Independent Auditor's Report

To the Members of Bosch Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BOSCH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit,we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No.117366W/W–100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure A to Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of BOSCH LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm‘s Registration No.117366W/W–100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure B to Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of fixed assets,

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for one immovable property with gross book value of Rs. 2 million and net book value of Rs. 1 million, whose title deed is not yet registered in the name of the Company.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax,cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,Customs Duty, Excise Duty, Value Added Tax,Goods and Service Tax,cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty, interest and penalty	26	1985-88	Supreme Court
		35*	1998-01, 2005-2013	Customs, Excise and Service Tax Appellate Tribunal
		194	1992-94, 2002-04, 2009-2016	Upto Commissioner level
Customs Act, 1962	Customs duty and interest	17*	2008-12,2014-2015	Customs, Excise and Service Tax Appellate Tribunal
		90	1991-92,2009-10, 2011-13,2014-15	Upto Commissioner level
Income-tax Act , 1961	Income tax and interest	4*	2001-03	High Court
		0*	2012-13	Income Tax Appellate Tribunal
		0*	1979-80, 2011-12, 2013-14	Commissioner of Income Tax (Appeals)
		1*	1983-84	Upto commissioner level
Sales Tax Act and VAT laws	Sales tax, interest and penalty	76*	1996-97, 1998-99, 2000-01, 2002-06, 2009-11, 2013-14, 2017-18	Sales Tax Appellate Tribunal
		166*	1995-2018	Upto commissioner level

* Net of amount paid under protest.

(viii) The company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause 3 (viii) of the Order is not applicable.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors to which Section 192 of the Companies Act, 2013 applies and accordingly reporting under clause (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No.117366W/W–100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Balance Sheet

[₹ in Millions (Mio INR)]

		Note No.	As at March 31, 2018	As at March 31, 2017
A	**Assets**			
1.	**Non-current assets**			
	Property, plant and equipment	4(a)	11,411	13,194
	Capital work-in progress	4(b)	3,132	1,289
	Investment properties	5	1,764	1,943
	Investments in subsidiary and associate	6	176	176
	Financial assets			
	(i) Investments	7(a)(i)	42,939	36,409
	(ii) Loans	7(c)	1,100	1,174
	Deferred tax assets (net)	8	4,905	4,676
	Other non-current assets	9	501	143
	Total non-current assets		**65,928**	**59,004**
2.	**Current assets**			
	Inventories	10	12,258	11,804
	Financial assets			
	(i) Investments	7(a)(ii)	9,289	2,681
	(ii) Trade receivables	7(b)	16,156	11,862
	(iii) Cash and cash equivalents	7(d)	3,633	1,312
	(iv) Bank balances other than (iii) above	7(e)	15,245	15,864
	(v) Loans	7(c)	3,647	3,205
	(vi) Other financial assets	7(f)	9,181	7,955
	Other current assets	11	3,937	4,311
	Total current assets		**73,346**	**58,994**
	Total assets (1+2)		**139,274**	**117,998**
B	**Equity and Liabilities**			
1.	**Equity**			
	Equity share capital	12(a)	305	305
	Other equity			
	(i) Reserves and surplus	12(b)	92,298	81,729
	(ii) Other reserves	12(c)	7,210	5,962
	Total equity		**99,813**	**87,996**
2.	**Liabilities**			
	Non-current liabilities			
	Financial liabilities			
	(i) Other financial liabilities	13(a)	66	60
	Provisions	14	4,204	3,642
	Total non-current liabilities		**4,270**	**3,702**
	Current liabilities			
	Financial liabilities			
	(i) Trade payables	13(b)	20,231	13,399
	(ii) Other financial liabilities	13(a)	4,237	2,748
	Provisions	14	7,450	7,543
	Current tax liabilities (net)	15	906	651
	Other current liabilities	16	2,367	1,959
	Total current liabilities		**35,191**	**26,300**
	Total liabilities		**39,461**	**30,002**
	Total equity and liabilities (1+2)		**139,274**	**117,998**
Summary of significant accounting policies		2		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Statement of Profit and Loss

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Revenue from operations :			
Sale of products (including excise duty)	44	113,929	107,500
Sale of services	17	2,685	2,334
Other operating revenue	18	2,108	2,592
		118,722	**112,426**
Other income	19	5,118	6,174
Total revenue		**123,840**	**118,600**
Expenses :			
Cost of materials consumed	20	27,341	30,070
Purchases of stock-in-trade	21	35,278	24,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	395	(1,197)
Excise duty		1,821	8,074
Employee benefit expense	23	13,565	13,428
Finance costs	24	33	272
Depreciation and amortisation expense	25	4,672	4,562
Other expenses	26	19,390	18,228
Total expenses		**102,495**	**97,656**
Profit before exceptional item and tax		**21,345**	**20,944**
Exceptional item	45	**939**	**-**
Profit before tax from continuing operations		**20,406**	**20,944**
Tax expense :			
Current tax	28		
(i) for the year		7,030	6,169
(ii) relating to earlier years		(14)	(6)
Deferred tax charge/ (credit)		(318)	340
Total tax expense		**6,698**	**6,503**
Profit after tax from continuing operations		**13,708**	**14,441**
Discontinued operation			
Profit before tax from discontinued operation	34	-	3,711
Tax expense of discontinued operation	34	-	741
Profit after tax from discontinued operation		**-**	**2,970**
Profit for the year		**13,708**	**17,411**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Changes in fair value of the equity instruments	12(c)	1,248	1,510
Remeasurement of post-employment benefit obligations	12(b)	256	(167)
Income tax relating to above	8	(89)	58
Other comprehensive income for the year (Net of tax)		**1,415**	**1,401**
Total comprehensive income for the year		**15,123**	**18,812**
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations	38	449	465
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from discontinued operation	38	-	96
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations and discontinued operation	38	449	561
Summary of significant accounting policies	2		
Details of R&D expenses/ (income)	27		

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Cash Flow Statement

[₹ in Millions (Mio INR)]

		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities**			
	Profit before income tax from continuing operations		20,406	20,944
	Profit before income tax from discontinued operation		-	3,711
	Adjustments for :			
	Depreciation and amortisation expense		4,672	4,604
	Unrealised exchange loss (net)		13	(26)
	(Profit)/ Loss on sale of fixed assets	19	(32)	22
	Provision for doubtful debts	26	492	140
	Bad debts written off	26	121	32
	Provision/ Liabilities no longer required written back	18	(165)	(713)
	Rental income	18	(994)	(875)
	Gain on sale of business	34	-	(3,971)
	Dividend from equity investments designated at FVOCI	19	(71)	(81)
	Interest income	19	(2,720)	(2,762)
	Net gain on financial assets measured at FVTPL	19	(2,185)	(3,172)
	Amortisation of deferred government grant income	19	(55)	(160)
	Government grant	19	(55)	-
	Finance cost	24	33	272
	Operating profit before working capital changes		19,460	17,965
	Changes in working capital:			
	(Increase)/ decrease in inventories		(454)	(905)
	(Increase)/ decrease in trade receivables		(4,844)	201
	(Increase)/ decrease in other financial assets		(104)	(254)
	(Increase)/ decrease in other current assets		374	158
	(Increase)/ decrease in loans		77	81
	(Increase)/ decrease in other non-current assets		9	(24)
	(Increase)/ decrease in other bank balances		(11)	-
	Increase/ (decrease) in trade payables		6,676	1,711
	Increase/ (decrease) in other financial liabilities		1,538	(301)
	Increase/ (decrease) in provisions		890	2,751
	Increase/ (decrease) in other current liabilities		437	430
	Net cash generated from operations		24,048	21,813
	Income taxes paid (net of refunds)	15	(6,761)	(7,246)
	Net cash from operating activities		17,287	14,567
B.	**Cash flow from investing activities**			
	Additions to property, plant and equipment		(4,925)	(6,367)
	Additions to investment properties		(7)	(305)
	Proceeds from sale of property, plant and equipment		86	51
	Purchase of investments		(26,705)	(28,750)
	Proceeds from sale of investments		17,000	38,658
	Inter corporate deposit given		(7,900)	(7,550)
	Inter corporate deposit repayment received		6,800	6,900
	Loan to fellow subsidiaries given		(1,215)	(2,560)
	Loan to fellow subsidiaries repayment received		770	2,300
	Investment in deposit accounts (original maturity of more than 3 months)		(16,850)	(15,730)
	Maturity of deposit accounts (original maturity of more than 3 months)		17,480	17,200
	Maturity of deposit accounts (original maturity of more than 12 months)		-	100
	Purchase consideration received towards sale of business	34	-	4,376
	Dividends received	19	71	81
	Rental income received	18	994	875
	Interest received		2,698	3,181
	Net cash from/ (used in) investing activities		(11,703)	12,460
C.	**Cash flow from financing activities**			
	Repayment of borrowings		-	(500)
	Dividends paid		(2,736)	(4,958)
	Dividend distribution tax	12(b)(v)	(559)	(1,009)
	Buy Back of shares		-	(20,198)
	Government grant received	19	55	-
	Interest paid		(6)	(32)
	Net cash from/ (used in) financing activities		(3,246)	(26,697)
	Net cash flows during the year (A+B+C)		2,338	330
	Unrealised exchange gain/(loss) on cash and cash equivalents		(0)	(0)
	Cash and cash equivalents at the beginning of the year		1,289	959
	Cash and cash equivalents at the end of the year		3,627	1,289
		Note No.	As at March 31, 2018	As at March 31, 2017
	Cash and cash equivalents as per above comprise of the following			
	Cash and cash equivalents	7(d)	3,633	1,312
	Book overdraft	13(a)	(6)	(23)
	Balance as per statement of cash flows		3,627	1,289

Notes: (a) Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

(b) Mutual Fund dividend reinvested has not been considered above as there was no cash inflow/ outflow.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
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Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Statement of changes in equity

A Equity share capital

[₹ in Millions (Mio INR)]

	Note No.	Amount
As at April 1, 2016		314
Changes in equity share capital	13(a)	(9)
As at March 31, 2017		305
Changes in equity share capital	13(a)	-
As at March 31, 2018		305

B Other equity

[` in Millions (Mio INR)]

	Note No.	Reserves and surplus						Other reserves	
		Capital Reserve	Share Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Total	FVOCI - equity instruments	Total other equity
Balance at April 1, 2016		39	8	67	42,060	48,409	90,583	4,452	95,035
Profit for the year		-	-	-	-	17,411	17,411	-	17,411
Other comprehensive income		-	-	-	-	(109)	(109)	1,510	1,401
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**17,302**	**17,302**	**1,510**	**18,812**
Buy back of shares		-	-	9	(20,198)	-	(20,189)	-	(20,189)
Dividend	12(b)(v)	-	-	-	-	(4,958)	(4,958)	-	(4,958)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(1,009)	(1,009)	-	(1,009)
		-	**-**	**9**	**(20,198)**	**(5,967)**	**(26,156)**	**-**	**(26,156)**
Balance at March 31, 2017		**39**	**8**	**76**	**21,862**	**59,744**	**81,729**	**5,962**	**87,691**
Balance at April 1, 2017		**39**	**8**	**76**	**21,862**	**59,744**	**81,729**	**5,962**	**87,691**
Profit for the year		-	-	-	-	13,708	13,708	-	13,708
Other comprehensive income		-	-	-	-	167	167	1,248	1,415
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**13,875**	**13,875**	**1,248**	**15,123**
Buy back of shares		-	-	-		-	-	-	-
Dividend	12(b)(v)	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(559)	(559)	-	(559)
Balance at March 31, 2018		**39**	**8**	**76**	**21,862**	**70,313**	**92,298**	**7,210**	**99,508**

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Notes to the Financial Statements for the year ended March 31, 2018

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 Bengaluru, Nashik, Naganathapura, Jaipur, Goa, 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, packaging machines, 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). During the previous year, the Company has discontinued the business relating to starters and generators products.

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2018.

Amounts for the year ended and as at March 31, 2017 were audited by the previous statutory auditor - Price Waterhouse & Co Bangalore LLP. The report of the previous auditor on these financial statements dated May 25, 2017 expressed an unmodified opinion.

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 Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(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.

(iv) Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018.The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Company is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

(b) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as mentioned below:

(i) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are inclusive of excise duty upto June 30, 2017 and are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.

(ii) Sale of services with respect to fixed price contracts is recognised based on agreements/ arrangements with the concerned parties using the proportionate completion method and revenue with respect to time-and-material contracts is recognised as and when the related services are performed.

(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.

Notes to the Financial Statements for the year ended March 31, 2018

(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

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 31 details how the company determines whether there has been a significant increase credit risk. The losses arising from impairment are recognised in Statement of the 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.

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.

Notes to the Financial Statements for the year ended March 31, 2018

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 unde 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
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.

(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 intial 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 form 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.

Notes to the Financial Statements for the year ended March 31, 2018

(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 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 financial statements are measured using the currency of the primary economic environment in which entity operates ('the functional currency'). The 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

Leases in which the Company has substantial portion of the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Cost of leasehold land (other than those which will be converted to freehold after a certain period upon satisfying prescribed conditions) is amortised over the lease term.

Leases in which the Company doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are charged to Statement of Profit and Loss on a straight line basis.

As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Notes to the Financial Statements for the year ended March 31, 2018

Lease income from operating leases where the Company is a lessor is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

(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 out flow 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.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as

Notes to the Financial Statements for the year ended March 31, 2018

deferred income and are credited to the Statement of Profit or Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(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 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 28

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 - Note 29

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.

Notes to the Financial Statements for the year ended March 31, 2018

Note 4 (a) : Property, plant and equipment

[₹ in Millions (Mio INR)]

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land - Freehold	92 (127)	97 (0)	- (35)	189 (92)	- (-)	- (-)	- (-)	- (-)	189 (92)	92 (127)
- Leasehold	1,653 (1,653)	- (-)	- (-)	1,653 (1,653)	20 (10)	10 (10)	- (-)	30 (20)	1,623 (1,633)	1,633 (1,643)
Buildings [refer note (a) below]	4,619 (4,035)	24 (597)	5 (13)	4,638 (4,619)	806 (388)	388 (421)	1 (3)	1,193 (806)	3,445 (3,813)	3,813 (3,647)
Buildings - R & D*	20 (5)	6 (15)	- (-)	26 (20)	1 (-)	2 (1)	- (-)	3 (1)	23 (19)	19 (5)
Plant and machinery [refer note (d) below]	14,508 (9,698)	2,271 (5,407)	203 (597)	16,576 (14,508)	7,214 (3,952)	3,681 (3,546)	158 (284)	10,737 (7,214)	5,839 (7,294)	7,294 (5,746)
Plant and machinery - R & D*	362 (133)	209 (231)	- (2)	571 (362)	362 (133)	209 (231)	- (2)	571 (362)	- (-)	- (-)
Office equipment	164 (143)	22 (29)	4 (8)	182 (164)	103 (67)	36 (42)	3 (6)	136 (103)	46 (61)	61 (76)
Office equipment - R & D*	3 (1)	5 (2)	- (0)	8 (3)	3 (1)	5 (2)	- (0)	8 (3)	- (-)	- (-)
Furniture and fixtures	209 (164)	37 (56)	6 (11)	240 (209)	102 (49)	48 (62)	3 (9)	147 (102)	93 (107)	107 (115)
Furniture and fixtures - R & D*	5 (-)	4 (5)	- (0)	9 (5)	5 (-)	4 (5)	- (-)	9 (5)	- (-)	- (-)
Vehicles	331 (208)	82 (142)	9 (19)	404 (331)	156 (80)	103 (89)	8 (13)	251 (156)	153 (175)	175 (128)
Vehicles - R & D*	2 (1)	- (1)	1 (-)	1 (2)	2 (1)	0 (1)	1 (-)	1 (2)	- (-)	- (-)
Total	21,968 (16,168)	2,757 (6,485)	228 (685)	24,497 (21,968)	8,774 (4,681)	4,486 (4,410)	174 (317)	13,086 (8,774)	11,411 (13,194)	13,194 (11,487)

Note 4 (b) : Capital work in progress	3,132 (1,289)	1,289 (1,507)

* Relating to certain DSIR approved R&D facilities, considered eligible for Income tax benefit.

(a) Buildings include Mio INR 0 (2016-17: Mio INR 0) being the value of shares in co-operative housing societies.

(b) Deductions/ adjustments includes transfer of Mio INR Nil (2016-17: Mio INR 311) as part of sale of starter motors and generators business (refer note 34) and transfer of Mio INR Nil (2016-17: Mio INR 46) to investment properties (refer note 5).

(c) Depreciation for the year includes depreciation for discontinued operation amounting to Mio INR NIL (2016-17: Mio INR 42).

(d) Plant and machinery includes capital spares and government grant capitalised on transition to Ind AS.

(e) Capital work-in-progress mainly comprises plant and machinery and building under construction.

(f) Refer note 41 for disclosure of contractual commitment for the acquisition of property, plant and equipment.

(g) Figures in brackets relate to previous year.

Notes to the Financial Statements for the year ended March 31, 2018

Note 5 : Investment properties

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Gross carrying amount		
Opening gross carrying amount	2,079	1,849
Transfer from property, plant and equipments	-	48
Additions	81	182
Closing gross carrying amount	2,160	2,079
Accumulated depreciation		
Opening accumulated depreciation	265	69
Transfer from property, plant and equipments	-	2
Depreciation charge	186	194
Closing accumulated depreciation	451	265
Opening Capital work-in-progress	129	6
Closing Capital work-in-progress	55	129
	1,764	1,943

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

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income	994	875
Direct operating expenses from property that generated rental income	(30)	(97)
Profit from investment properties before depreciation	964	778
Depreciation charge	(186)	(194)
Profit from investment properties	778	584

(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, 2018	As at March 31, 2017
Land	9,649	9,146
Building	5,953	6,380
	15,602	15,526

Note 6 : Investments in subsidiary and associate :

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	*As at March 31, 2017*	As at March 31, 2018	*As at March 31, 2017*
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
			176	176

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(i) Non-current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted investments				
(a) Investment in equity instruments valued at FVOCI:				
ICICI Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	2,404,105	2,185,550	669	606
Housing Development Finance Corporation Limited (Quoted) Equity shares of Rs.2/- each fully paid	3,404,800	3,404,800	6,216	5,115
HDFC Bank Limited (Quoted) Equity shares of Rs.2/- each fully paid	188,500	188,500	357	272
(b) Investment in bonds at amortised cost:				
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
6.70% Tax Free secured bonds of Rs.100,000/- each	5,000	5,000	500	500
7.07% Tax Free secured bonds of Rs.1,000/- each	90,600	90,600	91	91
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	-
(c) Investment in Mutual Funds at FVTPL:				
ICICI Prudential Mutual Fund				
ICICI Prudential FMP series 76 - 1142 Days Plan M Growth Option of Rs.10/- each	-	15,000,000	-	179
ICICI Prudential FMP Series 76 - 1108 Days Plan V Growth Option of Rs.10/- each	-	5,000,000	-	59
ICICI Prudential FMP Series 76 - 1127 Days Plan W Growth Option of Rs.10/- each	-	25,000,000	-	297
ICICI Prudential FMP Series 76 - 1135 Days Plan Z Growth Option of Rs.10/- each	-	25,000,000	-	294
ICICI Prudential FMP Series 77 - 1132 Days Plan A Growth Option of Rs.10/- each	-	10,000,000	-	118
ICICI Prudential FMP Series 77 - 1130 Days Plan D Growth Option of Rs.10/- each	-	30,000,000	-	353
ICICI Prudential FMP Series 77 - 1134 Days Plan H Growth Option of Rs.10/- each	-	10,000,000	-	116
ICICI Prudential FMP Series 77 - 1151 Days Plan S Growth Option of Rs.10/- each	-	15,000,000	-	171

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(i) Non-current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
ICICI Prudential FMP Series 78 - 1212 Days Plan A Growth Option of Rs.10/- each	20,000,000	20,000,000	240	224
ICICI Prudential FMP Series 78 -1190 Days Plan E Growth Option of Rs.10/- each	15,000,000	15,000,000	179	167
ICICI Prudential FMP Series 78 -1185 Days Plan F Growth Option of Rs.10/- each	20,000,000	20,000,000	239	222
ICICI Prudential FMP Series 78 - 1170 Days Plan I Growth Option of Rs.10/- each	20,000,000	20,000,000	239	223
ICICI Prudential FMP Series 78 - 1168 Days Plan J Growth Option of Rs.10/- each	15,000,000	15,000,000	179	167
ICICI Prudential FMP Series 82 - 1215 Days Plan H Growth Option of Rs.10/- each	10,000,000	-	101	-
ICICI Prudential FMP Series 82 - 1185 Days Plan M Growth Option of Rs.10/- each	30,000,000	-	303	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth Units of Rs.100/- each	1,573,795	-	527	-
ICICI Prudential Short Term-Direct Plan - Growth Option Units of Rs.10/- each	35,075,812	17,579,818	1,315	616
HDFC Mutual Fund				
HDFC FMP - 1157 days February 2015 (1) - Growth Option of Rs.10/- each	-	35,000,000	-	420
HDFC FMP 1112 days June 2015 (1) - Direct - Growth - Series 33 of Rs.10/- each	-	20,000,000	-	233
HDFC FMP 1108 days September 2015 (1) - Direct - Growth - Series 34 of Rs.10/- each	-	10,000,000	-	114
HDFC FMP 1111 days November 2015 (1) - Direct - Growth - Series 34 of Rs.10/- each	-	15,000,000	-	168
HDFC FMP 1105 days December 2015 (1) - Direct - Growth - Series 35 of Rs.10/- each	-	10,000,000	-	112
HDFC FMP 1183 days January 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	120	112
HDFC FMP 1167 days January 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	119	112
HDFC FMP 1155 days February 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	15,000,000	15,000,000	179	167
HDFC FMP 1132 days February 2016 (1) - Direct - Growth - Series 35 of Rs.10/- each	10,000,000	10,000,000	119	111
HDFC FMP 1158D February 2018 (1)-Direct - Growth - Series 39 Units of Rs.10/- each	35,000,000	-	354	-
“HDFC Floating Rate Income Fund - Short Term Plan - Growth - Direct Plan Units of Rs.10/- each “	39,467,989	16,821,282	1,199	477
HDFC Floating Rate Income Fund-Short Term Plan-Regular Plan-Wholesale Option-Growth Option units of Rs.10/- each	12,218,255	-	370	-
HDFC Short Term Opportunities Fund - Direct Plan - Growth Option units of Rs.10/- each	21,138,968	-	408	-
HDFC High Interest Fund - Direct Plan - Short Term Plan - Growth Option units of Rs.10/- each	23,986,704	23,986,704	853	801
HDFC Medium Term opportunities Fund - Growth - Regular - Units of Rs10/- each	37,727,708	37,727,708	729	683
DHFL Pramerica Mutual Fund				
DHFL Pramerica FMP Series 87 - Direct Plan - Growth option Units of Rs. 10/- each	-	35,000,000	-	417
DHFL Pramerica FMP Series 91 - Direct Plan - Growth option Units of Rs. 10/- each	-	25,000,000	-	293
DHFL Pramerica Short Maturity Fund - Direct Plan - Growth Option Units of Rs.10/- each	32,558,404	32,558,404	1,083	1,005

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(i) Non-current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
State Bank Mutual Fund				
SBI Debt Fund Series B - 8 (1105 Days) Growth Option of Rs.10/- each	-	25,000,000	-	297
SBI Debt Fund Series B - 9 (1105 Days) Growth Option of Rs.10/- each	-	50,000,000	-	592
SBI Debt Fund Series B - 16 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	20,000,000	-	235
SBI Debt Fund Series B - 17 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 18 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	15,000,000	-	175
SBI Debt Fund Series B - 19 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 20 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	10,000,000	-	117
SBI Debt Fund Series B - 26 (1100 Days) - Direct Plan - Growth of Rs.10/- each	-	25,000,000	-	282
SBI Debt Fund Series B - 28 (1100 Days) - Direct Growth of Rs.10/- each	-	12,000,000	-	134
SBI Debt Fund Series B - 31 (1200 Days) - Direct Growth of Rs.10/- each	15,000,000	15,000,000	178	167
SBI Treasury Advantage Fund-Direct Plan - Growth Units of Rs.10/- each	368,600	-	729	-
SBI Short Term Debt Fund - Direct Plan - Growth Units of Rs.10/- each	92,072,122	45,194,070	1,888	869
UTI Mutual Fund				
UTI Fixed Term Income Fund Series XXII - III (1099 days) - Direct Growth Plan Option of Rs.10/- each	-	20,000,000	-	236
UTI Fixed Term Income Fund Series XXII - IX (1098 days) - Direct Growth Plan Option of Rs.10/- each	-	65,000,000	-	759
UTI – Fixed Term Income Fund Series - XXIII - VII (1098 days) - Direct Growth Plan Option of Rs.10/- each	-	50,000,000	-	564
UTI Fixed Term Income Fund Series XXIII - XI (1100 days) - Direct Growth Plan Option of Rs.10/- each	-	13,000,000	-	146
UTI Fixed Term Income Fund Series XXIV - VI (1181 days) - Direct Growth Plan Option of Rs.10/- each	10,000,000	10,000,000	119	111
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth Units of Rs.1,000/- each	56,839	56,839	137	128
UTI Treasury Advantage Fund- Institutional Plan - Growth - Regular Units of Rs.1,000/- each	181,942	181,942	436	408
UTI Short Term Income Fund - Growth - Institutional Option - Direct Plan - Growth Units of Rs.10/- each	116,413,235	15,257,112	2,519	310
DSP Black Rock Mutual Fund				
DSP BlackRock Money Manager Fund - Growth - Direct Units of Rs.1,000/- each	515,761	515,761	1,233	1,152
DSP BlackRock Low Duration Fund - Growth - Direct Units of Rs.10/- each	86,546,643	-	1,103	-
IDFC Mutual Fund				
IDFC Fixed Term Plan - Series 140 Direct Plan - Growth (1145 Days) Units of Rs.10/- each	10,000,000	-	101	-
IDFC Fixed Term Plan - Series 108 Direct Plan (1144 Days) Units of Rs.10/- each	-	15,000,000	-	177
IDFC Ultra Short Term Fund - Growth - Direct Plan units of Rs.10/- each	39,525,043	33,308,277	980	771
IDFC Ultra Short Term Fund - Growth - Regular Plan units of Rs.10/- each	16,449,528	7,804,289	405	180

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(i) Non-current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
IDFC Super Saver Income Fund - Short Term - Direct Plan - Growth units of Rs.10/- each	44,897,920	37,931,493	1,641	1,302
IDFC Super Saver Income Fund - Medium Term - Direct Plan - Growth units of Rs.10/- each	13,118,625	13,118,625	396	375
Tata Mutual Fund				
Tata Fixed Maturity Plan Series 53 Scheme A - Direct Plan - Growth Units of Rs.10/- each	10,000,000	-	101	-
Tata Ultra Short Term Fund - Direct Plan - Growth Units of Rs.1000/- each	723,224	521,988	1,922	1,295
Tata Short Term Bond Fund - Growth - Direct Plan Units of Rs.10/- each	69,422,732	52,754,903	2,328	1,661
Birla Mutual Fund				
Aditya Birla Sun Life Fixed Term Plan - Series PD (1177 days) - Direct Growth Units of Rs.10/- each	10,000,000	-	101	-
Aditya Birla Sun Life Fixed Term Plan - Series PG (1148 days) - Direct Growth Units of Rs.10/- each	10,000,000	-	101	-
Birla Sun Life Fixed Term Plan - Series MP (1141 Days) - Growth Direct Units of Rs.10/- each	-	35,000,000	-	410
Birla Sun Life Fixed Term Plan - Series MR (1153 days) - Growth Direct Units of Rs.10/- each	-	20,000,000	-	234
Birla Sun Life Fixed Term Plan - Series MX(1128 days) Growth Regular Units of Rs.10/- each	-	35,000,000	-	399
Birla Sun Life Fixed Term Plan - Series MY (1107 days) - Growth Direct Units of Rs.10/- each	-	30,000,000	-	339
Birla Sun Life Fixed Term Plan - Series NI (1163 days) - Growth Regular Units of Rs.10/- each	25,000,000	25,000,000	298	278
Birla Sunlife Floating Rate Fund- Long Term Plan -Growth - Direct plan Units of Rs.10/- each	1,982,165	751,475	427	151
Birla Sun Life Short Term Fund - Growth - Regular Plan Units of Rs.10/- each	17,484,586	12,893,345	1,162	803
Birla Sun Life Short Term Fund - Direct - Growth - Plan Units of Rs.10/- each	22,991,964	20,700,594	1,536	1,295
Birla Sunlife Treasury Optimizer Plan - Growth - Direct Plan units of Rs.100 each	891,278	891,278	200	187
Franklin Templeton Mutual Fund				
Franklin India Fixed Maturity Plans - Series 2-Plan C - Direct - Growth Plan Units of Rs.10/- each	10,000,000	-	102	-
Franklin India Fixed Maturity Plans - Series 3-Plan B - Direct Growth Plan Units of Rs.10/- each	15,000,000	-	152	-
Franklin India Fixed Maturity Plans - Series 3-Plan C - Direct Growth Plan Units of Rs.10/- each	10,000,000	-	101	-
Kotak Mutual Fund				
Kotak Bond - Direct plan -Growth Units of Rs.10/- each	36,482,204	-	1,229	-
Total			42,939	36,409
Aggregate amount of quoted investments				
Investments carried at amortised cost			5,212	5,212
Investments carried at FVOCI			7,242	5,993
Investments carried at FVTPL			30,480	25,205
Aggregate amount of unquoted investments				
Investments carried at amortised cost			5	-
Aggregate amount of market value of quoted investments			43,478	36,742
Aggregate amount of market value of unquoted investments			5	-
Aggregate amount of impairment in the value of investments			-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(ii) Current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Quoted investments				
(a) Investment in mutual funds at FVTPL:				
ICICI Prudential Mutual Fund				
ICICI Prudential FMP series 76 - 1142 Days Plan M Growth Option of Rs.10/- each	15,000,000	-	192	-
ICICI Prudential FMP Series 76 - 1108 Days Plan V Growth Option of Rs.10/- each	5,000,000	-	63	-
ICICI Prudential FMP Series 76 - 1127 Days Plan W Growth Option of Rs.10/- each	25,000,000	-	317	-
ICICI Prudential FMP Series 76 - 1135 Days Plan Z Growth Option of Rs.10/- each	25,000,000	-	313	-
ICICI Prudential FMP Series 77 - 1132 Days Plan A Growth Option of Rs.10/- each	10,000,000	-	124	-
ICICI Prudential FMP Series 77 - 1130 Days Plan D Growth Option of Rs.10/- each	30,000,000	-	378	-
ICICI Prudential FMP Series 77 - 1134 Days Plan H Growth Option of Rs.10/- each	10,000,000	-	125	-
ICICI Prudential FMP Series 77 - 1151 Days Plan S Growth Option of Rs.10/- each	15,000,000	-	183	-
ICICI Prudential FMP Series 75 - 1100 Days Plan N Growth Option of Rs.10/- each	-	25,000,000	-	310
ICICI Prudential FMP Series 76 - 1100 Days Plan G Growth Option of Rs.10/- each	-	20,000,000	-	240
ICICI Prudential FMP Series 76 - 1100 Days Plan T Growth Option of Rs.10/- each	-	30,000,000	-	358
DHFL Pramerica Mutual Fund				
DHFL Pramerica Fixed Maturity Plan Series 87 -Direct Plan - Growth option Units of Rs. 10/- each	35,000,000	-	447	-
DHFL Pramerica Fixed Maturity Plan Series 91- Direct Plan - Growth option Units of Rs. 10/- each	25,000,000	-	314	-
IDFC Mutual Fund				
IDFC Fixed Term Plan - Series 108(1144 Days) Units of Rs.10/- each	15,000,000	-	189	-
Adithya Birla Mutual Fund				
Aditya Birla Sun Life Fixed Term Plan Series MP (1141 Days) - Direct Growth Units of Rs.10/- each	35,000,000	-	440	-
Aditya Birla Sun Life Fixed Term Plan - Series MR (1153 days) - Direct Growth Units of Rs.10/- each	20,000,000	-	251	-
Aditya Birla Sunlife FTP Series MX(1128 days) - Regular Growth Units of Rs.10/- each	35,000,000	-	427	-
Aditya Birla Sun Life Fixed Term Plan - Series MY (1107 days) - Direct Growth Units of Rs.10/- each	30,000,000	-	364	-
HDFC Mutual Fund				
HDFC FMP 1157D February 2015 (1)-Direct - Growth Series 33 Units of Rs.10/- each	35,000,000	-	450	-
HDFC FMP 1112Days June 2015 (1)-Direct - Growth Series 33 Units of Rs.10/- each	20,000,000	-	250	-
HDFC FMP 1108D September 2015 (1) -Direct - Growth Series 34 Units of Rs.10/- each	10,000,000	-	122	-
HDFC FMP 1111 Days November 2015 (1)-Direct - Growth-series 34 Units of Rs.10/- each	15,000,000	-	180	-
HDFC FMP 1105D December 2015 (1)-Direct - Growth-series 35 Units of Rs.10/- each	10,000,000	-	120	-
HDFC Fixed Maturity Plan - Series 31 (367 Days) - Growth Option of Rs.10/- each	-	18,000,000	-	229

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (a): Investments

(i) Non-current investments

[₹ in Millions (Mio INR)]

	Number		Amount	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
"HDFC Fixed Maturity Plan - Series 31 (366 Days) May 2014 (1) - Growth Option of Rs.10/- each "	-	20,000,000	-	253
State Bank of India Mutual Fund				
SBIMF - SBI Debt Fund Series B - 8(1105 Days) Growth Option of Rs.10/- each	25,000,000	-	319	-
SBI Debt Fund Series B – 9 (1105 Days) Growth Option of Rs.10/- each	50,000,000	-	634	-
SBI Debt Fund Series B – 16 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	20,000,000	-	251	-
SBI Debt Fund Series B – 17 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 18 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	15,000,000	-	188	-
SBI Debt Fund Series B – 19 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 20 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	10,000,000	-	125	-
SBI Debt Fund Series B – 26 (1100 Days)-Direct Plan - Growth Option of Rs.10/- each	25,000,000	-	302	-
SBI Debt Fund Series B – 28 (1100 Days)-Direct Growth Option of Rs.10/- each	12,000,000	-	144	-
SBI Debt Fund - Series A 18 (366 Days) - Growth Option of Rs.10/- each	-	11,916,548	-	151
SBI Debt Fund - Series A 24 (366 Days) - Growth Option of Rs.10/- each	-	10,000,000	-	127
SBI Debt Fund - Series A 28 (367 Days) - Growth Option of Rs.10/- each	-	10,000,000	-	126
UTI Mutual Fund				
UTI Fixed Term Income Fund Series XXII-III (1099 days)- Direct Growth Plan Option of Rs.10/- each	20,000,000	-	254	-
UTI Fixed Term Income Fund Series XXII - IX (1098 days)- Direct Growth Plan Option of Rs.10/- each	65,000,000	-	813	-
UTI – Fixed Term Income Fund Series – XXIII – VII (1098 days)- Direct Growth Plan Option of Rs.10/- each	50,000,000	-	604	-
UTI Fixed Term Income Fund Series XXIII - XI (1100 days)-Direct Growth Plan Option of Rs.10/- each	13,000,000	-	156	-
UTI Fixed Income Fund - Series XVIII - XII (366 days) - Growth Option of Rs.10/- each	-	25,000,000	-	318
UTI Fixed Income Fund - Series XVIII - XIII (366 days) - Growth Option of Rs.10/- each	-	30,000,000	-	380
UTI Fixed Income Fund - Series XIX - IV (366 days) - Growth Option of Rs.10/- each	-	15,000,000	-	189
Total			**9,289**	**2,681**
Aggregate amount of quoted investments				
Investments carried at FVTPL			9,289	2,681
Aggregate amount of market value of quoted investments			9,289	2,681
Aggregate amount of impairment in the value of investments			-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (b) : Trade receivables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
- Related parties [refer note (a) below and note 35]	2,339	1,528
- Others	15,007	11,032
Less: Allowance for doubtful debts	(1,190)	(698)
	16,156	11,862

(a) Includes dues from private companies where directors are interested	374	429

Details of secured and unsecured

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Secured, considered good		
Unsecured, considered good	16,156	11,862
Doubtful	1,190	698
Total	17,346	12,560
Allowance for doubtful debts	(1,190)	(698)
Total trade receivables	16,156	11,862

Note 7 (c) : Loans

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to fellow subsidiaries (refer note 35)	3,505	500	3,060	500
Loan to directors (refer note 35)	0	2	0	3
Loan to employees	142	259	145	342
Security deposits	-	339	-	329
	3,647	1,100	3,205	1,174

Note 7 (d) : Cash and cash equivalents

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	237	207
- deposit accounts with original maturity of less than 3 months	3,133	875
Cash on hand	0	0
Cheques on hand	263	230
	3,633	1,312

Note 7 (e) : Other bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (maturity less than 12 months)	15,200	15,830
Unpaid dividend accounts	45	34
	15,245	15,864

Notes to the Financial Statements for the year ended March 31, 2018

Note 7 (f) : Other financial assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Inter-corporate deposit	7,900	6,800
Interest accrued on financial assets at amortised cost	804	782
Others (include non-trade receivables, etc.)	477	373
	9,181	7,955

Note 8 : Deferred tax assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Difference between books and Income tax written down value (WDV) of depreciable property, plant and equipment and intangible assets	3,049	2,808
Expenses allowable for tax purposes when paid and other timing differences	1,856	1,868
	4,905	4,676

Movement in deferred tax assets

[₹ in Millions (Mio INR)]

	WDV of depreciable property, plant and equipment	Expenses allowable on payment basis	Tax losses	Total
As at April 1, 2016	2,995	1,533	430	4,958
(Charged)/ Credited				
- to Statement of Profit and Loss	(187)	277	(430)	(340)
- to Other Comprehensive Income	-	58	-	58
As at March 31, 2017	2,808	1,868	-	4,676
(Charged)/ Credited				
- to Statement of Profit and Loss	241	77	-	318
- to Other Comprehensive Income	-	(89)	-	(89)
As at March 31, 2018	3,049	1,856	-	4,905

Note 9 : Other non-current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital advances	412	45
Security deposits	89	98
	501	143

Note 10 : Inventories
(at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	2,854	2,098
Work-in-progress	1,329	958
Finished goods	2,603	3,939
Stock-in-trade	4,823	4,253
Stores and spares	184	182
Loose tools	465	374
	12,258	11,804

Notes to the Financial Statements for the year ended March 31, 2018

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

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	986	541
Stock-in-trade	1,512	1,063
Loose tools	0	10
	2,498	1,614

(b) Amount of inventories recognised as an expense/(income) is Mio INR 36 [2016-17 Mio INR (238)].

(c) Write-down/(reversal of write-down of earlier year) of the inventories to net realisable value amounted to Mio INR 14 [2016-17 Mio INR 70]. These were recognised as an expense during the year and included in Note 22 in the Statement of Profit and Loss.

Note 11 : Other current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balance with customs, excise and sales tax authorities, etc.	584	2,852
Deferred expense	97	91
Others (include vendor advances, claims receivable, etc.)	3,256	1,368
	3,937	4,311

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, 2016	38,051,460	381
Increase during the year	-	-
As at March 31, 2017	38,051,460	381
Increase during the year	-	-
As at March 31, 2018	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, 2016	31,398,900	314
Increase/ (decrease) during the year	(878,160)	(9)
As at March 31, 2017	30,520,740	305
Increase/ (decrease) during the year	-	-
As at March 31, 2018	30,520,740	305

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, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	211	21,058,705	211
Robert Bosch Engineeering and Business Solutions Private Ltd., India, subsidiary of Holding company	454,000	5	454,000	5

Notes to the Financial Statements for the year ended March 31, 2018

(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, 2018		As at March 31, 2017	
	No of shares	Shareholding %	No of shares	Shareholding %
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	68.99%	21,058,705	68.99%

(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 878,160 shares during the year ended March 31, 2017 at buy-back price determined at Rs.23,000/- 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, 2018	As at March 31, 2017
Number of equity shares bought back by the Company	-	878,160

Note 12(b) : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital reserve [refer note (i)]	39	39
Share premium [refer note (ii)]	8	8
Capital redemption reserve [refer note (iii)]	76	76
General reserve [refer note (iv)]	21,862	21,862
Retained earnings [refer note (v)]	70,313	59,744
	92,298	81,729

(i) Capital reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	39	39
Additions/(deletions) during the year	-	-
Closing balance	39	39

(ii) Share premium

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	8	8
Additions/(deletions) during the year	-	-
Closing balance	8	8

Notes to the Financial Statements for the year ended March 31, 2018

(iii) Capital redemption reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	76	67
Additions/(deletions) during the year	-	9
Closing balance	76	76

(iv) General reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	21,862	42,060
Less: Utilisation for buy back of shares	-	(20,198)
Closing balance	21,862	21,862

(v) Retained earnings

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	59,744	48,409
Net profit for the year	13,708	17,411
Dividends (refer note no. 32(b))	(2,747)	(4,958)
Dividend distribution taxes	(559)	(1,009)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligations, net of tax	167	(109)
Closing balance	70,313	59,744

Note 12(c) : Other reserves

[₹ in Millions (Mio INR)]

	FVOCI - Equity Instruments	Total other reserves
As at April 1, 2016	4,452	4,452
Change in fair value of FVOCI equity instruments	1,510	1,510
As at March 31, 2017	5,962	5,962
Change in fair value of FVOCI equity instruments	1,248	1,248
As at March 31, 2018	7,210	7,210

Note 13(a) : Other financial liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unpaid dividend [refer note (a) below]	45	-	34	-
Book overdraft	6	-	23	-
Capital creditors	347	-	305	-
Other payables (includes employee dues, derivative liabilities, etc.)	3,839	66	2,386	60
	4,237	66	2,748	60

(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 Financial Statements for the year ended March 31, 2018

Note 13(b) : Trade payables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	395	212
- Related parties (refer note 35)	11,880	7,666
- Others	7,956	5,521
	20,231	13,399

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

[₹ in Millions (Mio INR)]

		As at March 31, 2018 and for the year ended March 31, 2018	As at March 31, 2017 and for the year ended March 31, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	395	212
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5	3
(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	22	12
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	83	56
(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	13	-

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

Note 14 : Provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	2,566	4,188	2,933	3,626
Trade demand and others [refer note (a) below]	3,541	16	3,455	16
Warranty [refer note (a) below]	1,343	-	1,155	-
	7,450	4,204	7,543	3,642

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

[₹ in Millions (Mio INR)]

Description	As at April 1, 2017	Additions during the year	Utilised/ reversed during theyear	As at March 31, 2018
Trade demand and others [refer note (i) and (ii) below]	3,471	2,215	2,129	3,557
	(2,319)	(2,380)	(1,228)	(3,471)
Warranty [refer note (i) and (ii) below]	1,155	757	569	1,343
	(1,284)	(332)	(461)	(1,155)

(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.

Notes to the Financial Statements for the year ended March 31, 2018

Note 15 : Current tax liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	651	762
Add: Provision for tax (including earlier years)	7,016	7,135
Less: Taxes paid (net of refund)	(6,761)	(7,246)
Closing balance (net of advance tax of Mio INR 25,941 (March 31, 2017: Mio INR 23,482)	906	651

Note 16 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Statutory dues	1,171	1,142
Deferred income	67	107
Indirect taxes	483	427
Others (advance from customers,etc.)	646	283
	2,367	1,959

Note 17 : Sale of services

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Research and development income	1,516	1,456
Others	1,169	878
	2,685	2,334

Note 18 : Other operating revenue

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Scrap sales	162	177
Export incentives	350	361
Provision/ liabilities no longer required written back	165	713
Rental income	994	875
Miscellaneous income	437	466
	2,108	2,592

Notes to the Financial Statements for the year ended March 31, 2018

Note 19 : Other income

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- Bank and inter corporate deposits	1,697	1,664
- Loans to related parties	330	352
- On financial assets at amortised cost	418	417
- Others	275	328
Government grant (refer note (a) below)	55	-
Amortisation of deferred government grant income	55	160
Dividend from equity investments designated at FVOCI	71	81
Net gain on financial assets measured at FVTPL	2,185	3,172
Profit on sale of property, plant and equipment (net)	32	-
	5,118	6,174

(a) Government grant represents subsidy received/ accrued during the year under the Package Scheme of Incentives, 2001 from the Government of Maharashtra.

Note 20 : Cost of materials consumed

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials consumed	27,555	30,103
Less: Issues capitalised	(214)	(33)
	27,341	30,070

Note 21 : Purchases of stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	35,278	24,219
	35,278	24,219

Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock		
Finished goods	3,939	2,736
Work-in-progress	958	1,236
Stock-in-trade	4,253	3,981
Closing stock		
Finished goods	2,603	3,939
Work-in-progress	1,329	958
Stock-in-trade	4,823	4,253
	395	(1,197)

Notes to the Financial Statements for the year ended March 31, 2018

Note 23 : Employee benefit expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus etc.	11,946	11,754
Contributions to provident and other funds [refer note 29]	839	783
Staff welfare	780	891
	13,565	13,428

Note 24 : Finance costs

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- on financial liability at amortised cost	-	25
- others	33	246
Net interest on defined benefit liability	0	1
	33	272

Note 25 : Depreciation and amortisation expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment [refer note 4(a)]	4,486	4,368
Depreciation on investment properties [refer note 5]	186	194
	4,672	4,562

Note 26 : Other expenses

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	338	798
Consumption of tools	2,458	1,808
Power and fuel	1,097	1,080
Repairs to plant and machinery	899	1,167
Repairs to building	538	518
Royalty and technical service fee	2,131	1,519
Rent [refer note 36]	804	549
Rates and taxes	182	619
Insurance	144	137
Expenditure towards Corporate Social Responsibility [refer note (a) below]	363	332
Packing, freight and forwarding	1,974	1,685
Warranty and service expenses	494	284
Travelling and conveyance	1,071	996
Professional and consultancy charges	1,823	1,470
Advertisement and sales promotion expenses	460	780
Miscellaneous expenses [refer note (b) below]	4,797	4,496
Less: Expenses capitalised	(183)	(10)
	19,390	18,228

Notes to the Financial Statements for the year ended March 31, 2018

(a) Expenditure towards Corporate Social Responsibility :

- Gross amount required to be spent by the Company during the year is Mio INR 363 (2016-17 Mio INR 332).
- Amount spent during the year is Mio INR 363 (2016-17 Mio INR 332).

[₹ 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	256 (309)	107 (23)	363 (332)

- Total amount paid during the year Mio INR 279 includes Mio INR 23 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, 2018	For the year ended March 31, 2017
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee	8	11
Tax account and audit fees	1	2
Other services	2	9
Reimbursement of expenses	0	0
(ii) Loss on sale of property, plant and equipment (net)	-	22
(iii) Provision for doubtful debts (net)	492	190
(iv) Bad debts written off	121	32
(v) Exchange loss [including exchange gain of Mio INR 80 (2016-17: Mio INR 64) on account of mark-to-market valuation of outstanding forward and option contracts]	301	34

Note 27 : R & D expenses/ (income) *

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses :		
Cost of materials consumed	109	124
Employee benefit expenses	888	667
Other expenses	1,190	833
	2,187	1,624
R & D Income :		
Sale of services	(1,516)	(1,456)
Other income	0	0
	(1,516)	(1,456)

* Relating to certain DSIR approved R & D facilities, considered eligible for Income tax benefit.

Notes to the Financial Statements for the year ended March 31, 2018

Note 28: 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, 2018	March 31, 2017
Current tax		
Current tax on profits for the year	7,030	6,910
Adjustments for current tax of prior periods	(14)	(6)
Total current tax expenses	7,016	6,904
Deferred tax		
Decrease/ (Increase) in deferred tax assets	(318)	340
(Decrease)/ Increase in deferred tax liabilities	-	-
Total deferred tax expenses/(benefit)	(318)	340
Income tax expense	6,698	7,244
Income tax expense attributable to:		
Profit from continuing operations	6,698	6,503
Profit from discontinued operation	-	741
	6,698	7,244

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

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expense	20,406	20,944
Profit from discontinuing operation before income tax expense	-	3,711
	20,406	24,655
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	7,062	8,533
Effect of non-deductible expense	513	379
Effect of exempt other income/ weighted deduction	(911)	(1,338)
Effect of difference in tax rate for long term capital gain on sale of business	-	(324)
Adjustments for current tax of prior periods	(14)	(6)
Effect due to difference in future tax rate for deferred tax	48	-
Income tax expense	6,698	7,244

Note 29: 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 321* (2016-17: Mio INR 277*) 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.

Notes to the Financial Statements for the year ended March 31, 2018

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

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost*	357	347	161	159
Past service cost	-	-	939	-
Net interest cost				
a. Interest expense on defined benefit obligation (DBO)	649	617	283	276
b. Interest (income) on plan assets	(649)	(617)	(283)	(275)
c. Total net interest cost	-	-	0	1
Defined benefit cost included in Statement of Profit and Loss	357	347	1,100	160

* Total charge recognised in Statement of Profit and Loss is Mio INR 839 (2016-17: Mio INR 783) [Refer note no 23].

(d) Remeasurement effects recognised in other comprehensive income (OCI)

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss due to demographic assumption changes in DBO	-	3
b. Actuarial (gain)/ loss due to financial assumption changes in DBO	(163)	96
c. Actuarial (gain)/ loss due to experience on DBO	(162)	175
d. Return on plan assets (greater)/ less than discount rate	69	(107)
Total actuarial (gain)/ loss included in OCI	(256)	167

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss on liability	527	(257)
b. Actuarial (gain)/ loss on plan assets	(527)	257
Total actuarial (gain)/ loss included in OCI	-	-

(e) Total cost recognised in comprehensive income

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cost recognised in Statement of Profit and Loss	357	347	1,100	160
Remeasurements effects recognised in OCI	-	-	(256)	167
Total cost recognised in Comprehensive Income	357	347	844	327

(f) Change in defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	3,996	3,772
Service cost	1,100	159
Interest cost	283	276
Benefit payments from plan assets	(168)	(180)
Acquisition / divestiture		(306)
Actuarial (gain)/ loss - demographic assumptions		3
Actuarial (gain)/ loss - financial assumptions	(163)	96
Actuarial (gain)/ Loss - experience	(162)	176
Defined benefit obligation as at year end	4,886	3,996

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	8,740	7,950
Current service cost	357	347
Interest cost	649	617
Benefits paid and transfer out	(970)	(797)
Transfer in	59	41
Participant contributions	859	839
Actuarial (gain)/ loss	527	(257)
Defined benefit obligation as of current year end	10,221	8,740

(g) Change in fair value of plan assets

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fair value of plan assets at end of prior year	8,740	7,950	3,874	3,642
Expected return on plan assets	649	617	283	275
Employer contributions	357	347	278	278
Participant contributions	859	839	-	-
Benefit payments from plan assets	-	-	(168)	(180)
Transfer in/ transfer out	59	41	-	-
Settlements	(970)	(797)	-	-
Acquisition/ divestiture	-	-	-	(248)
Actuarial gain/ (loss) on plan assets	527	(257)	(69)	107
Fair value of plan assets at end of year	10,221	8,740	4,198	3,874

(h) Net defined benefit asset/ (liability)

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation	10,221	8,740	4,886	3,996
Fair value of plan assets	10,221	8,740	4,198	3,874
(Surplus)/ deficit recognised in Balance Sheet	-	-	688	122

(i) Expected company contributions for the next year

[₹ in Millions (Mio INR)]

	Provident Fund	Gratuity
	March 31, 2018	March 31, 2017
Expected company contributions for the next year	400	226

(j) Reconciliation of amounts in balance sheet

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Net defined benefit liability (asset) at prior year end	122	130
Defined benefit cost included in Statement of Profit and Loss	1,100	160
Total remeasurements included in OCI	(256)	167
Acquisition/ divestment	-	(57)
Employer contributions	(278)	(278)
Net defined benefit liability (asset)	688	122

Notes to the Financial Statements for the year ended March 31, 2018

(k) Reconciliation of Statement of Other Comprehensive Income

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Cumulative OCI - (Income)/Loss, beginning of period	108	(59)
Total remeasurements included in OCI	(256)	167
Cumulative OCI - (Income)/Loss	(148)	108

(l) Current/ non current liability

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Current liability	-	-
Non current liability	688	122
Total	688	122

(m) Assumptions :

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount factor [refer note (i) below]	7.70%	7.30%	7.70%	7.30%
Weighted average rate of escalation in salary per annum [refer note (ii) below]	NA	NA	10.6%	10.6%

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, 2018	March 31, 2017
Discount rate		
a. Discount rate - 50 basis points	5,104	4,151
b. Discount rate + 50 basis points	4,639	3,805
Weighted average increase in salary		
a. Rate - 50 basis points	4,781	3,854
b. Rate + 50 basis points	4,974	4,095

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 Financial Statements for the year ended March 31, 2018

(p) Plan assets

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	% Invested	% Invested	% Invested	% Invested
Government Securities (Central and State)	52	49	51	49
Corporate Bonds (including Public Sector bonds)	41	39	36	33
Mutual Funds	2	2	1	2
Cash and bank balances (including Special Deposits Scheme, 1975)	5	10	12	16
Total	100	100	100	100

(q) Expected future cashflows

The weighted average duration of the defined benefit obligation is 14.27 years (2016-17 -14.45 years). The expected maturity analysis is as follows:

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within 1 year	399	338	226	231
Between 1-2 years	450	401	188	235
Between 2-5 years	1,687	1,627	793	699
From 6 to 10	4,141	8,558	2,322	1,869
Total	6,677	10,924	3,529	3,034

Note 30: 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.

[₹ in Millions (Mio INR)]

		March 31, 2018			March 31, 2017		
	Level	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	1	-	7,242	-	-	5,993	-
- Bonds	1	-	-	5,217	-	-	5,212
- Mutual funds	1	39,769	-	-	27,885	-	-
Interest accrued on financial assets at amortised cost	3	-	-	804	-	-	782
Trade receivables	3	-	-	16,156	-	-	11,862
Loans	3	-	-	4,747	-	-	4,379
Cash and cash equivalents		-	-	3,633	-	-	1,312
Other bank balances		-	-	15,245	-	-	15,864
Inter-corporate deposit	3	-	-	7,900	-	-	6,800
Others (include non-trade receivables, etc.)	3	-	-	477	-	-	373
Derivative assets	2	1	-	-	-	-	-
Total financial assets		39,770	7,242	54,179	27,885	5,993	46,584

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

		March 31, 2018			March 31, 2017		
	Level	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities							
Trade payables	3	-	-	20,231	-	-	13,399
Unpaid dividend	3	-	-	45	-	-	34
Book overdraft		-	-	6	-	-	23
Other payables (includes employee dues, etc.)	3	-	-	3,905	-	-	2,367
Capital creditors	3	-	-	347	-	-	305
Derivative liabilities	2	-	-	-	79	-	-
Total financial liabilities		-	-	24,534	79	-	16,128

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 is 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:
a) Discount rate for loans to employees are determined using prevailing bank lending rate.
b) 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

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Tax free bonds	5,217	5,763	5,212	5,546
Loans	1,100	1,100	1,174	1,174
Total financial assets	6,317	6,863	6,386	6,720
Financial liabilities				
Other financial liabilities	66	66	60	60
Total financial liabilities	66	66	60	60

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 Financial Statements for the year ended March 31, 2018

Note 31: 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, 2018		March 31, 2017	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	15,552	1,794	11,300	1,260
Expected credit losses (Loss allowance provision)	(78)	(1,112)	(63)	(635)
Carrying amount of trade receivables (net of impairment)	15,474	682	11,237	625

The gross carrying amount of trade receivables is Mio INR 17,346 (March 31, 2017 - Mio INR 12,560). 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)]

Loss allowance as at April 1, 2016	558
Changes in loss allowance	140
Loss allowance as at March 31, 2017	698
Changes in loss allowance	492
Loss allowance as at March 31, 2018	1,190

(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, 2018	March 31, 2017
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	20	20
- Expiring beyond one year (bank loans)	-	-
	20	20

Notes to the Financial Statements for the year ended March 31, 2018

(ii) Maturity of Financial liabilities

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

a) all non-derivative financial liabilities
b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an under standing of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	20,231	-	13,399	-
Other financial liabilities	4,237	66	2,748	60
Total non-derivative liabilities	24,468	66	16,147	60
Foreign exchange forward contracts	1,044	-	2,763	-
Options contracts	-	-	-	-
Total derivative liabilities	1,044	-	2,763	-

(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, 2018		March 31, 2017	
	USD	EUR	USD	EUR
Financials assets				
Trade receivables	1,684	303	1,141	112
Exposure to foreign currency risk - assets	1,684	303	1,141	112
Financial liabilities				
Trade payables	6,235	1,381	4,681	1,489
Exposure to foreign currency risk - liabilities	6,235	1,381	4,681	1,489
Derivative liabilities				
Foreign exchange forward contracts	1,044	-	2,763	-
Net exposure to foreign currency risk	3,507	1,078	777	1,377

Notes to the Financial Statements for the year ended March 31, 2018

(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, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%*	(35)	(8)
INR/USD - Decrease by 1%*	35	8
EUR Sensitivity		
INR/EUR - Increase by 1%*	(11)	(14)
INR/EUR - Decrease by 1%*	11	14

* Holding all other variable 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, 2018	March 31, 2017
Interest rates - increase by 100 basis points*	(370)	(338)
Interest rates - decrease by 100 basis points*	370	338

* Holding all other variable 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, 2018	March 31, 2017
Price - increase by 10%	724	599
Price - decrease by 10%	(724)	(599)

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

Note 32: 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 Financial Statements for the year ended March 31, 2018

(b) Dividends

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
(i) Dividends recognised		
Final dividend for the year ended March 31, 2017 of INR 90/- (March 31, 2016 - INR 85/-) per fully paid share	2,747	2,669
Interim dividend for the year ended March 31, 2018 of INR NIL (March 31, 2017 - INR 75/-)	-	2,289
	2,747	4,958
(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 100/- per fully paid equity share (March 31, 2017 - INR 90/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,052	2,747
	3,052	2,747

Note 33: 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. 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 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue										
Gross sale of product	98,536	92,060	15,393	15,440	-	-	-	3,020	113,929	110,520
Sale of services	2,619	2,261	66	73	-	-	-	1	2,685	2,335
Other operating revenue	711	1,660	1,397	932	-	-	-	263	2,108	2,855
Inter-segment revenue		-	650	1,128	(650)	(1,128)	-	-	-	-
Total Revenue	101,866	95,981	17,506	17,573	(650)	(1,128)	-	3,284	118,722	115,710
Result										
Segment result	16,521	15,331	3,314	1,401	-	-	-	3,711	19,835	20,443

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Revenue from external customers	March 31, 2018	March 31, 2017
India	107,636	105,532
Other countries	11,086	10,178
Total	118,722	115,710

(c) Reconciliation of profit

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment results	**19,835**	**20,443**
Less: Depreciation and amortisation	(129)	(320)
Less: Non-cash expenses other than depreciation and amortisation	-	(2)
Less: Unallocated corporate expenses	(4,385)	(1,368)
Add: Other income (refer note 19)	5,118	6,174
Less: Finance costs (refer note 24)	(33)	(272)
Profit before tax	**20,406**	**24,655**

(d) Details of segment assets and liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment assets		
Automotive Products	38,078	36,220
Others	8,287	6,951
Total segment assets	**46,365**	**43,171**
Segment liabilities		
Automotive Products	30,031	24,341
Others	6,252	3,936
Total segment liablities	**36,283**	**28,277**

(e) Reconciliation of assets

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment assets	**46,365**	**43,171**
Property, plant and equipment	1,984	1,543
Capital work-in progress	755	116
Investments	52,228	39,090
Investments in subsidiary and associate	176	176
Deferred tax assets	4,905	4,676
Cash and cash equivalents	3,633	1,312
Bank balance other than cash and cash equivalents	15,245	15,864
Loans	4,268	3,671
Other financial assets	9,053	8,112
Other current assets	662	267
Total assets	**139,274**	**117,998**

Notes to the Financial Statements for the year ended March 31, 2018

(f) Reconciliation of liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Segment liabilities	**36,283**	**28,277**
Trade payables	24	266
Provisions	741	620
Unpaid dividend	45	34
Other current liabilities	416	80
Other financial liabilities	1,046	74
Current tax liabilities	906	651
Total liabilities	**39,461**	**30,002**

Note 34: Discontinued operation :

Consequent to the approvals received from the Board of Directors on February 5, 2016 and from the shareholders on April 4, 2016, the Company has executed a Business Transfer Agreement on August 1, 2016 and has sold/ transferred the business of Starter Motors and Generators under the automotive products segment of the Company on a going concern basis by way of Slump sale to Robert Bosch Starter Motors Generators India Private Limited, a fellow subsidiary. Gain on sale of business amounting to Mio INR 3,971 has been recognised during the previous year and disclosed under discontinued operation 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 August 1, 2016 (March 31, 2017 column).

[₹ in Millions (Mio INR)]

	March 31, 2017
Revenue including other income	3,284
Expenses	(3,544)
Profit before income tax	(260)
Income tax (expense)/ credit	90
Profit after income tax	(170)
Gain on sale of division after income tax [refer (b) below]	3,140
Profit from discontinued operation	2,970
Other comprehensive income from discontinued operation	-
Net cash flow from operating activities	(170)
Net cash flow from investing activities (from sale of business)	4,376
Net cash flow from financing activities	-
Net cash generated from discontinued operation	4,206

(b) Details of sale of business:

[₹ in Millions (Mio INR)]

	March 31, 2017
Consideration received	4,376
Carrying amount of net assets sold	(405)
Gain on sale before income tax	**3,971**
Income tax expense on gain	(831)
Gain on sale after income tax	**3,140**

Notes to the Financial Statements for the year ended March 31, 2018

(c) The carrying amount of assets and liabilities as at the date of transfer (August 1, 2016) are as follows:

[₹ in Millions (Mio INR)]

	August 1, 2016
Property, plant and equipment	311
Capital work-in-progress	28
Trade receivable	1,013
Inventories	1,014
Employee loans	47
Other current assets	104
Total Assets	**2,517**
Trade payables	(1,282)
Other financial liablilities	(40)
Provision for employee benefits	(310)
Trade demand and others	(480)
Total Liabilities	**(2,112)**
Net assets	405

(d) There are no assets and liablities of disposal group to be classified as assets held for sale on either of the reporting dates.

Note 35: Related Party Disclosure :

Holding Company : Robert Bosch GmbH, Federal Republic of Germany

Subsidiary Company : MICO Trading Private Limited, India

Associate (also a fellow subsidiary) : Newtech Filter India Private Limited, India

Whole time directors : Dr. Steffen Berns (till December 31, 2016), Mr. Soumitra Bhattacharya, Dr. Andreas Wolf and Mr. Jan Oliver Röhrl (from February 11, 2017)

Non-whole time directors : Mr. V.K. Viswanathan, Mr. Peter Tyroller, Mr. Bernhard Steinruecke, Mr. Prasad Chandran (till September 1, 2017), Ms. Renu S. Karnad, Mr. Bhaskar Bhat & Mrs. Hema Ravichandar (From September 2, 2017)

Other related entities: Bosch India Foundation

(a) Key management personnel compensation:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Short-term employee benefits	182	157
Post-employment benefits	8	6
	190	**163**

Notes to the Financial Statements for the year ended March 31, 2018

(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	Other related entities	Total
Net sale of product	4,501	2,914	-	-	-	-	7,415
	(3,809)	(3,487)	(-)	(3)	(-)	(-)	(7,299)
Sale of services	808	543	-	2	-	-	1,353
	(903)	(656)	(-)	(1)	(-)	(-)	(1,560)
Sale of property, plant and equipments	0	61	-	-	-	-	61
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rental income	-	932	-	-	-	-	932
	(-)	(875)	(-)	(-)	(-)	(-)	(875)
Consideration towards sale of business	-	-	-	-	-	-	-
	(-)	(4,376)	(-)	(-)	(-)	(-)	(4,376)
Miscellaneous income (including reimbursements received)	24	848	-	8	-	-	880
	(82)	(462)	(-)	(-)	(-)	(-)	(544)
Interest earned	-	330	-	-	-	-	330
	(-)	(352)	(-)	(-)	(-)	(-)	(352)
Purchases of :							
Property, plant and equipment	220	554	-	-	-	-	774
	(1,382)	(550)	(-)	(-)	(-)	(-)	(1,932)
Goods	12,579	22,594	-	588	-	-	35,761
	(10,874)	(12,458)	(-)	(550)	(-)	(-)	(23,882)
Dividend paid	1,895	41	-	-	-	-	1,936
	(3,479)	(34)	(-)	(-)	(-)	(-)	(3,513)
Amount paid for shares bought back	-	-	-	-	-	-	-
	(19,244)	(-)	(-)	(-)	(-)	(-)	(19,244)
Services received:							
Royalty and technical service fee	-	2,116	-	-	-	-	2,116
	(0)	(1,639)	(-)	(-)	(-)	(-)	(1,639)
Professional, consultancy and other charges	1,380	2,175	-	-	-	-	3,555
	(1,693)	(1,170)	(-)	(-)	(-)	(-)	(2,863)
Liability written back	1	48	-	-	-	-	49
	(10)	(310)	(-)	(-)	(-)	(-)	(320)
Donation expense	-	-	-	-	-	90	90
	(-)	(-)	(-)	(-)	(-)	(73)	(73)
Loan given (*)	-	1,215	-	-	-	-	1,215
	(-)	(2,560)	(-)	(-)	(-)	(-)	(2,560)
Loan repaid	-	770	-	-	-	-	770
	(-)	(2,300)	(-)	(-)	(-)	(-)	(2,300)
Loan to related parties (*)	-	4,005	-	-	-	-	4,005
As at March 31, 2017	(-)	(3,560)	(-)	(-)	(-)	(-)	(3,560)
Trade receivables	840	1,499	-	0	-	-	2,339
As at March 31, 2017	(426)	(1,102)	(-)	(-)	(-)	(-)	(1,528)
Other financial assets (non-trade receivables)	118	351	-	0	-	-	469
As at March 31, 2017	(51)	(301)	(-)	(14)	(-)	(-)	(366)

(*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Associate	Key Management Personnel	Other related entities	Total
Trade payables	3,912	7,925	-	43	-	-	11,880
As at March 31, 2017	(2,178)	(5,449)	(-)	(39)	(-)	(-)	(7,666)
Other financial liabilities	39	55	-	-	-	-	94
As at March 31, 2017	(62)	(38)	(-)	(-)	(-)	(7)	(107)
Contributions made to Employees' Benefit plans	-	-	774	-	-	-	774
	(-)	(-)	(764)	(-)	(-)	(-)	(764)
Managerial Remuneration:							
Dr. Steffen Berns (upto December 31, 2016)	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(49)	(-)	(49)
Mr. Soumitra Bhattacharya	-	-	-	-	63	-	63
	(-)	(-)	(-)	(-)	(46)	(-)	(46)
Dr. Andreas Wolf	-	-	-	-	59	-	59
	(-)	(-)	(-)	(-)	(50)	(-)	(50)
Mr. Jan Oliver Röhrl (from February 11, 2017)	-	-	-	-	68	-	68
	(-)	(-)	(-)	(-)	(8)	(-)	(8)
Sitting fees/ commissions to non-executive	-	-	-	-	15	-	15
directors	(-)	(-)	(-)	(-)	(10)	(-)	(10)
Unpaid Bonus/ Commission as at the year end	-	-	-	-	97	-	97
As at March 31, 2017	(-)	(-)	(-)	(-)	(10)	(-)	(10)
Loan and Advances transactions :							
Loan/Advances given	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(4)	(-)	(4)
Loan/Advances recovered	-	-	-	-	1	-	1
	(-)	(-)	(-)	(-)	(4)	(-)	(4)
Amount outstanding at the year end	-	-	-	-	2	-	2
As at March 31, 2017	(-)	(-)	(-)	(-)	(3)	(-)	(3)

Figures in brackets relate to previous year.

Notes to the Financial Statements for the year ended March 31, 2018

(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, 2018	March 31, 2017
Sale of services	Bosch Automotive Service Solutions Inc., United States	191	190
Rental income	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	751	715
	Bosch Automotive Electronics India Pvt.. Ltd., India	143	135
Consideration towards sale of business	Robert Bosch Starter Motors Generators India Pvt. Ltd., India	-	4,376
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	264	133
	Bosch Automotive Electronics India Pvt. Ltd., India	216	63
	Bosch Chassis Systems India Private Ltd.	95	7
Interest earned	Bosch Rexroth (India) Pvt. Ltd., India	261	278
	BSH Home Appliances Private Limited	39	30
Purchase of goods	Bosch Automotive Electronics India Pvt. Ltd., India	6,031	3,826
	Bosch Automotive Diesel Systems Co., Ltd., China	4,448	974
Purchase of property, plant and equipment	Moehwald GmbH, Germany	-	239
	Bosch Sanayi ve Ticaret A.S., Turkey	-	226
	Robert Bosch Manufacturing Solutions GmbH	347	-
Professional, consultancy and other charges received	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	1,436	845
	Bosch Corporation	442	17
Royalty and technical service fee	Bosch Technology Licensing Administration GmbH, Germany	2,105	1,182
	Robert Bosch Asset Managing C.V., Netherlands	-	435
Loan given	BSH Household Appliances Manufacturing Pvt. Ltd., India	1,000	100
	Bosch Rexroth (India) Pvt. Ltd., India	200	1,100
Loan repaid	Bosch Rexroth (India) Pvt. Ltd., India	200	950
Contributions made to Employees' Benefit plans	Bosch Employees' Gratuity Fund., India	278	278
	Bosch Superannuation Fund Trust., India	137	137
	Bosch Employees (Bangalore) Provident Fund Trust., India	282	270
	Bosch Workmen's (Nashik) Provident Fund Trust., India	75	77
Sale of property, plant and equipments	Bosch Automotive Diesel Systems Co., Ltd., China	61	-
Liability written back	Bosch Automotive Electronics India Pvt. Ltd., India	48	-

Note 36: Leases

Information on leases as per Indian Accounting Standard(Ind AS) 17 on "Leases":

(a) Operating Lease Expense :

The Company has various operating leases ranging from 2 years to 10 years for office facilities, warehouses, guest houses and residential premises for employees that are renewable on a periodic basis. Non-cancellable periods range from 8 months to 108 months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is Mio INR 804 (2016-17: Mio INR 549).

Disclosure in respect of Non-cancellable lease is as given below

[₹ in Millions (Mio INR)]

Future minimum lease payments	March 31, 2018	March 31, 2017
- Not later than 1 year	139	144
- Later than 1 year and not later than 5 years	251	278
- Later than 5 years	8	-

(b) 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 994 (2016-17: Mio INR 875). Details of assets given on operating lease as at year end are as below.

Notes to the Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

	Gross Block		Accumulated Depreciation		Written down value		Depreciation for the year	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Land	38	38	-	-	38	38	-	-
Buildings	2,122	2,041	451	265	1,671	1,776	186	194
Plant and machinery	506	458	332	197	174	261	125	141
Furniture and fixtures	2	-	0	-	2	-	0	-
Office equipment	2	2	2	2	-	-	-	-
Total	2,670	2,539	785	464	1,885	2,075	311	335

Note 37: Research and Development expenses

Total gross Research and Development expenditure recognised in the Statement of Profit and Loss (including amounts shown under Note 4 and Note 27 to the Financial Statements) amounts to Mio INR 2,599 (2016-17: Mio INR 2,961)

Note 38: Earnings Per Share

(a) Basic and diluted earning per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders from continuing operations	13,708	14,441
Profit attributable to Equity Shareholders from discontinued operation	-	2,970
Weighted average number of Equity Shares outstanding during the year	3,05,20,740	3,10,42,824
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted earnings per Share (Rs.) from continuing operations	449	465
Basic and Diluted earnings per Share (Rs.) from discontinued operation	-	96
Basic and Diluted earnings per Share (Rs.) from continuing operations and discontinued operation	449	561

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

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	13,708	14,441
From discontinued operation	-	2,970

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	3,05,20,740	3,10,42,824

Note 39: Contingent liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debts:		
(a) Excise/ Customs		
Net of tax	110	0
Gross	169	0
(b) Income tax [refer note (i) below]	547	370

Notes to the Financial Statements for the year ended March 31, 2018

(i) Relates to adjustments made by the Income Tax Department for the financial year 2011-12 and 2012-13 which are disputed by the Company and the matters are lying under appeal with CIT (Appeals).

Note 40: 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 41: Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Property, plant and equipment	1,967	2,117
Investment properties	165	159

Note 42: Advances include dues from directors and officers of the Company	2	4

Note 43: 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, 2018 is Mio INR 1,036 (March 31, 2017: Mio INR 960) which is disclosed under note 7(b).

Note 44: Excise duty on sale of products

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity, consequently revenue for the year ended March 31, 2018 is presented net of GST. Accordingly, the gross sales figures for the year are not comparable with the previous year ended March 31, 2017. Gross sales and net sales (net of excise duty) for these years are mentioned below:

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	1,13,929	1,07,500
Excise duty	(1,821)	(8,074)
Sale of products (Net of excise duty)	1,12,108	99,426

Note 45: Exceptional item

The Government of India, vide notification No.S-42012/02/2016-SS-II dated March 29, 2018, has increased the maximum amount of gratuity payable to an employee under the Payment of Gratuity (Ammendment) Act, 1972 from rupees ten lakhs to rupees twenty lakhs. The impact of this on past service cost has been disclosed as exceptional item for the year ended March 31, 2018 in the Statement of Profit and Loss.

Note 46: Rounding off

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

Notes to the financial statements 1 to 46

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Independent Auditor's Report

To The Members of Bosch Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of BOSCH LIMITED (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of profit in its associate, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and its subsidiary company and its associate company incorporated in India, none of the directors of the Group companies, its associate company incorporated in India is disqualified as on 31st March,2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company.

ii. Provision has been made in the consolidatedInd AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary company and associate company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidatedInd AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of BOSCH LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary company, its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary company, its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company, its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

S. Sundaresan
Partner
(Membership No. 25776)

Place: Bengaluru
Date: May 22, 2018

Consolidated Balance Sheet

[₹ in Millions (Mio INR)]

		Note No.	As at March 31, 2018	As at March 31, 2017
A	**Assets**			
1.	**Non-current assets**			
	Property, plant and equipment	4(a)	11,411	13,194
	Capital work-in progress	4(b)	3,132	1,289
	Investment properties	5	1,764	1,943
	Investments accounted for using the equity method	6	88	85
	Financial assets			
	(i) Investments	7(a)(i)	42,939	36,409
	(ii) Loans	7(c)	1,100	1,174
	Deferred tax assets (net)	8	4,905	4,676
	Other non-current assets	9	501	143
	Total non-current assets		**65,840**	**58,913**
2.	**Current assets**			
	Inventories	10	12,258	11,804
	Financial assets			
	(i) Investments	7(a)(ii)	9,289	2,681
	(ii) Trade receivables	7(b)	16,156	11,862
	(iii) Cash and cash equivalents	7(d)	3,633	1,312
	(iv) Bank balances other than (iii) above	7(e)	15,246	15,865
	(v) Loans	7(c)	3,647	3,205
	(vi) Other financial assets	7(f)	9,181	7,955
	Other current assets	11	3,937	4,311
	Total current assets		**73,347**	**58,995**
	Total assets (1+2)		**1,39,187**	**1,17,908**
B	**Equity and Liabilities**			
1.	**Equity**			
	Equity share capital	12(a)	305	305
	Other equity			
	(i) Reserves and surplus	12(b)	92,211	81,639
	(ii) Other reserves	12(c)	7,210	5,962
	Total equity		**99,726**	**87,906**
2.	**Liabilities**			
	Non-current liabilities			
	Financial liabilities			
	(i) Other financial liabilities	13(a)	66	60
	Provisions	14	4,204	3,642
	Total non-current liabilities		**4,270**	**3,702**
	Current liabilities			
	Financial liabilities			
	(i) Trade payables	13(b)	20,231	13,399
	(ii) Other financial liabilities	13(a)	4,237	2,748
	Provisions	14	7,450	7,543
	Current tax liabilities (net)	15	906	651
	Other current liabilities	16	2,367	1,959
	Total current liabilities		**35,191**	**26,300**
	Total liabilities		**39,461**	**30,002**
	Total equity and liabilities (1+2)		**1,39,187**	**1,17,908**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Consolidated Statement of Profit and Loss

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Continuing operations			
Revenue from operations :			
Sale of products (including excise duty)	45	1,13,929	1,07,500
Sale of services	17	2,685	2,334
Other operating revenue	18	2,108	2,592
		1,18,722	**1,12,426**
Other income	19	5,118	6,174
Total revenue		**1,23,840**	**1,18,600**
Expenses :			
Cost of materials consumed	20	27,341	30,070
Purchases of stock-in-trade	21	35,278	24,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	395	(1,197)
Excise duty		1,821	8,074
Employee benefit expense	23	13,565	13,428
Finance costs	24	33	272
Depreciation and amortisation expense	25	4,672	4,562
Other expenses	26	19,390	18,228
Total expenses		**1,02,495**	**97,656**
Profit before exceptional item and tax		**21,345**	**20,944**
Exceptional item	46	939	-
Profit before tax from continuing operations		**20,406**	**20,944**
Tax expense :			
Current tax	28		
(i) for the year		7,030	6,169
(ii) relating to earlier years		(14)	(6)
Deferred tax charge/ (credit)		(318)	340
Total tax expense		**6,698**	**6,503**
Profit after tax from continuing operations		**13,708**	**14,441**
Discontinued operation			
Profit before tax from discontinued operation	33	-	3,711
Tax expense of discontinued operation	33	-	741
Profit after tax from discontinued operation		**-**	**2,970**
Profit for the year before share of net profit/(loss) of associate		**-**	**2,970**
Share of net profit/(loss) of associate accounted for using equity method		3	(9)
Profit for the year		**13,711**	**17,402**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Changes in fair value of the equity instruments	12(c)	1,248	1,510
Remeasurement of post-employment benefit obligations	12(b)	256	(167)
Income tax relating to above	8	(89)	58
Other comprehensive income for the year (Net of tax)		**1,415**	**1,401**
Total comprehensive income for the year		**15,126**	**18,803**
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations	37	449	465
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from discontinued operation	37	-	96
Earnings per share of nominal value of Rs. 10/- each - Basic and Diluted from continuing operations and discontinued operation	37	449	561
Summary of significant accounting policies	2		
Details of R&D expenses/ (income)	27		

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Consolidated Cash Flow Statement

[₹ in Millions (Mio INR)]

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before income tax from continuing operations		20,406	20,944
Profit before income tax from discontinued operation		-	3,711
Adjustments for :			
Depreciation and amortisation expense		4,672	4,604
Unrealised exchange loss (net)		13	(26)
(Profit)/ Loss on sale of fixed assets	19	(32)	22
Provision for doubtful debts	26	492	140
Bad debts written off	26	121	32
Provision/ Liabilities no longer required written back	18	(165)	(713)
Rental income	18	(994)	(875)
Gain on sale of business	33	-	(3,971)
Dividend from equity investments designated at FVOCI	19	(71)	(81)
Interest income	19	(2,720)	(2,762)
Net gain on financial assets measured at FVTPL	19	(2,185)	(3,172)
Amortisation of deferred government grant income	19	(55)	(160)
Government grant	19	(55)	-
Finance cost	24	33	272
Operating profit before working capital changes		19,460	17,965
Changes in working capital:			
(Increase)/ decrease in inventories		(454)	(905)
(Increase)/ decrease in trade receivables		(4,844)	201
(Increase)/ decrease in other financial assets		(104)	(254)
(Increase)/ decrease in other current assets		374	158
(Increase)/ decrease in loans		77	81
(Increase)/ decrease in other non-current assets		9	(24)
(Increase)/ decrease in other bank balances		(11)	-
Increase/ (decrease) in trade payables		6,676	1,711
Increase/ (decrease) in other financial liabilities		1,538	(301)
Increase/ (decrease) in provisions		890	2,751
Increase/ (decrease) in other current liabilities		437	430
Net cash generated from operations		24,048	21,813
Income taxes paid (net of refunds)	15	(6,761)	(7,246)
Net cash from operating activities		17,287	14,567
B. Cash flow from investing activities			
Additions to property, plant and equipment		(4,925)	(6,367)
Additions to investment properties		(7)	(305)
Proceeds from sale of property, plant and equipment		86	51
Purchase of investments		(26,705)	(28,750)
Proceeds from sale of investments		17,000	38,658
Inter corporate deposit given		(7,900)	(7,550)
Inter corporate deposit repayment received		6,800	6,900
Loan to fellow subsidiaries given		(1,215)	(2,560)
Loan to fellow subsidiaries repayment received		770	2,300
Investment in deposit accounts (original maturity of more than 3 months)		(16,850)	(15,730)
Maturity of deposit accounts (original maturity of more than 3 months)		17,480	17,200
Maturity of deposit accounts (original maturity of more than 12 months)		-	100
Purchase consideration received towards sale of business	33	-	4,376
Dividends received	19	71	81
Rental income received	18	994	875
Interest received		2,698	3,181
Net cash from/ (used in) investing activities		(11,703)	12,460
C. Cash flow from financing activities			
Repayment of borrowings		-	(500)
Dividends paid		(2,736)	(4,958)
Dividend distribution tax	12(b)(v)	(559)	(1,009)
Buy Back of shares		-	(20,198)
Government grant received	19	55	-
Interest paid		(6)	(32)
Net cash from/ (used in) financing activities		(3,246)	(26,697)
Net cash flows during the year (A+B+C)		2,338	330
Unrealised exchange gain/(loss) on cash and cash equivalents		(0)	(0)
Cash and cash equivalents at the beginning of the year		1,289	959
Cash and cash equivalents at the end of the year		3,627	1,289

	Note No.	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	7(d)	3,633	1,312
Book overdraft	13(a)	(6)	(23)
Balance as per statement of cash flows		3,627	1,289

Notes: (a) Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".
(b) Mutual Fund dividend reinvested has not been considered above as there was no cash inflow/ outflow.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Consolidated Statement of changes in equity

A Equity share capital

[₹ in Millions (Mio INR)]

	Note No.	Amount
As at April 1, 2016		314
Changes in equity share capital	13(a)	(9)
As at March 31, 2017		305
Changes in equity share capital	13(a)	-
As at March 31, 2018		305

B Other equity

[₹ in Millions (Mio INR)]

	Note No.	Reserves and surplus						Other reserves	
		Capital Reserve	Share Premium	Capital Redemption Reserve	General Reserve	Retained earnings	Total	FVOCI - equity instruments	Total other equity
Balance at April 1, 2016		39	8	67	41,957	48,431	90,502	4,452	94,954
Profit for the year		-	-	-	-	17,402	17,402	-	17,402
Other comprehensive income		-	-	-	-	(109)	(109)	1,510	1,401
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**17,293**	**17,293**	**1,510**	**18,803**
Buy back of shares		-	-	9	(20,198)	-	(20,189)	-	(20,189)
Dividend	12(b)(v)	-	-	-	-	(4,958)	(4,958)	-	(4,958)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(1,009)	(1,009)	-	(1,009)
		-	**-**	**9**	**(20,198)**	**(5,967)**	**(26,156)**	**-**	**(26,156)**
Balance at March 31, 2017		**39**	**8**	**76**	**21,759**	**59,757**	**81,639**	**5,962**	**87,601**
Balance at April 1, 2017		**39**	**8**	**76**	**21,759**	**59,757**	**81,639**	**5,962**	**87,601**
Profit for the year		-	-	-	-	13,711	13,711	-	13,711
Other comprehensive income		-	-	-	-	167	167	1,248	1,415
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**13,878**	**13,878**	**1,248**	**15,126**
Buy back of shares		-	-	-		-	-	-	-
Dividend	12(b)(v)	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Dividend distribution taxes	12(b)(v)	-	-	-	-	(559)	(559)	-	(559)
Balance at March 31, 2018		**39**	**8**	**76**	**21,759**	**70,329**	**92,211**	**7,210**	**99,421**

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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 Bengaluru, Nashik, Naganathapura, Jaipur, Goa, 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, packaging machines, 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). During the previous year, the Company has discontinued the business relating to Starters and Generators products.

The consolidated financial statements are approved for issue by the Board of Directors on May 22, 2018.

The Company, its subsidiary and its associate (jointly referred to as the "Group" herein under) considered in these consolidated financial statements are mentioned below including the nature of interest:

Relationship	Name of the Company	Country of Incorporation	% voting power held as at March 31, 2018
Subsidiary	MICO Trading Private Limited	India	100
Associate	Newtech Filter India Private Limited	India	25

Amounts for the year ended and as at March 31, 2017 were audited by the previous statutory auditor - Price Waterhouse & Co Bangalore LLP. The report of the previous auditor on these financial statements dated May 25, 2017 expressed an unmodified opinion.

Note 2: Summary of Significant Accounting Policies

(a) Basis of preparation:

(i) Compliance with Ind AS

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Consolidated 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 Group'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 Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Recent accounting pronouncement

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018.The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Group is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

(b) Basis of consolidation:

In respect of subsidiary company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Indian Accounting Standard - Ind AS 110 "Consolidated Financial Statements".

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Investment in associate company has been accounted under the equity method as per Indian Accounting Standard (Ind AS) 23 “Investments in Associates and Joint Ventures”, whereby the investment is initially recorded at cost, and adjusted thereafter to recognise the Group’s share of the post acquisition profits or losses of the investee in profit and loss, and the Group’s share of Other Comprehensive Income of the investee in Other Comprehensive Income.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances, except in case of depreciation as mentioned in note 42.

(c) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities as mentioned below:

(i) Sale of products is recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer which is based on the agreed terms. Revenue is based on price agreed with the customers. Amounts disclosed as revenue are inclusive of excise duty upto June 30, 2017 and are net of returns, trade discounts, cash discounts, sales incentives, sales tax, etc.

(ii) Sale of services with respect to fixed price contracts is recognised based on agreements/ arrangements with the concerned parties using the proportionate completion method and revenue with respect to time-and-material contracts is recognised as and when the related services are performed.

(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.

(d) Investments and other financial assets:

(i) Classification

The Group 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 Group 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 Group 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

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. 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 Group 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 31 details how the Group determines whether there has been a significant increase in credit risk. The losses arising from impairment are recognised in the Statement of Profit or Loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

For trade receivables only, the group 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 Group 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.

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.

(e) 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 Group 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 Group 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
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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(f) Investment properties:

Property that is held for rental income and that is not occupied by the Group, 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 Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. Subsequent to intial 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(e) above.

An investment property is derecognised upon disposal and when the investment property is permanently withdrawn form 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.

(g) Trade receivables:

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

(h) 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.

(i) 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 Group 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 Group 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 Group. The Group 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 Loss.

(iv) Termination benefits:

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary retirement in exchange of these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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.

(j) Foreign currency transactions:

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

(k) Leases:

As a lessee

Leases in which the Group has substantial portion of the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Cost of leasehold land (other than those which will be converted to freehold after a certain period upon satisfying prescribed conditions) is amortised over the lease term.

Leases in which the Group doesn't have substantial portion of the risks and rewards of ownership are classified as operating leases. Payment made under operating leases are charged to Statement of Profit and Loss on a straight line basis.

As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the net investment outstanding in respect of the leases.

Lease income from operating leases where the Group is a lessor is recognised as income on a straight line basis. The respective leased assets are disclosed as investment properties.

(l) 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.

(m) Impairment of assets:

At each Balance Sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(n) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group 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.

(o) Borrowings:

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

(p) Provisions and Contingent Liabilities:

Provisions are recognised when the Group 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 Group 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.

(q) 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 Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and arecredited to the Statement of Profit or Loss on a straight-line basis over the expected lives of the related assets and presented within other 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 Group 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 Group by the weighted average number of equity shares outstanding during the financial year.

Note 3: Critical estimates and judgements

The preparation of 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(a) Estimation of current tax expense and payable - Note 28

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 - Note 29

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 4 (a) : Property, plant and equipment

[₹ in Millions (Mio INR)]

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions / Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Land - Freehold	92 (127)	97 (0)	- (35)	189 (92)	- (-)	- (-)	- (-)	- (-)	189 (92)	92 (127)
- Leasehold	1,653 (1,653)	- (-)	- (-)	1,653 (1,653)	20 (10)	10 (10)	- (-)	30 (20)	1,623 (1,633)	1,633 (1,643)
Buildings [refer note (a) below]	4,619 (4,035)	24 (597)	5 (13)	4,638 (4,619)	806 (388)	388 (421)	1 (3)	1,193 (806)	3,445 (3,813)	3,813 (3,647)
Buildings - R & D*	20 (5)	6 (15)	- (-)	26 (20)	1 (-)	2 (1)	- (-)	3 (1)	23 (19)	19 (5)
Plant and machinery [refer note (d) below]	14,508 (9,698)	2,271 (5,407)	203 (597)	16,576 (14,508)	7,214 (3,952)	3,681 (3,546)	158 (284)	10,737 (7,214)	5,839 (7,294)	7,294 (5,746)
Plant and machinery - R & D*	362 (133)	209 (231)	- (2)	571 (362)	362 (133)	209 (231)	- (2)	571 (362)	- (-)	- (-)
Office equipment	164 (143)	22 (29)	4 (8)	182 (164)	103 (67)	36 (42)	3 (6)	136 (103)	46 (61)	61 (76)
Office equipment - R & D*	3 (1)	5 (2)	- (0)	8 (3)	3 (1)	5 (2)	- (0)	8 (3)	- (-)	- (-)
Furniture and fixtures	209 (164)	37 (56)	6 (11)	240 (209)	102 (49)	48 (62)	3 (9)	147 (102)	93 (107)	107 (115)
Furniture and fixtures - R & D*	5 (-)	4 (5)	- (0)	9 (5)	5 (-)	4 (5)	- (-)	9 (5)	- (-)	- (-)
Vehicles	331 (208)	82 (142)	9 (19)	404 (331)	156 (80)	103 (89)	8 (13)	251 (156)	153 (175)	175 (128)
Vehicles - R & D*	2 (1)	- (1)	1 (-)	1 (2)	2 (1)	0 (1)	1 (-)	1 (2)	- (-)	- (-)
Total	21,968 (16,168)	2,757 (6,485)	228 (685)	24,497 (21,968)	8,774 (4,681)	4,486 (4,410)	174 (317)	13,086 (8,774)	11,411 (13,194)	13,194 (11,487)

Note 4 (b) : Capital work in progress	3,132 (1,289)	1,289 (1,507)

* Relating to certain DSIR approved R&D facilities, considered eligible for Income tax benefit.

(a) Buildings include Mio INR 0 (2016-17: Mio INR 0) being the value of shares in co-operative housing societies.

(b) Deductions/ adjustments includes transfer of Mio INR Nil (2016-17: Mio INR 311) as part of sale of starter motors and generators business (refer note 33) and transfer of Mio INR Nil (2016-17: Mio INR 46) to investment properties (refer note 5).

(c) Depreciation for the year includes depreciation for discontinued operation amounting to Mio INR NIL (2016-17: Mio INR 42).

(d) Plant and machinery includes capital spares and government grant capitalised on transition to Ind AS.

(e) Capital work-in-progress mainly comprises plant and machinery and building under construction.

(f) Refer note 40 for disclosure of contractual commitment for the acquisition of property, plant and equipment.

(g) Figures in brackets relate to previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 5 : Investment properties

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Gross carrying amount		
Opening gross carrying amount	2,079	1,849
Transfer from property, plant and equipments	-	48
Additions	81	182
Closing gross carrying amount	2,160	2,079
Accumulated depreciation		
Opening accumulated depreciation	265	69
Transfer from property, plant and equipments	-	2
Depreciation charge	186	194
Closing accumulated depreciation	451	265
Opening Capital work-in-progress	129	6
Closing Capital work-in-progress	55	129
	1,764	1,943

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

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental income	994	875
Direct operating expenses from property that generated rental income	(30)	(97)
Profit from investment properties before depreciation	964	778
Depreciation charge	(186)	(194)
Profit from investment properties	778	584

(ii) Contractual obligations: Refer note no 40 for disclosure of contractual obligations relating to investment properties.

(iii) Fair value of investment properties:

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Land	9,649	9,146
Building	5,953	6,380
	15,602	15,526

Note 6 : Investments Accounted for using the equity method :

[₹ in Millions (Mio INR)]

	Amount	
	As at March 31, 2018	As at March 31, 2017
Unquoted equity investments valued at cost		
Associate (also a fellow subsidiary):		
Newtech Filter India Private Limited, equity shares of Rs.10/- each fully paid	175	175
Less: Share of profit/ (loss) for earlier years in Associate	(90)	(81)
Add: Share of profit/ (loss) for current year in Associate	3	(9)
	88	85

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 7 (a) : Investments

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Non-Current	Current	Non-Current	Current
Investment in equity instruments carried at FVOCI	7,242	-	5,993	-
Investment in bonds measured at amortised cost (quoted)	5,212	-	5,212	-
Investment in bonds measured at amortised cost (unquoted)	5	-	-	-
Investment in mutual funds (quoted) carried at FVTPL	30,480	9,289	25,204	2681
	42,939	9,289	36,409	2,681
Aggregate amount of market value of quoted investments	43,478	9,289	36,409	2,681
Aggregate amount of market value of unquoted investments	5	9,289	36,742	2,681
Aggregate amount of impairment in the value of investments	-	-	-	-

Note 7 (b) : Trade receivables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
- Related parties [refer note (a) below and note 34]	2,339	1,528
- Others	15,007	11,032
Less: Allowance for doubtful debts	(1,190)	(698)
	16,156	11,862
(a) Includes dues from private companies where directors are interested.	374	429

Details of secured and unsecured

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Secured, considered good	-	-
Unsecured, considered good	16,156	11,862
Doubtful	1,190	698
Total	17,346	12,560
Allowance for doubtful debts	(1,190)	(698)
Total trade receivables	16,156	11,862

Note 7 (c) : Loans

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to fellow subsidiaries (refer note 34)	3,505	500	3,060	500
Loan to directors (refer note 34)	0	2	0	3
Loan to employees	142	259	145	342
Security deposits	-	339	-	329
	3,647	1,100	3,205	1,174

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 7 (d) : Cash and cash equivalents

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	237	207
- deposit accounts with original maturity of less than 3 months	3,133	875
Cash on hand	0	0
Cheques on hand	263	230
	3,633	1,312

Note 7 (e) : Other bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Deposit accounts (maturity less than 12 months)	15,201	15,831
Unpaid dividend accounts	45	34
	15,246	15,865

Note 7 (f) : Other financial assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Inter-corporate deposit	7,900	6,800
Interest accrued on financial assets at amortised cost	804	782
Others (include non-trade receivables, etc.)	477	373
	9,181	7,955

Note 8 : Deferred tax assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Difference between books and Income tax written down value (WDV) of depreciable property, plant and equipment and intangible assets	3,049	2,808
Expenses allowable for tax purposes when paid and other timing differences	1,856	1,868
	4,905	4,676

Movement in deferred tax assets

[₹ in Millions (Mio INR)]

	WDV of depreciable property, plant and equipment	Expenses allowable on payment basis	Tax losses	Total
As at April 1, 2016	2,995	1,533	430	4,958
(Charged)/ Credited				
- to Statement of Profit and Loss	(187)	277	(430)	(340)
- to Other Comprehensive Income	-	58	-	58
As at March 31, 2017	2,808	1,868	-	4,676
(Charged)/ Credited				
- to Statement of Profit and Loss	241	77	-	318
- to Other Comprehensive Income	-	(89)	-	(89)
As at March 31, 2018	3,049	1,856	-	4,905

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 9 : Other non-current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital advances	412	45
Security deposits	89	98
	501	143

Note 10 : Inventories
(at lower of cost and net realisable value)

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	2,854	2,098
Work-in-progress	1,329	958
Finished goods	2,603	3,939
Stock-in-trade	4,823	4,253
Stores and spares	184	182
Loose tools	465	374
	12,258	11,804

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

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Raw materials	986	541
Stock-in-trade	1,512	1,063
Loose tools	0	10
	2,498	1,614

(b) Amount of inventories recognised as an expense/(income) is Mio INR 36 [2016-17 Mio INR (238)].

(c) Write-down/(reversal of write-down of earlier year) of the inventories to net realisable value amounted to Mio INR 14 [2016-17 Mio INR 70]. These were recognised as an expense during the year and included in Note 22 in the Statement of Profit and Loss.

Note 11 : Other current assets

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Balance with customs, excise and sales tax authorities, etc.	584	2,852
Deferred expense	97	91
Others (include vendor advances, claims receivable, etc.)	3,256	1,368
	3,937	4,311

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, 2016	38,051,460	381
Increase during the year	-	-
As at March 31, 2017	38,051,460	381
Increase during the year	-	-
As at March 31, 2018	38,051,460	381

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(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, 2016	31,398,900	314
Increase/ (decrease) during the year	(878,160)	(9)
As at March 31, 2017	30,520,740	305
Increase/ (decrease) during the year	-	-
As at March 31, 2018	30,520,740	305

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, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	211	21,058,705	211
Robert Bosch Engineeering and Business Solutions Private Ltd., India, subsidiary of Holding company	454,000	5	454,000	5

(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, 2018		As at March 31, 2017	
	No of shares	Shareholding %	No of shares	Shareholding %
Robert Bosch GmbH, Federal Republic of Germany, the Holding company	21,058,705	68.99%	21,058,705	68.99%

(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 878,160 shares during the year ended March 31, 2017 at buy-back price determined at Rs.23,000/- 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, 2018	As at March 31, 2017
Number of equity shares bought back by the Company	-	878,160

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 12(b) : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Capital reserve [refer note (i)]	39	39
Share premium [refer note (ii)]	8	8
Capital redemption reserve [refer note (iii)]	76	76
General reserve [refer note (iv)]	21,759	21,759
Retained earnings [refer note (v)]	70,329	59,757
	92,211	81,639

(i) Capital reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	39	39
Additions/(deletions) during the year	-	-
Closing balance	39	39

(ii) Share premium

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	8	8
Additions/(deletions) during the year	-	-
Closing balance	8	8

(iii) Capital redemption reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	76	67
Additions/(deletions) during the year	-	9
Closing balance	76	76

(iv) General reserve

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	21,759	41,957
Less: Utilisation for buy back of shares	-	(20,198)
Closing balance	21,759	21,759

(v) Retained earnings

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	59,757	48,431
Net profit for the year	13,711	17,402
Dividends (refer note no. 32(b))	(2,747)	(4,958)
Dividend distribution taxes	(559)	(1,009)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligations, net of tax	167	(109)
Closing balance	70,329	59,757

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 12(c) : Other reserves

[₹ in Millions (Mio INR)]

	FVOCI - Equity Instruments	Total other reserves
As at April 1, 2016	4,452	4,452
Change in fair value of FVOCI equity instruments	1,510	1,510
As at March 31, 2017	5,962	5,962
Change in fair value of FVOCI equity instruments	1,248	1,248
As at March 31, 2018	7,210	7,210

Note 13(a) : Other financial liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Unpaid dividend [refer note (a) below]	45	-	34	-
Book overdraft	6	-	23	-
Capital creditors	347	-	305	-
Other payables (includes employee dues, derivative liabilities, etc.)	3,839	66	2,386	60
	4,237	66	2,748	60

(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.

Note 13(b) : Trade payables

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Dues of Micro Enterprises and Small Enterprises [refer note (a) below]	395	212
- Related parties (refer note 34)	11,837	7,666
- Others	7,999	5,521
	20,231	13,399

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

[₹ in Millions (Mio INR)]

		As at March 31, 2018 and for the year ended March 31, 2018	As at March 31, 2017 and for the year ended March 31, 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	395	212
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	5	3
(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	22	12
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	83	56
(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	13	-

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 14 : Provisions

[₹ in Millions (Mio INR)]

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	2,566	4,188	2,933	3,626
Trade demand and others [refer note (a) below]	3,541	16	3,455	16
Warranty [refer note (a) below]	1,343	-	1,155	-
	7,450	4,204	7,543	3,642

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

[₹ in Millions (Mio INR)]

Description	As at April 1, 2017	Additions during the year	Utilised/ reversed during theyear	As at March 31, 2018
Trade demand and others [refer note (i) and (ii) below]	3,471	2,215	2,129	3,557
	(2,319)	(2,380)	(1,228)	(3,471)
Warranty [refer note (i) and (ii) below]	1,155	757	569	1,343
	(1,284)	(332)	(461)	(1,155)

(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

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Opening balance	651	762
Add: Provision for tax (including earlier years)	7,016	7,135
Less: Taxes paid (net of refund)	(6,761)	(7,246)
Closing balance (net of advance tax of Mio INR 25,941) (March 31, 2017: Mio INR 23,482)	906	651

Note 16 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2018	As at March 31, 2017
Statutory dues	1,171	1,142
Deferred income	67	107
Indirect taxes	483	427
Others (advance from customers,etc.)	646	283
	2,367	1,959

Note 17 : Sale of services

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Research and development income	1,516	1,456
Others	1,169	878
	2,685	2,334

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 18 : Other operating revenue

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Scrap sales	162	177
Export incentives	350	361
Provision/ liabilities no longer required written back	165	713
Rental income	994	875
Miscellaneous income	437	466
	2,108	2,592

Note 19 : Other income

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- Bank and inter corporate deposits	1,697	1,664
- Loans to related parties	330	352
- On financial assets at amortised cost	418	417
- Others	275	328
Government grant (refer note (a) below)	55	-
Amortisation of deferred government grant income	55	160
Dividend from equity investments designated at FVOCI	71	81
Net gain on financial assets measured at FVTPL	2,185	3,172
Profit on sale of property, plant and equipment (net)	32	-
	5,118	6,174

(a) Government grant represents subsidy received/ accrued during the year under the Package Scheme of Incentives, 2001 from the Government of Maharashtra.

Note 20 : Cost of materials consumed

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials consumed	27,555	30,103
Less: Issues capitalised	(214)	(33)
	27,341	30,070

Note 21 : Purchases of stock-in-trade

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of goods	35,278	24,219
	35,278	24,219

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

[₹ in Millions (Mio INR)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock		
Finished goods	3,939	2,736
Work-in-progress	958	1,236
Stock-in-trade	4,253	3,981
Closing stock		
Finished goods	2,603	3,939
Work-in-progress	1,329	958
Stock-in-trade	4,823	4,253
	395	(1,197)

Note 23 : Employee benefit expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages, bonus etc.	11,946	11,754
Contributions to provident and other funds [refer note 29]	839	783
Staff welfare	780	891
	13,565	13,428

Note 24 : Finance costs

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- on financial liability at amortised cost	-	25
- others	33	246
Net interest on defined benefit liability	0	1
	33	272

Note 25 : Depreciation and amortisation expense

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment [refer note 4(a)]	4,486	4,368
Depreciation on investment properties [refer note 5]	186	194
	4,672	4,562

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 26 : Other expenses

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	338	798
Consumption of tools	2,458	1,808
Power and fuel	1,097	1,080
Repairs to plant and machinery	899	1,167
Repairs to building	538	518
Royalty and technical service fee	2,131	1,519
Rent [refer note 35]	804	549
Rates and taxes	182	619
Insurance	144	137
Expenditure towards Corporate Social Responsibility [refer note (a) below]	363	332
Packing, freight and forwarding	1,974	1,685
Warranty and service expenses	494	284
Travelling and conveyance	1,071	996
Professional and consultancy charges	1,823	1,470
Advertisement and sales promotion expenses	460	780
Miscellaneous expenses [refer note (b) below]	4,797	4,496
Less: Expenses capitalised	(183)	(10)
	19,390	18,228

(a) Expenditure towards Corporate Social Responsibility :

- Gross amount required to be spent by the Company during the year is Mio INR 363 (2016-17 Mio INR 332).
- Amount spent during the year is Mio INR 363 (2016-17 Mio INR 332).

[₹ 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	256 (309)	107 (23)	363 (332)

- Total amount paid during the year Mio INR 279 includes Mio INR 23 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, 2018	For the year ended March 31, 2017
(i) Remuneration to auditors (excluding service tax):		
Statutory audit fee	8	11
Tax account and audit fees	1	2
Other services	2	9
Reimbursement of expenses	0	0
(ii) Loss on sale of property, plant and equipment (net)	-	22
(iii) Provision for doubtful debts (net)	492	190
(iv) Bad debts written off	121	32
(v) Exchange loss [including exchange gain of Mio INR 80 (2016-17: Mio INR 64) on account of mark-to-market valuation of outstanding forward and option contracts]	301	34

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 27 : R & D expenses/ (income) *

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
R & D Expenses :		
Cost of materials consumed	109	124
Employee benefit expenses	888	667
Other expenses	1,190	833
	2,187	1,624
R & D Income :		
Sale of services	(1,516)	(1,456)
Other income	0	0
	(1,516)	(1,456)

* Relating to certain DSIR approved R & D facilities, considered eligible for Income tax benefit.

Note 28: Income tax expense

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

(a) Income tax expense

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Current tax		
Current tax on profits for the year	7,030	6,910
Adjustments for current tax of prior periods	(14)	(6)
Total current tax expenses	7,016	6,904
Deferred tax		
Decrease/ (Increase) in deferred tax assets	(318)	340
(Decrease)/ Increase in deferred tax liabilities	-	-
Total deferred tax expenses/(benefit)	(318)	340
Income tax expense	6,698	7,244
Income tax expense attributable to:		
Profit from continuing operations	6,698	6,503
Profit from discontinued operation	-	741
	6,698	7,244

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

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expense	20,406	20,944
Profit from discontinuing operation before income tax expense	-	3,711
	20,406	24,655
Tax at the Indian tax rate of 34.608% (2016-17: 34.608%)	7,062	8,533
Effect of non-deductible expense	513	379
Effect of exempt other income/ weighted deduction	(911)	(1,338)
Effect of difference in tax rate for long term capital gain on sale of business	-	(324)
Adjustments for current tax of prior periods	(14)	(6)
Effect due to difference in future tax rate for deferred tax	48	-
Income tax expense	6,698	7,244

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 29: 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 Group has recognised an amount of Mio INR 321* (2016-17: Mio INR 277*) as expense under the defined contribution plans in the Statement of Profit and Loss.

(b) Post Employment Benefit - Defined Benefit Plans

The Group 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost*	357	347	161	159
Past service cost	-	-	939	-
Net interest cost				
a. Interest expense on defined benefit obligation (DBO)	649	617	283	276
b. Interest (income) on plan assets	(649)	(617)	(283)	(275)
c. Total net interest cost	-	-	0	1
Defined benefit cost included in Statement of Profit and Loss	357	347	1,100	160

* Total charge recognised in Statement of Profit and Loss is Mio INR 839 (2016-17: Mio INR 783) [Refer note no 23].

(d) Remeasurement effects recognised in other comprehensive income (OCI)

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss due to demographic assumption changes in DBO	-	3
b. Actuarial (gain)/ loss due to financial assumption changes in DBO	(163)	96
c. Actuarial (gain)/ loss due to experience on DBO	(162)	175
d. Return on plan assets (greater)/ less than discount rate	69	(107)
Total actuarial (gain)/ loss included in OCI	(256)	167

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
a. Actuarial (gain)/ loss on liability	527	(257)
b. Actuarial (gain)/ loss on plan assets	(527)	257
Total actuarial (gain)/ loss included in OCI	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(e) Total cost recognised in comprehensive income

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cost recognised in Statement of Profit and Loss	357	347	1,100	160
Remeasurements effects recognised in OCI	-	-	(256)	167
Total cost recognised in Comprehensive Income	357	347	844	327

(f) Change in defined benefit obligation

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	3,996	3,772
Service cost	1,100	159
Interest cost	283	276
Benefit payments from plan assets	(168)	(180)
Acquisition / divestiture	-	(306)
Actuarial (gain)/ loss - demographic assumptions	-	3
Actuarial (gain)/ loss - financial assumptions	(163)	96
Actuarial (gain)/ Loss - experience	(162)	176
Defined benefit obligation as at year end	4,886	3,996

[₹ in Millions (Mio INR)]

	Provident Fund	
	March 31, 2018	March 31, 2017
Defined benefit obligation as at the beginning of the year	8,740	7,950
Current service cost	357	347
Interest cost	649	617
Benefits paid and transfer out	(970)	(797)
Transfer in	59	41
Participant contributions	859	839
Actuarial (gain)/ loss	527	(257)
Defined benefit obligation as of current year end	10,221	8,740

(g) Change in fair value of plan assets

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Fair value of plan assets at end of prior year	8,740	7,950	3,874	3,642
Expected return on plan assets	649	617	283	275
Employer contributions	357	347	278	278
Participant contributions	859	839	-	-
Benefit payments from plan assets	-	-	(168)	(180)
Transfer in/ transfer out	59	41	-	-
Settlements	(970)	(797)	-	-
Acquisition/ divestiture	-	-	-	(248)
Actuarial gain/ (loss) on plan assets	527	(257)	(69)	107
Fair value of plan assets at end of year	10,221	8,740	4,198	3,874

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(h) Net defined benefit asset/ (liability)

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined benefit obligation	10,221	8,740	4,886	3,996
Fair value of plan assets	10,221	8,740	4,198	3,874
(Surplus)/ deficit recognised in Balance Sheet	-	-	688	122

(i) Expected Group's contributions for the next year

[₹ in Millions (Mio INR)]

	Provident Fund	Gratuity
	March 31, 2018	March 31, 2018
Expected Group's contributions for the next year	400	226

(j) Reconciliation of amounts in balance sheet

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Net defined benefit liability (asset) at prior year end	122	130
Defined benefit cost included in Statement of Profit and Loss	1,100	160
Total remeasurements included in OCI	(256)	167
Acquisition/ divestment	-	(57)
Employer contributions	(278)	(278)
Net defined benefit liability (asset)	688	122

(k) Reconciliation of Statement of Other Comprehensive Income

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Cumulative OCI - (Income)/Loss, beginning of period	108	(59)
Total remeasurements included in OCI	(256)	167
Cumulative OCI - (Income)/Loss	(148)	108

(l) Current/ non current liability

[₹ in Millions (Mio INR)]

	Gratuity	
	March 31, 2018	March 31, 2017
Current liability	-	-
Non current liability	688	122
Total	688	122

(m) Assumptions :

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount factor [refer note (i) below]	7.70%	7.30%	7.70%	7.30%
Weighted average rate of escalation in salary per annum [refer note (ii) below]	NA	NA	10.6%	10.6%

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

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 Group 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, 2018	March 31, 2017
Discount rate		
a. Discount rate - 50 basis points	5,104	4,151
b. Discount rate + 50 basis points	4,639	3,805
Weighted average increase in salary		
a. Rate - 50 basis points	4,781	3,854
b. Rate + 50 basis points	4,974	4,095

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.

(p) Plan assets

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	% Invested	% Invested	% Invested	% Invested
Government Securities (Central and State)	52	49	51	49
Corporate Bonds (including Public Sector bonds)	41	39	36	33
Mutual Funds	2	2	1	2
Cash and bank balances (including Special Deposits Scheme, 1975)	5	10	12	16
Total	100	100	100	100

(q) Expected future cashflows

The weighted average duration of the defined benefit obligation is 14.27 years (2016-17 -14.45 years). The expected maturity analysis is as follows:

[₹ in Millions (Mio INR)]

	Provident Fund		Gratuity	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Within 1 year	399	338	226	231
Between 1-2 years	450	401	188	235
Between 2-5 years	1,687	1,627	793	699
From 6 to 10	4,141	8,558	2,322	1,869
Total	6,677	10,924	3,529	3,034

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 30: 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 Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

[₹ in Millions (Mio INR)]

	Level	March 31, 2018			March 31, 2017		
		FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	1	-	7,242	-	-	5,993	-
- Bonds	1	-	-	5,217	-	-	5,212
- Mutual funds	1	39,769	-	-	27,885	-	-
Interest accrued on financial assets at amortised cost	3	-	-	804	-	-	782
Trade receivables	3	-	-	16,156	-	-	11,862
Loans	3	-	-	4,747	-	-	4,379
Cash and cash equivalents		-	-	3,633	-	-	1,312
Other bank balances		-	-	15,246	-	-	15,865
Inter-corporate deposit	3	-	-	7,900	-	-	6,800
Others (include non-trade receivables, etc.)	3	-	-	477	-	-	373
Derivative assets	2	1	-	-	-	-	-
Total financial assets		39,770	7,242	54,180	27,885	5,993	46,585
Financial liabilities							
Trade payables	3	-	-	20,231	-	-	13,399
Unpaid dividend	3	-	-	45	-	-	34
Book overdraft		-	-	6	-	-	23
Other payables (includes employee dues, etc.)	3	-	-	3,905	-	-	2,367
Capital creditors	3	-	-	347	-	-	305
Derivative liabilities	2	-	-	-	79	-	-
Total financial liabilities		-	-	24,534	79	-	16,128

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 is 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 Group 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 Group's quarterly reporting periods.

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

a) Discount rate for loans to employees are determined using prevailing bank lending rate.
b) 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

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Tax free bonds	5,217	5,763	5,212	5,546
Loans	1,100	1,100	1,174	1,174
Total financial assets	6,317	6,863	6,386	6,720
Financial liabilities				
Other financial liabilities	66	66	60	60
Total financial liabilities	66	66	60	60

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 and current maturities of long-term debt, the carrying amount is considered to be the same as their fair value due to their short-term nature.

Note 31: Financial risk management

The Group'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 Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are entered into by the Group 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 Group 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 Group. 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 Group 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, 2018		March 31, 2017	
	Less than 6 months	More than 6 months	Less than 6 months	More than 6 months
Gross carrying amount	15,552	1,794	11,300	1,260
Expected credit losses (Loss allowance provision)	(78)	(1,112)	(63)	(635)
Carrying amount of trade receivables (net of impairment)	15,474	682	11,237	625

The gross carrying amount of trade receivables is Mio INR 17,346 (March 31, 2017 - Mio INR 12,560). During the period, the Group 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)]

Loss allowance as at April 1, 2016	558
Changes in loss allowance	140
Loss allowance as at March 31, 2017	698
Changes in loss allowance	492
Loss allowance as at March 31, 2018	1,190

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(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, Group treasury maintains flexibility in funding by maintaining availability of funds.

Management monitors daily and monthly rolling forecasts of the Group'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 Group 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 Group had access to the following undrawn borrowing facilities at the end of the reporting period

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	20	20
- Expiring beyond one year (bank loans)	-	-
	20	20

(ii) Maturity of Financial liabilities

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

a) all non-derivative financial liabilities

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an under standing of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

[₹ in Millions (Mio INR)]

	March 31, 2018		March 31, 2017	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	20,231	-	13,399	-
Other financial liabilities	3,839	66	2,748	60
Total non-derivative liabilities	24,070	66	16,147	60
Foreign exchange forward contracts	1,044	-	2,763	-
Options contracts	-	-	-	-
Total derivative liabilities	1,044	-	2,763	-

(C) Market risk

(i) Foreign currency risk

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(a) Foreign currency risk exposure: The Group 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, 2018		March 31, 2017	
	USD	EUR	USD	EUR
Financials assets				
Trade receivables	1,684	303	1,141	112
Exposure to foreign currency risk - assets	1,684	303	1,141	112
Financial liabilities				
Trade payables	6,235	1,381	4,681	1,489
Exposure to foreign currency risk - liabilities	6,235	1,381	4,681	1,489
Derivative liabilities				
Foreign exchange forward contracts	1,044	-	2,763	-
Net exposure to foreign currency risk	3,507	1,078	777	1,377

(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, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%*	(35)	(8)
INR/USD - Decrease by 1%*	35	8
EUR Sensitivity		
INR/EUR - Increase by 1%*	(11)	(14)
INR/EUR - Decrease by 1%*	11	14

* Holding all other variable constant

(ii) Cash flow and fair value interest rate risk

(a) Interest rate risk exposure: The Group does not have interest bearing borrowings and interest rate risk is towards opportunity cost on investment in tax free bonds. Group 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, 2018	March 31, 2017
Interest rates - increase by 100 basis points*	(370)	(338)
Interest rates - decrease by 100 basis points*	370	338

* Holding all other variables constant

(iii) Price risk

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(b) Sensitivity: The table below summarises the impact of increase/decrease of the index in the Group'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 Group's equity instruments moved in line with the index.

[₹ in Millions (Mio INR)]

	Impact on other components of equity	
	March 31, 2018	March 31, 2017
Price - increase by 10%	724	599
Price - decrease by 10%	(724)	(599)

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

Note 32 : Capital management

(a) Risk management

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

(b) Dividends

[₹ in Millions (Mio INR)]

		March 31, 2018	March 31, 2017
(i)	Dividends recognised		
	Final dividend for the year ended March 31, 2017 of INR 90/- (March 31, 2016 - INR 85/-) per fully paid share	2,747	2,669
	Interim dividend for the year ended March 31, 2018 of INR NIL (March 31, 2017 - INR 75/-)	-	2,289
		2,747	4,958
(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 100/- per fully paid equity share (March 31, 2017 - INR 90/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	3,052	2,747
		3,052	2,747

Note 33: Discontinued operation :

Consequent to the approvals received from the Board of Directors on February 5, 2016 and from the shareholders on April 4, 2016, the Group has executed a Business Transfer Agreement on August 1, 2016 and has sold/ transferred the business of Starter Motors and Generators under the automotive products segment of the Group on a going concern basis by way of Slump sale to Robert Bosch Starter Motors Generators India Private Limited, a fellow subsidiary. Gain on sale of business amounting to Mio INR 3,971 has been recognised during the previous year and disclosed under discontinued operation 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 August 1, 2016 (March 31, 2017 column).

[₹ in Millions (Mio INR)]

	March 31, 2017
Revenue including other income	3,284
Expenses	(3,544)
Profit before income tax	(260)
Income tax (expense)/ credit	90
Profit after income tax	(170)
Gain on sale of division after income tax [refer (b) below]	3,140
Profit from discontinued operation	2,970
Other comprehensive income from discontinued operation	-
Net cash flow from operating activities	(170)
Net cash flow from investing activities (from sale of business)	4,376
Net cash flow from financing activities	-
Net cash generated from discontinued operation	4,206

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(b) Details of sale of business:

[₹ in Millions (Mio INR)]

	March 31, 2017
Consideration received	4,376
Carrying amount of net assets sold	(405)
Gain on sale before income tax	**3,971**
Income tax expense on gain	(831)
Gain on sale after income tax	**3,140**

(c) The carrying amount of assets and liabilities as at the date of transfer (August 1, 2016) are as follows:

[₹ in Millions (Mio INR)]

	August 1, 2016
Property, plant and equipment	311
Capital work-in-progress	28
Trade receivable	1,013
Inventories	1,014
Employee loans	47
Other current assets	104
Total Assets	2,517
Trade payables	(1,282)
Other financial liablilities	(40)
Provision for employee benefits	(310)
Trade demand and others	(480)
Total Liabilities	(2,112)
Net assets	405

(d) There are no assets and liablities of disposal group to be classified as assets held for sale on either of the reporting dates.

Note 34: Related Party Disclosure :

Holding Company : Robert Bosch GmbH, Federal Republic of Germany

Whole time directors : Dr. Steffen Berns (till December 31, 2016), Mr. Soumitra Bhattacharya, Dr. Andreas Wolf and Mr. Jan Oliver Röhrl (from February 11, 2017)

Non-whole time directors : Mr. V.K. Viswanathan, Mr. Peter Tyroller, Mr. Bernhard Steinruecke, Mr. Prasad Chandran (till September 1, 2017), Ms. Renu S. Karnad, Mr. Bhaskar Bhat & Mrs. Hema Ravichandar (From September 2, 2017)

Other related entities: Bosch India Foundation

(a) Key management personnel compensation:

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Short-term employee benefits	182	157
Post-employment benefits	8	6
	190	163

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

(b) Related Party transactions/ balances - summary:

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Key Management Personnel	Other related entities	Total
Net sale of product	4,501	2,914	-	-	-	7,415
	(3,809)	(3,487)	(-)	(-)	(-)	(7,296)
Sale of services	808	543	-	-	-	1,351
	(903)	(656)	(-)	(-)	(-)	(1,559)
Sale of property, plant and equipments	0	61	-	-	-	61
	(-)	(-)	(-)	(-)	(-)	(-)
Rental income	-	932	-	-	-	932
	(-)	(875)	(-)	(-)	(-)	(875)
Consideration towards sale of business	-	-	-	-	-	-
	(-)	(4,376)	(-)	(-)	(-)	(4,376)
Miscellaneous income (including	24	848	-	-	-	872
reimbursements received)	(82)	(462)	(-)	(-)	(-)	(544)
Interest earned	-	330	-	-	-	330
	(-)	(352)	(-)	(-)	(-)	(352)
Purchases of :						
Property, plant and equipment	220	554	-	-	-	774
	(1,382)	(550)	(-)	(-)	(-)	(1,932)
Goods	12,579	22,594	-	-	-	35,173
	(10,874)	(12,458)	(-)	(-)	(-)	(23,332)
Dividend paid	1,895	41	-	-	-	1,936
	(3,479)	(34)	(-)	(-)	(-)	(3,513)
Amount paid for shares bought back	-	-	-	-	-	-
	(19,244)	(-)	(-)	(-)	(-)	(19,244)
Services received:						
Royalty and technical service fee	-	2,116	-	-	-	2,116
	(0)	(1,639)	(-)	(-)	(-)	(1,639)
Professional, consultancy and other charges	1,380	2,175	-	-	-	3,555
	(1,693)	(1,170)	(-)	(-)	(-)	(2,863)
Liability written back	1	48	-	-	-	49
	(10)	(310)	(-)	(-)	(-)	(320)
Donation expense	-	-	-	-	90	90
	(-)	(-)	(-)	(-)	(73)	(73)
Loan given (*)	-	1,215	-	-	-	1,215
	(-)	(2,560)	(-)	(-)	(-)	(2,560)
Loan repaid	-	770	-	-	-	770
	(-)	(2,300)	(-)	(-)	(-)	(2,300)
Loan to related parties (*)	-	4,005	-	-	-	4,005
As at March 31, 2017	(-)	(3,560)	(-)	(-)	(-)	(3,560)
Trade receivables	840	1,499	-	-	-	2,339
As at March 31, 2017	(426)	(1,102)	(-)	(-)	(-)	(1,528)
Other financial assets (non-trade receivables)	118	351	-	-	-	469
As at March 31, 2017	(51)	(301)	(-)	(-)	(-)	(352)

(*) Against guarantee given by Robert Bosch GmbH, Federal Republic of Germany, the holding company.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Holding Company	Fellow Subsidiary	Employees' Benefit plans where there is significant influence	Key Management Personnel	Other related entities	Total
Trade payables	3,912	7,925	-	-	-	11,837
As at March 31, 2017	(2,178)	(5,449)	(-)	(-)	(-)	(7,627)
Other financial liabilities	39	55	-	-	-	94
As at March 31, 2017	(62)	(38)	(-)	(-)	(7)	(107)
Contributions made to Employees' Benefit plans	-	-	774	-	-	774
	(-)	(-)	(764)	(-)	(-)	(764)
Managerial Remuneration:						
Dr. Steffen Berns (upto December 31, 2016)	-	-	-	-	-	-
	(-)	(-)	(-)	(49)	(-)	(49)
Mr. Soumitra Bhattacharya	-	-	-	63	-	63
	(-)	(-)	(-)	(46)	(-)	(46)
Dr. Andreas Wolf	-	-	-	59	-	59
	(-)	(-)	(-)	(50)	(-)	(50)
Mr. Jan Oliver Röhrl (from February 11, 2017)	-	-	-	68	-	68
	(-)	(-)	(-)	(8)	(-)	(8)
Sitting fees/ commissions to non-executive directors	-	-	-	15	-	15
	(-)	(-)	(-)	(10)	(-)	(10)
Unpaid Bonus/ Commission as at the year end	-	-	-	97	-	97
As at March 31, 2017	(-)	(-)	(-)	(10)	(-)	(10)
Loan and Advances transactions :						
Loan/Advances given	-	-	-	-	-	-
	(-)	(-)	(-)	(4)	(-)	(4)
Loan/Advances recovered	-	-	-	1	-	1
	(-)	(-)	(-)	(4)	(-)	(4)
Amount outstanding at the year end	-	-	-	2	-	2
As at March 31, 2017	(-)	(-)	(-)	(3)	(-)	(3)

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:

[₹ in Millions (Mio INR)]

Particulars	Name of the related party	March 31, 2018	March 31, 2017
Sale of services	Bosch Automotive Service Solutions Inc., United States	191	190
Rental income	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	751	715
	Bosch Automotive Electronics India Pvt.. Ltd., India	143	135
Consideration towards sale of business	Robert Bosch Starter Motors Generators India Pvt. Ltd., India	-	4,376
Miscellaneous income (including reimbursements received)	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	264	133
	Bosch Automotive Electronics India Pvt. Ltd., India	216	63
	Bosch Chassis Systems India Private Ltd.	95	7
Interest earned	Bosch Rexroth (India) Pvt. Ltd., India	261	278
	BSH Home Appliances Private Limited	39	30
Purchase of goods	Bosch Automotive Electronics India Pvt. Ltd., India	6,031	3,826
	Bosch Automotive Diesel Systems Co., Ltd., China	4,448	974
Purchase of property, plant and equipment	Moehwald GmbH, Germany	-	239

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

[₹ in Millions (Mio INR)]

Particulars	Name of the related party	March 31, 2018	March 31, 2017
	Bosch Sanayi ve Ticaret A.S., Turkey	-	226
	Robert Bosch Manufacturing Solutions GmbH	347	-
Professional, consultancy and other charges received	Robert Bosch Engineering and Business Solutions Pvt. Ltd., India	1,436	845
	Bosch Corporation	442	17
Royalty and technical service fee	Bosch Technology Licensing Administration GmbH, Germany	2,105	1,182
	Robert Bosch Asset Managing C.V., Netherlands	-	435
Loan given	BSH Household Appliances Manufacturing Pvt. Ltd., India	1,000	100
	Bosch Rexroth (India) Pvt. Ltd., India	200	1,100
Loan repaid	Bosch Rexroth (India) Pvt. Ltd., India	200	950
Contributions made to Employees' Benefit plans	Bosch Employees' Gratuity Fund., India	278	278
	Bosch Superannuation Fund Trust., India	137	137
	Bosch Employees (Bangalore) Provident Fund Trust., India	282	270
	Bosch Workmen's (Nashik) Provident Fund Trust., India	75	77
Sale of property, plant and equipments	Bosch Automotive Diesel Systems Co., Ltd., China	61	-
Liability written back	Bosch Automotive Electronics India Pvt. Ltd., India	48	-

Note 35: Leases

Information on leases as per Indian Accounting Standard(Ind AS) 17 on "Leases":

(a) Operating Lease Expense :

The Group has various operating leases ranging from 2 years to 10 years for office facilities, warehouses, guest houses and residential premises for employees that are renewable on a periodic basis. Non-cancellable periods range from 8 months to 108 months. The leases are renewable by mutual consent and contain escalation clause. Rental expenses for operating leases recognised in the Statement of Profit and Loss for the year is Mio INR 804 (2016-17: Mio INR 549).

Disclosure in respect of Non-cancellable lease is as given below

[₹ in Millions (Mio INR)]

Future minimum lease payments	March 31, 2018	March 31, 2017
- Not later than 1 year	139	144
- Later than 1 year and not later than 5 years	251	278
- Later than 5 years	8	-

(b) Operating Lease Income :

The Group 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 994 (2016-17: Mio INR 875). 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Land	38	38	-	-	38	38	-	-
Buildings	2,122	2,041	451	265	1,671	1,776	186	194
Plant and machinery	506	458	332	197	174	261	125	141
Furniture and fixtures	2	-	0	-	2	-	0	-
Office equipment	2	2	2	2	-	-	-	-
Total	2,670	2,539	785	464	1,885	2,075	311	335

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 36: Research and Development expenses

Total gross Research and Development expenditure recognised in the Statement of Profit and Loss (including amounts shown under Note 4 and Note 27 to the Financial Statements) amounts to Mio INR 2,599 (2016-17: Mio INR 2,961)

Note 37: Earnings Per Share

(a) Basic and diluted earning per share

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders from continuing operations	13,711	14,432
Profit attributable to Equity Shareholders from discontinued operation	-	2,970
Weighted average number of Equity Shares outstanding during the year	30,520,740	31,042,824
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted earnings per Share (Rs.) from continuing operations	449	465
Basic and Diluted earnings per Share (Rs.) from discontinued operation	-	96
Basic and Diluted earnings per Share (Rs.) from continuing operations and discontinued operation	**449**	**561**

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

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Group used in calculating basic earnings per share:		
From continuing operations	13,711	14,432
From discontinued operation	-	2,970

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	30,520,740	31,042,824

Note 38: Contingent liabilities

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Claims against the Group not acknowledged as debts:		
(a) Excise/ Customs		
Net of tax	110	0
Gross	169	0
(b) Income tax [refer note (i) below]	547	370

(i) Relates to adjustments made by the Income Tax Department for the financial year 2011-12 and 2012-13 which are disputed by the Group and the matters are lying under appeal with CIT (Appeals).

Note 39: The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 40: Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)

[₹ in Millions (Mio INR)]

	March 31, 2018	March 31, 2017
Property, plant and equipment	1,967	2,117
Investment properties	165	159
Note 41: Advances include dues from directors and officers of the Group	2	4

Note 42: Accounting policy of Associate

In case of the Associate company Newtech Filter India Private Limited, it was not practical to use uniform accounting policies for depreciation of assets:

[₹ in Millions (Mio INR)]

Method of depreciation	Written Down Value of Assets of Associate company (Mio INR)	% of total Assets of Associate company with total assets of Group
Straight Line	64	1

The impact of the above differences in accounting policies is not considered material.

Note 43: Disclosures mandated by Schedule III to Companies Act, 2013 by way of additional information

[₹ in Millions (Mio INR)]

	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
<u>Parent</u>								
Bosch Limited								
March 31, 2018	100	99,637	100	13,708	100	1,415	100	15,123
March 31, 2017	100	87,820	100	17,411	100	1,401	100	18,812
<u>Subsidiaries</u>								
Mico Trading Private Limited								
March 31, 2018	0	1	0	0	0	-	0	-
March 31, 2017	0	1	0	0	0	-	0	-
<u>Associates</u> [Investment as per the Equity method]								
Newtech Filter India Private Limited								
March 31, 2018	0	88	0	3	0	0	0	3
March 31, 2017	0	85	0	(9)	0	-	0	(9)

Note 44: Offsetting financial assets and financial liabilities

The Group provides the incentives to selected customers under the terms of the agreements, the amounts payable by the Group are offset against receivables from the customers and only the net amounts are settled. The amounts offset as at March 31, 2018 is Mio INR 1,036 (March 31, 2017: Mio INR 960) which is disclosed under note 7(b).

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

Note 45: Excise duty on sale of products

The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity, consequently revenue for the year ended March 31, 2018 is presented net of GST. Accordingly, the gross sales figures for the year are not comparable with the previous year ended March 31, 2017. Gross sales and net sales (net of excise duty) for these years are mentioned below:

[₹ in Millions (Mio INR)]

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	113,929	107,500
Excise duty	(1,821)	(8,074)
Sale of products (Net of excise duty)	112,108	99,426

Note 46: Exceptional item

The Government of India, vide notification No.S-42012/02/2016-SS-II dated March 29, 2018, has increased the maximum amount of gratuity payable to an employee under the Payment of Gratuity (Ammendment) Act, 1972 from rupees ten lakhs to rupees twenty lakhs. The impact of this on past service cost has been disclosed as exceptional item for the year ended March 31, 2018 in the Statement of Profit and Loss.

Note 47: Rounding off

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

Notes to the financial statements 1 to 47

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

S Sundaresan
Partner

Place: Bengaluru
Date: May 22, 2018

R Vijay
Company Secretary

For and on behalf of the Board

V.K. Viswanathan	(DIN: 01782934)	Chairman
Soumitra Bhattacharya	(DIN: 02783243)	Managing Director & CFO
Andreas Wolf	(DIN: 07088505)	Joint Managing Director
Bhaskar Bhat	(DIN: 00148778)	Director
Renu Sud Karnad	(DIN: 00008064)	Director
Bernhard Steinruecke	(DIN: 01122939)	Director
Jan Oliver Röhrl	(DIN: 07706011)	Alternate Director
S Karthik		Joint Chief Financial Officer