144)	(1,227)
	14,130	15,675
(a) Includes dues from private companies where directors are interested	841	1,067

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Details of secured and unsecured**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	-
Unsecured, considered good	14,130	15,675
Increase in credit risk	562	513
Credit impaired	582	714
Total	15,274	16,902
Allowance for credit losses	(1,144)	(1,227)
Total trade receivables	14,130	15,675

**Note 7 (c) : Loans**

[₹ in Millions (Mio INR)]

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to fellow subsidiaries (refer note 34)	5,970	465	4,455	500
Loan to directors (refer note 34)	-	6	-	2
Loan to employees	122	309	132	227
Security deposits	-	316	-	334
	6,092	1,096	4,587	1,063

**Note 7 (d) : Cash and cash equivalents**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- in current accounts	503	238
- in EEFC accounts	53	17
- deposit accounts with original maturity of less than 3 months	1,996	1,647
Cash on hand	-	-
Cheques on hand	-	8
	2,552	1,910

**Note 7 (e) : Other bank balances**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Deposit accounts (maturity less than 12 months)	19,850	10,450
Margin Money	111	122
Unpaid dividend accounts	47	45
	20,008	10,617

**Note 7 (f) : Other financial assets**

[₹ in Millions (Mio INR)]

	As at March 31, 2020 Current	As at March 31, 2019 Current
Inter-corporate deposit	7,500	7,850
Interest accrued on financial assets at amortised cost	1,183	850
Others (include non-trade receivables, etc.)	394	387
	9,077	9,087



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 8 : Deferred tax assets**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Difference between books and Income tax written down value (WDV) of depreciable property, plant and equipment and intangible assets	2,504	3,106
Expenses allowable for tax purposes when paid and other timing differences	2,062	1,490
	4,566	4,596

**Movement in deferred tax assets**

[₹ in Millions (Mio INR)]

	WDV of depreciable property, plant and equipment	Expenses allowable on payment basis	Total
As at March 31, 2018	3,049	1,856	4,905
Ind AS 115 transition adjustments (refer note 31)	-	150	150
As at April 1, 2018	3,049	2,006	5,055
(Charged)/ Credited			
- to Statement of Profit and Loss	57	(413)	(356)
- to Other Comprehensive Income	-	(103)	(103)
As at March 31, 2019	3,106	1,490	4,596
(Charged)/ Credited			
- to Statement of Profit and Loss	(602)	578	(24)
- to Other Comprehensive Income	-	(6)	(6)
As at March 31, 2020	2,504	2,062	4,566

**Note 9 : Other non-current assets**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Capital advances	551	480
Security deposits	103	93
Deferred contract costs [refer note (a) below]	46	67
	700	640

(a) Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract.

**Note 10 : Inventories**

(at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Raw materials	2,391	3,240
Work-in-progress	928	1,489
Finished goods	2,006	3,910
Stock-in-trade	5,267	5,209
Stores and spares	260	228
Loose tools	307	367
	11,159	14,443

(a) Inventories include the following as goods-in-transit

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Raw materials	195	474
Stock-in-trade	1,891	1,463
Loose tools	-	3
	2,086	1,940

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

- (b) Amount of inventories recognised as an expense/(income) is Mio INR 1038 [2018-19 Mio INR (208)].
- (c) Write-down/(reversal of write-down of earlier year) of the inventories to net realisable value amounted to Mio INR 75 [2018-19 Mio INR 79]. These were recognised as an expense during the year and included in Note 21 in the Statement of Profit and Loss.

**Note 11 : Other current assets**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Balance with customs, goods & service tax, excise and sales tax authorities, etc.	180	488
Deferred expense	93	87
Contract assets (refer note 31)	1,463	1,783
Deferred contract costs [ refer note 9 (a) ]	30	30
Others (include vendor advances, claims receivable, etc.)	2,440	3,353
	4,206	5,741

**Note 12 : Equity share capital and other equity****Note 12(a) : Equity Share capital**

Authorised equity share capital

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2018	38,051,460	381
Increase during the year	-	-
As at March 31, 2019	38,051,460	381
Increase during the year	-	-
As at March 31, 2020	38,051,460	381

- (i) Movements in equity share capital (issued, subscribed and fully paid up) (with voting rights):

[₹ in Millions (Mio INR)]

	No of shares	Amount
As at April 1, 2018	30,520,740	305
Increase/ (decrease) during the year (refer note 42)	(10,27,100)	(10)
As at March 31, 2019	29,493,640	295
Increase/ (decrease) during the year	-	-
As at March 31, 2020	29,493,640	295

Rights, preferences and restrictions attached to shares:

The Equity shares of the Company, having face value of Rs. 10/- per share, rank pari passu in all respects including voting rights, entitlement to dividend and share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

- (ii) Equity shares held by the holding company and subsidiary of the holding company (with voting rights):

[₹ in Millions (Mio INR)]

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the Holding company (also the Ultimate Holding company)	19,984,324	204	20,351,224	204
Robert Bosch Engineering and Business Solutions Private Ltd., India, subsidiary of the Holding company	8,20,900	5	4,54,000	5

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

- (iii) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company (with voting rights):

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Shareholding %	No of shares	Shareholding %
Robert Bosch GmbH, Federal Republic of Germany, the Holding company (also the Ultimate Holding company)	19,984,324	67.76%	20,351,224	69.00%

- (iv) There are no shares reserved for issue under options and contracts/ commitments. Further, there are no shares that have been allotted during last 5 years pursuant to a contract without payment being received in cash, or by way of bonus shares.
- (v) The Company has bought back 1,027,100 shares during the year ended March 31, 2019 at buy-back price determined at Rs. 21,000/- per share which was approved by the board of directors and shareholders of the Company. Shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Number of equity shares bought back by the Company (refer note 42)	-	1,027,100	-	878,160	-

**Note 12(b) : Reserves and surplus**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Capital reserve [refer note (i)]	39	39
Share premium [refer note (ii)]	8	8
Capital redemption reserve [refer note (iii)]	86	86
General reserve [refer note (iv)]	293	293
Retained earnings [refer note (v)]	85,337	82,491
	85,763	82,917

## (i) Capital reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Opening balance	39	39
Additions/(deletions) during the year	-	-
Closing balance	39	39

## (ii) Share premium

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Opening balance	8	8
Additions/(deletions) during the year	-	-
Closing balance	8	8

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (iii) Capital redemption reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Opening balance	86	76
Additions/(deletions) during the year (refer note 43)	-	10
Closing balance	86	86

## (iv) General reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Opening balance	293	21,862
Less: Utilisation for buy back of shares (refer note 42)	-	(21,559)
Less: Transfer to capital redemption reserve (refer note 42)	-	(10)
Closing balance	293	293

## (v) Retained earnings

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Closing balance of previous year	82,491	70,313
Impact of transition to Ind AS 115, net of taxes (refer note 31)	-	(280)
Opening balance	82,491	70,033
Net profit for the year	6,498	15,980
Dividends (refer note no. 30(b)(i))	(3,097)	(3,052)
Dividend distribution taxes	(636)	(627)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligations, net of tax	81	157
Closing balance	85,337	82,491

**Note 12(c) : Other reserves**

[₹ in Millions (Mio INR)]

	FVOCI - Equity Instruments	Total other reserves
As at April 1, 2018	7,210	7,210
Change in fair value of FVOCI equity instruments, net of tax	840	840
As at March 31, 2019	8,050	8,050
Change in fair value of FVOCI equity instruments, net of tax	(1,414)	(1,414)
As at March 31, 2020	6,636	6,636

**Note 13(a) : Other financial liabilities**

[₹ in Millions (Mio INR)]

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Unpaid dividend [refer note (a) below]	47	-	45	-
Capital creditors	370	-	481	-
Other payables (includes employee dues, derivative liabilities, etc.)	4,345	27	4,199	107
	4,762	27	4,725	107

- (a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 13(b) : Trade payables**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Trade payables		
- Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	516	619
- Dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer note 34)	10,063	8,356
- Others	5,471	6,800
	15,534	15,156
	16,050	15,775

Note- Trade payables include amounts payable under the supplier finance program.

(a) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

[₹ in Millions (Mio INR)]

	As at March 31, 2020 and for the year ended March 31, 2020	As at March 31, 2019 and for the year ended March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	516	619
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	14	11
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	13	19
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	140	113
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	10

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from vendors to the letters circulated by the Company.

**Note 14 : Provisions**

[₹ in Millions (Mio INR)]

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	6,865	3,266	2,261	3,400
Trade demand and others [refer note (a) below]	4,999	2	4,327	16
Warranty [refer note (a) below]	1,047	-	1,161	-
	12,911	3,268	7,749	3,416

(a) Disclosure under Indian Accounting Standard (Ind AS) 37 on "Provisions, Contingent Liabilities and Contingent Assets" :

[₹ in Millions (Mio INR)]

Description	As at March 31, 2019	Ind AS 115 transition adjustments (Refer note 32)	As at April 1, 2019	Additions during the year	Utilised/ reversed during the- year	As at March 31, 2020
Trade demand and others [refer note (i) and (ii) below]	4,343	-	4,343	2,841	(2,183)	5,001
	(4,050)	(339)	(4,389)	(2,187)	(-2,233)	(4,343)
Warranty [refer note (i) and (ii) below]	1,161	-	1,161	306	(420)	1,047
	(1,343)	(-)	(1,343)	(420)	(-602)	(1,161)

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

- (i) 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 provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.
- (ii) Figures in brackets relate to previous year.

**Note 15 : Current tax liabilities/(assets)**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Opening balance	158	906
Add: Provision for tax (including earlier years)	3,545	7,074
Less: Taxes paid (net of refund)	(4,612)	(7,822)
Closing balance (net of provision for tax of MIO INR 25,977 (net of advance tax of Mio INR 28,643 as at March 31, 2019))	(909)	158

**Note 16 : Other current liabilities**

[₹ in Millions (Mio INR)]

	As at March 31, 2020	As at March 31, 2019
Statutory dues	493	1,125
Indirect taxes	447	359
Contract liabilities (refer note 31)	1,353	1,805
Others (advance from customers, etc.)	456	615
	2,749	3,904

**Note 17 : Other operating revenue**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Scrap sales	113	166
Export incentives	451	386
Provision/ liabilities no longer required written back	31	30
Rental income	1,130	1,043
Government Grants	992	-
Provision for doubtful debts reversal	39	-
Miscellaneous income	514	488
	3,270	2,113

**Note 18 : Other income**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- Bank and inter corporate deposits	2,035	1,802
- Loans to related parties	497	365
- On financial assets at amortised cost	416	418
- Net interest on defined benefit obligation	3	-
- Others	329	185
Amortisation of deferred government grant income	-	7
Dividend from equity investments designated at FVOCI	66	74
Net gain on financial assets measured at FVTPL	2,054	3,093
Profit on sale of property, plant and equipment (net)	66	10
	5,466	5,954



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 19 : Cost of materials consumed**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials consumed	23,165	29,043
Less: Issues capitalised	(118)	(287)
	23,047	28,756

**Note 20 : Purchases of stock-in-trade**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of goods	27,813	39,676
	27,813	39,676

**Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock		
Finished goods	3,910	2,603
Work-in-progress	1,315	1,329
Stock-in-trade	5,210	4,823
Closing stock		
Finished goods	2,006	3,910
Work-in-progress	928	1,315
Stock-in-trade	5,267	5,210
	2,234	(1,680)

**Note 22 : Employee benefit expense**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages, bonus etc.	11,019	11,528
Contributions to provident and other funds [refer note 27]	916	960
Staff welfare	750	1,019
	12,685	13,507

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 23 : Finance costs**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- others	102	89
Net interest on defined benefit liability	-	44
	102	133

**Note 24 : Depreciation and amortisation expense**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment [refer note 4(a)]	3,416	3,854
Depreciation on investment properties [refer note 5]	151	168
Depreciation on right of use assets [refer note 35(a)]	266	-
	3,833	4,022

**Note 25 : Other expenses**

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores and spares	496	1,040
Consumption of tools	1,228	1,603
Power and fuel	976	1,112
Repairs to plant and machinery	796	1,018
Repairs to building	272	529
Royalty and technical service fee	1,908	2,175
Rent [refer note 35]	179	547
Rates and taxes	113	88
Insurance	133	98
Expenditure towards Corporate Social Responsibility [refer note (a) below]	371	353
Packing, freight and forwarding	1,570	2,040
Warranty and service expenses	245	83
Travelling and conveyance	740	1,260
Professional and consultancy charges	3,681	1,540
Advertisement and sales promotion expenses	652	594
Miscellaneous manufacturing expenses	1,975	2,369
Computer expenses	1,397	1,137
Miscellaneous expenses [refer note (b) below]	1,182	1,738
Less: Expenses capitalised	(110)	(274)
	17,804	19,050

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (a) Expenditure towards Corporate Social Responsibility :

- Gross amount required to be spent by the Company during the year is Mio INR 370 (2018-19 Mio INR 353).
- Amount spent during the year is Mio INR 371 (2018-19 Mio INR 353).

[₹ in Millions (Mio INR)]

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	272	99	371
		(287)	(66)	(353)

- Total amount paid during the year Mio INR 338 includes Mio INR 66 relating to previous year.
- Figures in brackets relate to previous year.

## (b) Miscellaneous expenses include :

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Remuneration to auditors (excluding indirect tax):		
Statutory audit fee	8	8
Tax audit fees	1	1
Other services	2	2
(ii) Provision for doubtful debts (net)	-	31
(iii) Bad debts written off	71	45
(iv) Exchange loss [including exchange loss/(gain) of Mio INR (27) (2018-19: Mio INR 45) on account of mark-to-market valuation of outstanding forward and option contracts]	310	361

**Note 26: Income tax expense**

This note provides an analysis of the Company's income tax expense, showing how the tax expense is affected by non-assessable and non-deductible items.

## (a) Income tax expense

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Continuing operations:		
Current tax		
Current tax on profits for the year	3,524	7,589
Adjustments for current tax of prior periods	(199)	(538)
Total current tax expenses	3,325	7,051
Deferred tax		
Decrease/ (Increase) in deferred tax assets	(1,424)	355
Total deferred tax expenses/(benefit)	(1,424)	355
Income tax expense	1,901	7,406
Tax expense - Impact of change in the tax rate on opening deferred tax asset	1448	-
<b>Discontinuing operations:</b>	221	24

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (b) Reconciliation of tax expenses and the accounting profit multiplied by tax rate:

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Profit before income tax expense	10,068	23,410
	10,068	23,410
Tax at the Indian tax rate of 25.168% (2018-19: 34.944%)	2,534	8,181
Effect of non-deductible expense	177	233
Effect of difference in tax rate for long term capital gain on sale of business	(34)	-
Effect of exempt other income/ weighted deduction	(108)	(446)
Effects of Mark to Market gain on investment in mutual funds	(248)	-
Adjustments for current tax of prior periods	(199)	(538)
Effect of opening deferred tax rate change	1,448	-
Income tax expense	3,570	7,430

**Note 27: Employee Retirement Benefits:**

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

## (a) Post Employment Benefit - Defined Contribution Plans

The Company has recognised an amount of Mio INR 367 \*(2018-19: Mio INR 342\*) as expense under the defined contribution plans in the Statement of Profit and Loss.

## (b) Post Employment Benefit - Defined Benefit Plans

The Company makes annual contributions to the Bosch Employees' Gratuity Fund and makes monthly contributions to Bosch Employees (Bangalore) Provident Fund Trust and Bosch Workmen's (Nashik) Provident Fund Trust, funded defined benefit plans 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.

## (c) Total expense recognised in the statement of profit and loss

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current service cost*	385	392	233	234
(Gain)/Loss on Settlements	-	-	(66)	-
Net interest cost				
a. Interest expense on defined benefit obligation (DBO)	850	799	381	368
b. Interest (income) on plan assets	(850)	(799)	(384)	(324)
c. Total net interest cost	-	-	(3)	44
Defined benefit cost included in Statement of Profit and Loss	385	392	164	278

\* Total charge recognised in Statement of Profit and Loss is Mio INR 916 (2018-19: Mio INR 960) [Refer note no 22].

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (d) Remeasurement effects recognised in Other Comprehensive Income (OCI)

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
a. Actuarial (gain)/ loss due to demographic assumption changes in DBO	(15)	-
b. Actuarial (gain)/ loss due to financial assumption changes in DBO	313	66
c. Actuarial (gain)/ loss due to experience on DBO	(245)	(249)
d. Return on plan assets (greater)/ less than discount rate	(162)	(55)
Total actuarial (gain)/ loss included in OCI	(109)	(238)

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2020	March 31, 2019
a. Actuarial (gain)/ loss on liability	11	(134)
b. Actuarial (gain)/ loss on plan assets	(11)	134
Total actuarial (gain)/ loss included in OCI	-	-

## (e) Total cost recognised in comprehensive income

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cost recognised in Statement of Profit and Loss	385	392	164	278
Remeasurements effects recognised in OCI	-	-	(109)	(238)
Total cost recognised in Comprehensive Income	385	392	55	40

## (f) Change in defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
Defined benefit obligation as at the beginning of the year	5,058	4,886
Service cost	233	234
Interest cost	381	368
Settlements	(66)	-
Benefit payments from plan assets	(463)	(247)
Acquisition / Divestiture	(45)	-
Actuarial (gain)/ loss - demographic assumptions	(15)	-
Actuarial (gain)/ loss - financial assumptions	313	66
Actuarial (gain)/ Loss - experience	(245)	(249)
Defined benefit obligation as at year end	5,151	5,058

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2020	March 31, 2019
Defined benefit obligation as at the beginning of the year	11,183	10,221
Current service cost	385	392
Interest cost	850	799
Benefits paid and transfer out	(1,590)	(1,109)
Transfer in	140	84
Participant contributions	931	930
Actuarial (gain)/ loss	(11)	(134)
Defined benefit obligation as of current year end	11,888	11,183

## (g) Change in fair value of plan assets

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Fair value of plan assets at end of prior year	11,183	10,221	5,018	4,198
Expected return on plan assets	850	799	384	324
Employer contributions	385	392	40	688
Participant contributions	931	930	-	-
Benefit payments from plan assets	(1,590)	(1,109)	(463)	(247)
Acquisition/ divestiture	-	-	(45)	-
Transfer in/ transfer out	140	84	-	-
Actuarial gain/ (loss) on plan assets	(11)	(134)	162	55
Fair value of plan assets at end of year	11,888	11,183	5,096	5,018

## (h) Net defined benefit asset/ (liability)

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Defined benefit obligation	11,888	11,183	5,151	5,058
Fair value of plan assets	11,888	11,183	5,096	5,018
(Surplus)/ deficit recognised in Balance Sheet	-	-	55	40

## (i) Expected company contributions for the next year

[₹ in Millions (Mio INR)]

	Provident Fund	Gratuity
	March 31, 2020	March 31, 2020
Expected company contributions for the next year	423	190

## (j) Reconciliation of amounts in balance sheet

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
Net defined benefit liability/(asset) at prior year end	40	688
Defined benefit cost included in Statement of Profit and Loss	164	278
Total remeasurements included in OCI	(109)	(238)
Employer contributions	(40)	(688)
Net defined benefit liability/(asset)	55	40



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (k) Reconciliation of Statement of Other Comprehensive Income

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
Cumulative OCI - (Income)/Loss, beginning of period	(386)	(148)
Total remeasurements included in OCI	(109)	(238)
Cumulative OCI - (Income)/Loss	(495)	(386)

## (l) Current/ non current liability

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
Current liability	-	-
Non current liability	55	40
Total	55	40

## (m) Assumptions

	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount factor [refer note (i) below]	6.60%	7.65%	6.60%	7.65%
Weighted average rate of escalation in salary per annum [refer note (ii) below]	NA	NA	10.0%	10.6%
Mortality rate	"IALM (2012-14) Ultimate"	"IALM (2006 08) Ultimate"	"IALM (2012-14) Ultimate"	"IALM (2006 08) Ultimate"

## Notes:

- (i) 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.
- (ii) 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.

## (n) Risk exposures:

A large portion of assets consists of government and corporate bonds and small portion of assets consists in mutual funds and special deposit account in banks. Through its defined plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility:** The plan liabilities are calculated using a discount rate with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income government securities with high grades and public sector corporate bonds. A small portion of the funds are invested in equity securities.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

## (o) Sensitivity analysis on defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2020	March 31, 2019
Discount rate		
a. Discount rate - 50 basis points	5,445	5,335
b. Discount rate + 50 basis points	4,880	4,802
Weighted average increase in salary		
a. Rate - 50 basis points	5,018	4,904
b. Rate + 50 basis points	5,328	5,209

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur. This sensitivity analysis shows how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (p) Plan assets

Revenue at disaggregated level	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	% Invested	% Invested	% Invested	% Invested
Government Securities (Central and State)	55	52	52	52
Corporate Bonds (including Public Sector bonds)	38	39	36	36
Mutual Funds	3	3	2	2
Cash and bank balances				
(including Special Deposits Scheme, 1975)	4	6	10	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## (q) Expected future cashflows

The weighted average duration of the defined benefit obligation is 14.27 years (2018-19 -14.26 years). The expected maturity analysis is as follows:

	[₹ in Millions (Mio INR)]			
	Provident Fund		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Within 1 year	1,470	1,103	190	156
Between 1-2 years	504	687	169	266
Between 2-5 years	2,461	2,015	773	781
From 6 to 10	6,427	5,884	2,348	2,543
<b>Total</b>	<b>10,862</b>	<b>9,689</b>	<b>3,480</b>	<b>3,746</b>

**Note 28: Fair value measurements:****(i) Financial instruments by category and hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	March 31, 2020				March 31, 2019		
	Level	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>							
Investments							
- Equity instruments	1	-	6,665	-	-	8,101	-
- Bonds	1	-	-	4,712	-	-	5,212
- Mutual funds	1	28,830	-	-	27,044	-	-
Interest accrued on financial assets at amortised cost	3	-	-	1,183	-	-	850
Trade receivables	3	-	-	14,130	-	-	15,675
Loans	3	-	-	7,188	-	-	5,650
Investments							
- Bonds	3	-	-	-	-	-	5
Cash and cash equivalents				2,552			1,910
Other bank balances				20,008			10,617
Inter-corporate deposit	3	-	-	7,500	-	-	7,850
Others (include non-trade receivables, etc.)	3	-	-	394	-	-	387
Derivative assets	2	-	-	24	-	-	-
<b>Total financial assets</b>		<b>28,830</b>	<b>6,665</b>	<b>57,691</b>	<b>27,044</b>	<b>8,101</b>	<b>48,156</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

	March 31, 2020			March 31, 2019			
	Level	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial liabilities</b>							
Financial lease liabilities	3	-	-	738	-	-	-
Trade payables	3	-	-	16,050	-	-	15,775
Unpaid dividend	3	-	-	47	-	-	45
Other payables (includes employee dues, etc.)	3	-	-	4,372	-	-	4,726
Capital creditors	3	-	-	370	-	-	481
Derivative liabilities	2	-	-	-	-	-	44
<b>Total financial liabilities</b>				<b>21,577</b>			<b>21,071</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, tax free bonds and mutual funds that have quoted price. The fair value of all equity instruments, which are traded in the stock exchanges, are valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for market, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There are no transfers between levels during the year.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of remaining financial instruments is determined using the discounted cash flow analysis

**(iii) Valuation process**

The finance and accounts department of the company performs the valuation of financial assets and liabilities required for financial reporting purposes, and report to the Executive Director (ED). Discussions on valuation processes and results are held between the ED and valuation team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs are derived and evaluated as follows:

- Discount rate for loans to employees are determined using prevailing bank lending rate.
- The fair values of financial assets and liabilities are determined using the discounted cash flow analysis.

**(iv) Fair value of financial assets and liabilities measured at amortised cost**

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Tax free bonds	4,712	5,094	5,217	5,692
Loans	1,096	1,096	1,063	1,063
<b>Total financial assets</b>	<b>5,808</b>	<b>6,190</b>	<b>6,280</b>	<b>6,755</b>
<b>Financial liabilities</b>				
Financial lease liabilities	521	521	-	-
Other financial liabilities	27	27	107	107
<b>Total financial liabilities</b>	<b>548</b>	<b>548</b>	<b>107</b>	<b>107</b>

With respect to trade receivables, other receivables, inter-corporate deposit, current portion of loans, cash and cash equivalents, other bank balance, trade payables, capital creditors, employee payables, the carrying amount is considered to be the same as their fair value due to their short-term nature.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 29: Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are entered into by the Company to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.

**(A) Credit Risk**

Credit risk arises from cash and cash equivalents, instruments carried at amortised cost and deposits with banks, as well as credit exposures to customers including outstanding receivables.

**(i) Credit risk management**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks which have high credit ratings assigned by external agencies. Investments primarily include investment in debt based mutual funds whose portfolios have instruments with high credit rating and government bonds. The Board of Directors periodically review the investment portfolio of the Company. Credit risk on loans given to fellow subsidiaries is guaranteed by the holding company. Credit risk with respect to trade receivable is managed by the Company through setting up credit limits for customers and also periodically reviewing the credit worthiness of major customers.

Expected credit loss for trade receivables under simplified approach

	[₹ in Millions (Mio INR)]			
	March 31, 2020		March 31, 2019	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	13,050	2,224	14,432	2,470
Expected credit losses (Loss allowance provision)	(98)	(1,046)	(69)	(1,158)
Carrying amount of trade receivables (net of impairment)	12,952	1,178	14,363	1,312

The gross carrying amount of trade receivables is 15,274 Mio INR (March 31, 2019 - Mio INR 16,902). During the period, the Company made no significant write-offs of trade receivables and it does not expect to receive future cash flows or recoveries from trade receivables previously written off.

**(ii) Reconciliation of loss allowance provision - Trade Receivables**

	[₹ in Millions (Mio INR)]
Gross carrying amount	
Loss allowance as at April 1, 2018	1,190
Changes in loss allowance	37
Loss allowance as at March 31, 2019	1,227
Changes in loss allowance	(83.37)
Loss allowance as at March 31, 2020	1,144

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of funds.

Management monitors daily and monthly rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried in accordance with standard guidelines. The company has liquidity reserves in the form of highly liquid assets like cash and cash equivalents, debt based mutual funds, deposit accounts, etc.

(i) Financing arrangements: The company had access to the following undrawn borrowing facilities at the end of the reporting period

	[₹ in Millions (Mio INR)]	
	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	20	20
- Expiring beyond one year (bank loans)	-	-
	20	20

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (ii) Maturity of Financial liabilities

The table below summarises the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

	[₹ in Millions (Mio INR)]			
	March 31, 2020		March 31, 2019	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	16,050	-	15,775	-
Financial Lease liabilities	218	521	-	-
Other financial liabilities	4,762	27	4,725	107
Total non-derivative liabilities	21,030	548	20,500	107
Foreign exchange forward contracts	1,766	-	2,933	-
Options contracts	-	-	1,112	-
Total derivative liabilities	1,766	-	4,045	-

**(C) Market risk**

## (i) Foreign currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transaction.

The Company imports and exports goods and services which are predominantly denominated in USD and EUR. This exposes the Company to foreign currency risk. To minimise this risk, the Company hedges using forward contracts and foreign currency option contracts on a net exposure basis.

a) Foreign currency risk exposure: The company exposure to foreign currency risk at the end of the reporting period expressed in Mio INR are as follows:

	[₹ in Millions (Mio INR)]			
	March 31, 2020		March 31, 2019	
	USD	EUR	USD	EUR
Financials assets	53	-	-	-
Trade receivables	904	356	1,362	172
Exposure to foreign currency risk - assets	957	356	1,362	172
Financial liabilities	2	-	-	-
Trade payables	13,684	2,947	4,788	817
Exposure to foreign currency risk - liabilities	13,686	2,947	4,788	817
Derivative liabilities				
Foreign exchange forward contracts	1,649	117	2,933	-
Foreign currency option contracts - Buy Option Contract	-	-	1,112	-
Net exposure to foreign currency risk	11,080	2,474	(619)	645

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

(b) Sensitivity: The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	[₹ in Millions (Mio INR)]	
	Impact on profit after tax	
	March 31, 2020	March 31, 2019
USD Sensitivity		
INR/USD - Increase by 1%*	(111)	6
INR/USD - Decrease by 1%*	111	(6)
EUR Sensitivity		
INR/EUR - Increase by 1%*	(25)	(6)
INR/EUR - Decrease by 1%*	25	6

\* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

(a) Interest rate risk exposure: The company does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Company analyses it based on the sensitivity analysis and manages it by portfolio diversification.

(b) Sensitivity: Profit or loss is sensitive to changes in interest rate for tax free bonds. A change in the market interest level by 100 basis points would have the following effect on the profit after tax:

	[₹ in Millions (Mio INR)]	
	Impact on profit after tax	
	March 31, 2020	March 31, 2019
Interest rates - increase by 100 basis points*	(338)	(365)
Interest rates - decrease by 100 basis points*	338	365

\* Holding all other variables constant

(iii) Price risk

(a) Exposure: The Company has invested in equity securities and the exposure is equity securities price risk from investments held by the Company and classified in the balance sheet as fair value through OCI.

(b) Sensitivity: The table below summarises the impact of increase/decrease of the index in the company's equity and impact on OCI for the period. The analysis is based on the assumption that the equity index had increased/ decreased by 10% with all other variables held constant, and that all the company's equity instruments moved in line with the index.

	[₹ in Millions (Mio INR)]	
	Impact on other components of equity	
	March 31, 2020	March 31, 2019
Price - increase by 10%	667	810
Price - decrease by 10%	(667)	(810)

Other components of equity would increase/decrease as a result of gains/ (losses) on equity securities classified as fair value through Other Comprehensive Income.

### Note 30: Capital management

#### (a) Risk management

The Company has equity capital and other reserves attributable to the equity shareholders, as the only source of capital and the company does not have any interest bearing borrowings/ debts.



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**(b) Dividends**

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
(i) Dividends recognised		
Final dividend for the year ended March 31, 2019 of INR 105/- (March 31, 2018 - INR 100/-) per fully paid share	3,097	3,052
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the year ended, the Directors have recommended the payment of a final dividend of INR 105/- per fully paid equity share (March 31, 2019 - INR 105/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,097	3,097
	3,097	3,097

**Note 31: Revenue from contracts with customers**

The Company derives revenues primarily from sale of goods and sale of services.

The Company recognizes revenue under the core principle to depict the transfer of control to the Company's customers in an amount reflecting the consideration the Company expects to be entitled.

Product revenues consist of sales to original equipment manufacturers (OEMs). The Company considers customer purchase orders, which in some cases are governed by master sales agreements, to be the contracts with a customer. In situations where sales are to a distributor, the Company has concluded that its contract is with the distributor as the Company holds a contract bearing enforceable rights and obligations only with the distributor. As part of its consideration of the contract, the Company evaluates certain factors including the customer's ability to pay (or credit risk). For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligations.

Revenue from sales to distributors is recognized upon the transfer of control to the distributor. Discounts, sales incentives that are payable to distributors are netted-off with revenue.

In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment to determine the net consideration to which the Company expects to be entitled. Revenue is recognized when control of the product is transferred to the customer (i.e., when the Company's performance obligation is satisfied). Further, in determining whether control has transferred, the Company considers if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

Cost to obtain a contract with a customer is recognized as an asset and amortised over the period of fulfillment of contract.

The impact of adoption of Ind AS 115 on the Company's financial statements are as follows:

[₹ in Millions (Mio INR)]

Reconciliation of reserves and surplus as at April 1, 2018	Note No.	March 31, 2019
<b>Reserves and surplus as at March 31, 2018</b>	12(b)(v)	<b>70,313</b>
Contract assets recognised	11	571
Contract liabilities recognised	16	(662)
Provisions for estimated losses	14	(339)
Deferred tax assets on the above	8	150
<b>Ind AS 115 transition impact</b>		<b>(280)</b>
<b>Reserves and surplus as at April 1, 2018</b>	12(b)(v)	<b>70,033</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

Description	As at April 1, 2019	Deferred cost	Cost transferred to the statement of profit and loss account	As at March 31, 2020
Contract assets (Refer note 11)	1,783 (571)	1,648 (1,389)	1,968 (177)	1,463 (1,783)

Description	As at April 1, 2019	Unearned revenue	Revenue recognised	As at March 31, 2020
Contract liabilities (Refer note 16)	1,805 (662)	1,598 (1,289)	2,050 (146)	1,353 (1,805)

i) Figures in brackets relate to previous year.

	March 31, 2020		March 31, 2019	
	Automotive	Others	Automotive	Others
Sale of Products	75,596	13,845	99,955	16,195
Sale of Services	5,600	105	2,035	552
Other operating revenue	2,156	1,114	1,077	1,036

**Note 32: Segment Information****(a) Description of segments and principal activities**

The Company's operations predominantly relate to operating segments in the automotive business which consists of diesel systems, gasoline systems and automotive aftermarket products and services and are aggregated into one reportable segment 'Automotive Products' in accordance with the aggregation criteria. Aggregation is done due to the similarities of the products and services provided to the customers, similar production processes and similarities in the regulatory environment. The Company also operates in other businesses consisting of Industrial technology, consumer goods, energy and building technology products and services which are non-automotive and do not meet the threshold criteria for reporting as separate segments threshold criteria for reporting as separate segments. Therefore, the reportable segment consists of "Automotive Products" and "Others".

Revenue by geographical areas is stated on the basis of origin and there are no non-current assets located outside India.

The accounting principles and policies adopted in the preparation of the standalone financial statements are also consistently applied to record income/ expenditure and assets/ liabilities in individual segments.

The inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

**(b) Details of operating segment**

[₹ in Millions (Mio INR)]

	Automotive Products		Others		Eliminations		Discontinued Operation		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Revenue</b>										
Gross sale of product	75,596	99,955	13,845	16,195	-	-	665	1,667	90,106	117,817
Sale of services	5,600	2,035	105	552	-	-	23	54	5,728	2,641
Other operating revenue	2,156	1,077	1,114	1,036	-	-	17	7	3,287	2,120
Inter-segment revenue	-	-	279	515	(279)	(515)	-	-	-	-
<b>Total Revenue</b>	<b>83,352</b>	<b>103,067</b>	<b>15,343</b>	<b>18,298</b>	<b>(279)</b>	<b>(515)</b>	<b>705</b>	<b>1,728</b>	<b>99,121</b>	<b>122,578</b>
<b>Result</b>										
Segment result	4,934	18,100	1,463	2,197	-	-	871	70	7,268	20,367

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

[₹ in Millions (Mio INR)]

Revenue from external customers	March 31, 2020	March 31, 2019
India	89,958	112,428
Other countries	9,163	10,151
<b>Total</b>	<b>99,121</b>	<b>122,579</b>

**(c) Reconciliation of profit**

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
<b>Segment results</b>	<b>7,268</b>	<b>20,367</b>
Less: Depreciation and amortisation	(413)	(194)
Less: Unallocated corporate expenses	(2,151)	(2,583)
Add: Other income (refer note 19)	5,466	5,953
Less: Finance costs (refer note 24)	(102)	(133)
<b>Profit before tax</b>	<b>10,068</b>	<b>23,410</b>

**(d) Details of segment assets and liabilities**

[₹ in Millions (Mio INR)]

Segment assets	March 31, 2020	March 31, 2019
Automotive Products	36,714	41,894
Others	6,559	9,219
<b>Total segment assets</b>	<b>43,273</b>	<b>51,113</b>
<b>Segment liabilities</b>		
Automotive Products	31,472	26,623
Others	4,696	6,522
<b>Total segment liabilities</b>	<b>36,168</b>	<b>33,145</b>

**(e) Reconciliation of assets**

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
<b>Segment assets</b>	<b>43,273</b>	<b>51,113</b>
Property, plant and equipment	2,345	1,676
Capital work-in progress	2,590	1,698
Investments	40,207	40,362
Investments in subsidiary, associate and joint venture	208	176
Other non-current assets	322	374
Deferred tax assets	4,566	4,596
Cash and cash equivalents	2,552	1,910
Bank balance other than cash and cash equivalents	20,008	10,617
Loans	6,660	5,237
Other financial assets	8,897	9,007
Other current assets	663	330
Income tax assets	909	-
<b>Total assets</b>	<b>133,200</b>	<b>127,096</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**(f) Reconciliation of liabilities**

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
<b>Segment liabilities</b>	<b>36,168</b>	<b>33,145</b>
Trade payables	1,011	49
Provisions	1,338	548
Unpaid dividend	47	45
Other current liabilities	142	141
Other financial liabilities	1,800	1,748
Current tax liabilities	-	158
<b>Total liabilities</b>	<b>40,506</b>	<b>35,834</b>

**Note 33: Discontinued operation**

In accordance with the approvals received from the Board of Directors on May 21, 2019 and from the shareholders on August 23, 2019, the Company has executed the Business Transfer Agreement on October 1, 2019 and transferred the business of Packaging under the non-automotive products segment of the Company on a going concern basis by way of slump sale to Robert Bosch Packaging Technology India Private Limited. Consequently profit before tax and profit after tax for the Packaging business have been disclosed separately as discontinued operations in the statement of profit and loss.

## (a) Financial performance and cash flow information:

The financial performance and cash flow information presented are for the period ended September 30, 2019 (March 31, 2020 column) and the year ended March 31, 2019.

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Revenue including other income	705	1,728
Expenses	(784)	(1,658)
Profit before income tax	(79)	70
Income tax (expense)/ credit	-	(24)
Profit after income tax	(79)	46
Gain on sale of division after income tax [refer (b) below]	729	-
Profit from discontinued operation	650	46
Other comprehensive income from discontinued operation	-	-
Net cash flow from operating activities	(44)	69
Net cash flow from investing activities (from sale of business)	1,273	-
Net cash flow from financing activities	-	-
Net cash generated from discontinued operation	1,229	69

## (b) Details of sale of business:

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Consideration received	1,494	-
Carrying amount of net assets sold	(544)	-
Gain on sale before income tax	<b>950</b>	-
Income tax expense on gain	(221)	-
Gain on sale after income tax	<b>729</b>	-



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (b) Related Party transactions/ balances - summary:

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Associate	Key Management Personnel	Joint Venture	Other related entities	Total
<b>Purchases of :</b>								
Property, plant and equipment	90	450	-	-	-	-	-	540
	(424)	(292)	(-)	(-)	(-)	(-)	(-)	(716)
Goods	9,061	16,640	-	485	-	-	-	26,186
	(12,701)	(21,134)	(-)	(584)	(-)	(-)	(-)	(34,419)
Dividend paid	2,137	48	-	-	-	-	-	2,185
	(2,106)	(45)	(-)	(-)	(-)	(-)	(-)	(2,151)
Amount paid for shares bought back	-	-	-	-	-	-	-	-
	(14,857)	(-)	(-)	(-)	(-)	(-)	(-)	(14,857)
<b>Services received:</b>								
Royalty and technical service fee	-	1,959	-	-	-	-	-	1,959
	(-)	(2,199)	(-)	(-)	(-)	(-)	(-)	(2,199)
Professional, consultancy and other charges	2,022	2,883	-	-	-	-	-	4,905
	(1,847)	(2,169)	(-)	(-)	(-)	(-)	(-)	(4,016)
Advance for expenses from fellow subsidiary	-	22	-	-	-	-	-	22
	(-)	(-)	(-)	(-)	(-)	(-)	-	-
Donation expense	-	-	-	-	-	-	93	93
	(-)	(-)	(-)	(-)	(-)	(-)	(88)	(88)
Loan given (*)	-	1,510	-	-	-	-	-	1,510
	(-)	(1,030)	(-)	(-)	(-)	(-)	(-)	(1,030)
Loan repaid	-	30	-	-	-	-	-	30
	(-)	(80)	(-)	(-)	(-)	(-)	(-)	(80)
Loan to related parties (*)	-	6,435	-	-	-	-	-	6,435
	(-)	(4,955)	(-)	(-)	(-)	(-)	(-)	(4,955)
Trade receivables	476	1,695	-	-	-	-	1	2,172
	(610)	(1,694)	(-)	(-)	(-)	(-)	(-)	(2,304)
Other financial assets (non-trade receivables)	2	131	-	1	-	-	-	134
	(2)	(285)	(-)	(-)	(-)	(-)	(-)	(287)
Advance to creditors	-	181	-	-	-	-	-	181
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Amount payable on behalf of fellow subsidiary	-	21	-	-	-	-	-	21
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Trade payables	3,254	6,753	-	56	-	-	-	10,063
	(2,483)	(5,767)	(-)	(106)	(-)	(-)	(-)	(8,356)
Other financial liabilities	2	197	-	-	-	-	-	199
	(161)	(44)	(-)	(-)	(-)	(-)	(-)	(205)
Contributions made to Employees' Benefit plans	-	-	555	-	-	-	-	555
	(-)	(-)	(1,225)	(-)	(-)	(-)	(-)	(1,225)
<b>Managerial Remuneration:</b>								
Mr. Soumitra Bhattacharya	-	-	-	-	78	-	-	78
	(-)	(-)	(-)	(-)	(77)	(-)	(-)	(77)
Mr. Srinivasan S C	-	-	-	-	51	-	-	51
	(-)	(-)	(-)	(-)	(49)	(-)	(-)	(49)
Dr. Andreas Wolf	-	-	-	-	86	-	-	86
	(-)	(-)	(-)	(-)	(68)	(-)	(-)	(68)
Mr. Jan Oliver Röhrh	-	-	-	-	78	-	-	78
	(-)	(-)	(-)	(-)	(72)	(-)	(-)	(72)
Mr. Sandeep N	-	-	-	-	5	-	-	5
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sitting fees/ commissions to non-executive directors	-	-	-	-	16	-	-	16
	(-)	(-)	(-)	(-)	(16)	(-)	(-)	(16)



## Notes to the Standalone Financial Statements for the year ended March 31, 2020

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Associate	Key Management Personnel	Joint Venture	Other related entities	Total
Unpaid Bonus/ Commission as at the year end	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(133)	(-)	(-)	(133)
Loan and Advances :								
Amount outstanding at the year end	-	-	-	-	6	-	-	6
	(-)	(-)	(-)	(-)	(2)	(-)	(-)	(2)

Figures in brackets relate to previous year.

(c) Names and details of fellow subsidiaries having transaction value in excess of 10% in line transactions during the year:

Particulars	Name of the related party	March 31, 2020	March 31, 2019
Net sale of product	Bosch Automotive Electronics India Private Ltd.	241	161
	Bosch Diesel s.r.o.	239	117
	Robert Bosch LLC	261	173
	Bosch Automotive Diesel Systems Co., Ltd.	170	341
	Bosch Sanayi ve Ticaret A.S.	77	419
Sale of services	Bosch Chassis Systems India Private Ltd.	135	89
	Robert Bosch Engineering and Business Solutions Private Ltd.	179	53
	Bosch Automotive Service Solutions Inc.	216	58
Rental income	Bosch Security Systems B.V.	-	113
	Bosch Automotive Electronics India Private Ltd.	221	164
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Private Ltd.	865	813
	Bosch Automotive Electronics India Private Ltd.	127	197
	Bosch Chassis Systems India Private Ltd.	106	97
Interest earned	Robert Bosch Engineering and Business Solutions Private Ltd.	128	292
	Bosch Rexroth (India) Private Limited	267	262
Purchase of goods	BSH Household Appliances Manufacturing Private Limited	224	94
	Robert Bosch Power Tools GmbH	4,629	4,430
	Bosch Automotive Electronics India Pvt. Ltd., India	5,241	5,307
Purchase of property, plant and equipment	Bosch Automotive Diesel Systems Co., Ltd., China	708	2,112
	Robert Bosch Manufacturing Solutions GmbH	162	64
Professional, consultancy and other charges received	Robert Bosch Korea Limited Company	181	-
	Bosch Rexroth (India) Private Limited	1	72
	ETAS Automotive India Private Ltd.	12	38
	Bosch Automotive Diesel Systems Co., Ltd.	-	39
	Robert Bosch (France) S.A.S.	8	33
Royalty and technical service fee	Robert Bosch Engineering and Business Solutions Private Ltd.	2,168	1,615
	Bosch Corporation	243	63
Loan given	Bosch Technology Licensing Administration GmbH	1,952	2,189
	BSH Household Appliances Manufacturing Pvt Ltd	1,500	1,000
Loan repaid	Automobility Services and Solutions Private Limited	10	30
	Automobility Services and Solutions Private Limited	30	-
Contributions made to Employees' Benefit plans	Mivin Engg. Technologies Pvt. Ltd.,	-	80
	Bosch Employees' Gratuity Fund., India	40	688
	Bosch Superannuation Fund Trust., India	131	146
	Bosch Employees (Bangalore) Provident Fund Trust., India	312	312
	Bosch Workmen's (Nashik) Provident Fund Trust., India	73	80
Sale of property, plant and equipments	Bosch Chassis Systems India Private Ltd.	1	2
	Precision Seals Manufacturing Ltd.	1	1
	Robert Bosch Engineering and Business Solutions Private Ltd.	-	1
Advance for expenses from fellow subsidiary	Bosch Sanayi ve Ticaret A.S.	-	2
	Robert Bosch Automotive Steering Private Limited	22	-
Advance to creditors	Robert Bosch Manufacturing Solutions GmbH	181	-

Note: The amounts disclosed above include amounts pertaining to discontinued operations.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 35: Leases**

Information on leases as per Ind AS 116 on “Leases”:

(a) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

	[₹ in Millions (Mio INR)]		
	“Right of Use Assets (Land)”	“Right of Use Assets (Buildings)”	Total
As at March 31, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 4(a))	1,613	-	1,613
Ind AS 116 Transition Impact	-	688	688
As at April 1, 2019	1,613	688	2,301
Additions/Modifications	-	250	250
Deletions/Adjustments*	(60)	-	(60)
Depreciation	(9)	(257)	(266)
As at March 31, 2020	1,544	681	2,225

The aggregate depreciation is included under depreciation and amortisation expense in the Statement of Profit and Loss.

\*Deductions/adjustments for the current year includes assets whose cost is Mio 86 INR and opening accumulated depreciation is Mio INR 26 as part of sale of packaging division [Refer Note 33]

(b) The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

	[₹ in Millions (Mio INR)]	
	As at March 31, 2020	
	Current	Non-Current
Lease Liabilities	218	521

(c) The following is the movement in the lease liabilities for the year ended March 31, 2020

	[₹ in Millions (Mio INR)]
	Lease Liabilities
As at March 31, 2019	-
Ind AS 116 Transition Impact	688
As at April 1, 2019	688
Additions/Modifications	249
Finance Cost	60
Lease Rentals Paid	(259)
As at March 31, 2020	738

(d) The table provides details regarding contractual liabilities of lease liabilities as at March 31, 2020 on an undiscounted basis:

	[₹ in Millions (Mio INR)]
Undiscounted future cash flows	As at March 31, 2020
- Not later than 1 year	264
- Later than 1 year and not later than 5 years	510
- Later than 5 years	86

(e) Rental expense recorded for short-term leases was Mio INR 179 for the year ended March 31, 2020.

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

## (f) Operating Lease Income :

The Company has leased out certain office spaces that are renewable on a periodic basis. All leases are cancellable with 3 months notice. Rental income received during the year in respect of operating lease is Mio INR 1,130 (2018-19: Mio INR 1,043). Details of assets given on operating lease as at year end are as below.

	[₹ in Millions (Mio INR)]							
	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Land	38	38	-	-	38	38	-	-
Buildings	2,136	2,126	770	619	1,366	1,507	151	168
Plant and machinery	526	518	469	415	57	103	54	83
Furniture and fixtures	2	2	1	1	1	1	1	1
Office equipment	3	2	3	2	-	-	1	-
<b>Total</b>	<b>2,705</b>	<b>2,686</b>	<b>1,243</b>	<b>1,037</b>	<b>1,462</b>	<b>1,649</b>	<b>207</b>	<b>252</b>

**Note 36: Earnings Per Share**

## (a) Basic and diluted earning per share

	[₹ in Millions (Mio INR)]	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to Equity Shareholders from continuing operations	5,848	15,934
Profit attributable to Equity Shareholders from discontinued operation	650	46
Weighted average number of Equity Shares outstanding during the year	29,493,640	30,427,879
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted earnings per Share (Rs.) from continuing operations	198	524
Basic and Diluted earnings per Share (Rs.) from discontinued operation	22	1
Basic and Diluted earnings per Share (Rs.) from continuing operations and discontinued operation	220	525

## (b) Reconciliation of earnings used in calculating earnings per share

	[₹ in Millions (Mio INR)]	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	5,848	15,934
From discontinued operation	650	46

## (c) Weighted average number of shares used as the denominator

	[₹ in Millions (Mio INR)]	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	29,493,640	30,427,879

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 37: Contingent liabilities**

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debts:		
(a) Excise/ Customs		
Net of tax	263	220
Gross	352	338
(b) Income tax [refer note (i) below]	1,050	738

(i) Relates to adjustments made by the Income Tax Department for the financial year 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 which are disputed by the Company and the matters are lying under appeal with appellate authority and uncertain tax positions relating to such adjustments by the Income Tax Department.

**Note 38:** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**Note 39:** Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

[₹ in Millions (Mio INR)]

	March 31, 2020	March 31, 2019
Property, plant and equipment	2,274	2,970
Investment properties	108	291

**Note 40:** Advances include dues from directors and officers of the Company

**Note 41: Offsetting financial assets and financial liabilities**

The Company provides the incentives to selected customers under the terms of the agreements, the amounts payable by the Company are offset against receivables from the customers and only the net amounts are settled. The amounts offset as at March 31, 2020 is Mio INR 728 (March 31, 2019: Mio INR 1,235) which is disclosed under note 7(b).

**Note 42: Buy-back of shares**

During the year 2018-19, pursuant to the appropriate approvals, the Company had made an offer for buy back and accordingly bought back 1,027,100 fully paid-up equity shares of the Company at a price of Rs. 21,000 per share for an aggregate amount of Mio INR 21,569 and has extinguished such equity shares. The Company has utilized general reserve amounting to Mio INR 21,559 for the buyback of its shares. In accordance with Section 69 of the Companies Act, 2013, the Company created a capital redemption reserve amounting to INR 10 Mio, equal to the nominal value of the shares bought back, as an appropriation from the general reserve.

**Note 43: Exceptional item**

The Company is undergoing major transformation with regard to structural and cyclical changes in automotive market and emerging opportunities in the electro mobility and mobility segment. During the year, the Company has made a provision towards various restructuring and transformational projects including asset impairment and disclosed as an exceptional item.

**Note 44: COVID-19**

Spread of COVID -19 has affected the economic activity across the Globe, including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company does not anticipate any major challenge in meeting its Financial obligations, on long term basis. Further, the Company does not carry any risk in the recoverability and carrying values of its assets including Property, plant and Equipment, trade receivable, inventory and investments. The Company does not anticipate any additional liability as at the Balance Sheet date. However, the Company will closely monitor any material changes to future economic conditions impacting its business

## Notes to the Standalone Financial Statements for the year ended March 31, 2020

**Note 45: Previous period figures**

Previous period's figures have been regrouped/ reclassified, wherever necessary, to conform to current year classification.

**Note 46: Rounding off**

Amounts mentioned as "0" in the standalone financial statements denote amounts rounded off being less than Rupees one million.

Notes to the financial statements 1 to 46

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board

Soumitra Bhattacharya	(DIN: 02783243)	Managing Director
Jan-Oliver Röhrl	(DIN: 07706011)	Joint Managing Director
S.C. Srinivasan	(DIN: 02327433)	CFO & Executive Director

S. Sundaresan  
Partner

Place: Bengaluru  
Date: May 22, 2020

Rajesh Parte  
Place: Mumbai

Company Secretary & Compliance Officer