



BOSCH

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05.02.2016

Dear Sirs,

Sub.: Outcome of the Board Meeting

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is with reference to our intimation to the Stock Exchanges dated June 09, 2015, vide which we had enclosed a press release by Robert Bosch GmbH, holding company regarding realignment of the Starter Motors and Generator division of the Bosch group worldwide.

We now wish to inform that the Board of Bosch Ltd. at its meeting held today approved in principle, the transfer by way of sale, of the Starter Motors and Generators business of Bosch Ltd. (SG-IN) to a subsidiary (which is being incorporated) of Robert Bosch Starter Motors Generators Holding GmbH. The Board of Directors of Bosch Ltd. has approved the sale of SG-IN business as a "going concern" on a slump sale basis for a consideration of Rs. 4,862 million. In case the global SG transaction gets executed within the next 18 months and results in a higher implicit price for SG-IN, there will be an additional contingent consideration payable to Bosch Ltd.

The proposed sale, being a related party transaction under section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is subject to approval of the shareholders. The said transaction is also subject to requisite approvals from statutory and regulatory authorities, if any.

Please find enclosed disclosure pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 as Annexure to this letter.

Yours faithfully,
for Bosch Limited,

(S. Karthik)
(Company Secretary)





ANNEXURE
Sale or disposal of unit or division of the listed entity

The amount and percentage of turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year*	(Rs. mio)			
	Sl No	Particulars	Net worth	Turnover
	1	Bosch Limited	73,470	117,414
	2	Starter Motors and Generators business	NA	11,328
	3	Percentage	NA	9.6
*Last Financial Year: January 01, 2014 to March 31, 2015				
Date on which the agreement for sale has been entered into	The proposed transaction is subject to approval of the members by means of an Ordinary Resolution. The agreement for sale would be entered after approval of the shareholders and incorporation of proposed subsidiary of Robert Bosch Starter Motors Generators Holding GmbH and completion of other necessary formalities.			
The expected date of completion of sale/disposal	Subject to the approval of the shareholders and other regulatory/statutory approvals, if any, the sale would be completed with effect from the close of business hours on or before September 30, 2016.			
Consideration received from such sale/disposal	<p>The consideration for the proposed sale of SG-IN business is Rs. 4,862 million, subject to adjustment to working capital values between the date of valuation (November 30, 2015) and the date of effective sale of SG-IN.</p> <p>In case the global SG transaction gets executed within the next 18 months and results in a higher implicit price for SG-IN, there will be an additional contingent consideration payable to Bosch Ltd.</p>			
Brief details of the buyers and whether any of the buyers belong to the promoter group/group companies. If yes, details thereof	<p>The same is being incorporated.</p> <p>The proposed buyer would be incorporated in India as a subsidiary of Robert Bosch Starter Motors Generators Holding GmbH, Germany, which is a subsidiary of Robert Bosch Investment Nederland BV, which in turn is a subsidiary of Robert Bosch GmbH, Germany – holding company of Bosch Ltd.</p>			
Whether the transaction would fall within related party transactions? If yes, whether the same is	Yes			
	The consideration approved by the Board is Rs. 4,862 million which is equivalent to the enterprise value estimated by KPMG India Private Limited, Independent Valuers. Ernst & Young Merchant Banking Services			





done at "arm's length"?	Private Limited vide their fairness opinion have opined that the said valuation is fair and reasonable.
Area(s) of business of the entity(ies)	<p><u>The Seller</u> Bosch Limited has its presence across sectors such as mobility solutions, industrial technology, consumer goods, and building and energy technology. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, automotive aftermarket products, starter motors and generators, special purpose machines, packaging machines, electric power tools, security systems, and industrial and consumer energy products and solutions.</p> <p><u>The Buyer</u> The buyer is to be incorporated as a subsidiary of Robert Bosch Starter Motors Generators Holding GmbH, and would be engaged in the business of Starter Motors and Generators.</p>
Rationale of the proposed Slump sale	<p>Robert Bosch GmbH vide its press release dated June 09, 2015 informed that it intends to realign its Starter Motors and Generators division ("SG"). The proposed slump sale of the India business is a prerequisite to be a part of the ongoing global realignment.</p> <p>SG Business globally is characterized by tough competition and cost pressure. Hence, it has been thought fit to globally re-align the said business by seeking for a joint venture partner or a buyer for opening up additional growth potential and enabling further expansion of international presence. The proposed re-alignment would enable the global SG business additional growth opportunities.</p> <p>The SG Business in India ("SG-IN") constitutes approximately 10% of the total business of Bosch Ltd. SG-IN being a commodity business faces extreme profitability pressures.</p> <p>Key SG-IN products are part of the global platforms and the SG-IN division is highly dependent on product and process competence of SG global. It also depends on intellectual properties associated with software, licenses, IT infrastructure and proprietary tools. Major portion of SG-IN revenue (approximately 35 – 40%) is attributed to exports of which 10 – 12 % come from sales to Bosch global entities. Therefore, SG-IN needs to remain a part of the global setup to remain competitive, also in the interest of customers and employees.</p>



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05.02.2016

Page 4 of 4

	For Bosch Ltd., the transfer of SG-IN in line with the global realignment, will allow a stronger focus on other core areas like Diesel and Gasoline Systems for sustainable growth. The transfer of SG business may enable it to increase the profitability of the remaining businesses.
Brief details of change in the shareholding pattern (if any) of the listed entity	There would be no change in the shareholding of Bosch Ltd. consequent to the proposed transaction.

