Ladies and Gentlemen,

I have great pleasure in welcoming you to this Sixty-second Annual General Meeting of Bosch Limited. This is my first AGM as the Chairman of the Company, a position I took up on July 1st, 2013; after an eventful and satisfactory tenure as Managing Director of Bosch Limited.

I trust the Notice convening the meeting, the Directors' Report and the Audited Accounts for the year 2013 have reached you on time.

At the outset, as announced in the last AGM, I am delighted to welcome Mr. Peter Tyroller to his first AGM. He took over the responsibility for India as a Board Member in the Board of Robert Bosch GmbH with effect from July 1st, 2013, succeeding Dr. Bernd Bohr.

I also have the pleasure of introducing to you Mr. Franz Hauber who joined the Board as an alternate Director to Mr. Peter Tyroller with effect from January 1st, 2014. He is responsible for Manufacturing and Quality functions of your Company. Prior to this, Mr. Hauber was heading the plant operations in one of the key international manufacturing units in Bamberg, Germany. On behalf of the shareholders, I extend a warm welcome to Mr. Hauber.

In my speech today, I will take you through the key financials of your Company, a brief update on the economic and market situation, some of the key highlights of the previous year and of course, the outlook for the current year.

Last year was another challenging year for the Indian economy as the slowdown continued with expected recovery not materialising. In 2013, the automotive market and in particular the sales of commercial vehicles and passenger cars declined sharply. This downturn was also reflected in the Company's annual performance as it registered a muted sales growth of 1.5% as compared to 6.2% in 2012. While the automotive business declined by 0.7%, the non-automotive business fared better with a strong growth of 19.1%, mainly on account of impressive performance by Power Tools and Packaging Technology divisions.

Ladies and Gentlemen, in spite of the difficulty faced by the economy, your Company was agile enough to adapt to this tough economic situation and initiated prudent counter measures to sustain profits, while remaining competitive in the Indian market. We further intensified measures like localization, supplier rationalization, concentrated on streamlining processes and structures and budget cuts in non-growth areas.

Before I elaborate on the details of the year gone by, let me reiterate the commitment of Bosch Group to India's long term growth opportunities. This is reflected in the high level of investments of Rs. 511 Crores the Company has made in 2013.

Amidst this slow down, your Company continuously strives to create opportunities for growth – by offering innovative products and services that enhance quality of life and protect the environment.

Today, especially for you, our associates have arranged a display of products in the foyer of this venue. They will be delighted to share details of these offerings.

Indian Economic Situation

Now, I would like to brief you on the economic situation of 2013.

While the global economy showed some signs of stabilization, most of the emerging economies such as India faced capital outflows and intense exchange rate pressures. Stabilizing these parameters was one of the key challenges for the Indian economy.

The current account deficit declined towards the end of 2013 primarily due to curbs on gold imports and other measures. The Reserve Bank of India (RBI) increased the interest rates to contain the stubbornly high inflation.

Due to the economic slowdown, the automotive market was one of the worst hit with a negative growth in 2013. In spite of good monsoons and improved export performance triggered by depreciation of the Indian rupee, industrial growth remained stagnant with manufacturing sector continuing to be lacklustre.

Post the general elections and the formation of new Government at the Centre, there is a high level of optimism and renewed confidence in the revival of the economy. We look forward to implementation of growth oriented policies particularly in the areas of infrastructure and manufacturing sectors. Further, we hope that the measures taken by RBI to bring down retail inflation will revitalize consumer sentiments.

Indian Automotive Industry and Market Scenario

Ladies and Gentlemen, the overall Indian Automotive Industry production witnessed a decline of 3% in 2013 against a moderate growth of 2.4% in 2012. The only segment which showed a positive trend was tractors which grew by 15.5%. Rising fuel prices consequent to the new pricing policy in order to reduce oil subsidies, higher interest rates and weak consumer sentiments have adversely affected automotive sales. Passenger cars and utility vehicles declined by 4.8% despite some new launches. Overall commercial vehicles posted a consecutive negative growth and declined by 13.4%. Within this, heavy commercial vehicles declined by 28.9% and the light commercial vehicles by 3.8%.

The tractor segment registered a growth of 15.5% on the back of good monsoons.

Performance of the Indian Automotive Market for the year 2013 is shown below.

Prodn Volumes in Tsd.

	Total 2012		H1.2013		H2.2013		Total 2013	
	Vol	+/- % PY	Vol	+/- % PY	Vol	+/- % PY	Vol	+/- % PY
M&HCV	332	-12.0%	137	-25.4%	98	-33.2%	236	-28.9%
LCV	536	+ 5.3%	284	+ 8.2%	232	-15.4%	516	- 3.8%
PC + UV	3,290	+7.6%	1,609	- 8.1%	1,523	- 1.0%	3,132	- 4.8%
Tractors	598	- 6.6%	318	+7.0%	372	+23.8%	690	+15.5%
3 Wh	832	- 5.2%	422	+12.2%	426	- 6.7%	848	+ 1.8%
Total	5,587	+2.4%	2,770	- 3.5%	2,651	- 2.4%	5,421	- 3.0%

Performance of the Company in 2013

Ladies and Gentlemen, I now come to the performance of the Company in 2013.

As we all know, year 2013 was difficult. Your Company registered a muted sales growth of 1.5% over previous year, although better than the market performance. The overall sales for the year 2013 stood at Rs. 8,541 Crores as compared to Rs. 8,417 Crores in 2012. The Company's export sales increased by 12.5% over 2012 and constituted 12.4% of the total sales of your Company. Major exports were to Germany, France and China.

Looking at sector-wise growth in the automotive technology sector, Diesel Systems business had a sluggish year with a negative growth of 5.0% as compared to the previous year 2012. The division suffered due to decline in commercial vehicle and diesel passenger car segments which could not be completely compensated by the strong growth in the tractor segment. Despite the recent challenges encountered by Diesel Systems, your Company is confident that its continued focus on innovative approach to offer fuel efficient and cost competitive products and services will enable it to post improved performance when the automotive market regains its growth.

Automotive Aftermarket division had a marginal growth of 2.5%, reflecting the tight liquidity situation in the economy. The total number of Bosch Car Service workshops across the country has crossed 3,000 with coverage even up to Leh, at an altitude of 3,650 meters. The division also streamlined its supply chain systems across the country by upgrading existing warehouses and facilities.

Starters and Generators division registered a growth of 16.3% driven by ramp up of New Base Line alternators to cater to the growing demand in the domestic and overseas markets.

New technology initiatives and an extended customer base enabled Gasoline System business to post a moderate growth of 4.9% despite challenging conditions in the passenger car segment.

In the non-automotive businesses, Power Tools division achieved a growth of 9.9% owing to new product launches, whereas Security Technology division remained flat due to a high one-time base effect in 2012. Industrial Equipment business recorded a strong growth of 62.4% due to orders from new customers in the four-wheeler and two-wheeler segments. Packaging Technology division grew by 19.2% mainly due to good performance by the confectionary and food business units.

Moving forward from business divisions' performance, let's look at other key financial indicators.

The Profit Before Tax stood at Rs. 1,257 Crores, as compared to Rs. 1,346 Crores in 2012, a decline of 6.6%. The Profit After Tax was Rs. 885 Crores, as compared to Rs. 958 Crores, a decline of 7.6%.This decline in profitability was caused by higher personnel cost due to inflation, pressure on operational expenses, unfavorable exchange rate and adverse product mix. The aggressive cost reduction measures initiated by the Company partly offset the increased cost.

Despite the weak market conditions, the Company invested a further sum of Rs. 511 Crores in 2013 in addition to Rs. 726 Crores invested in 2012. This will enable us to capitalise on opportunities when the market recovers. Bangalore unit accounted for 34% of the total investments, Nashik Plant 56%, Naganathapura Plant 5% and Jaipur Plant 5%.

Dividend

Ladies and Gentlemen, now I come to the dividend proposal for the year 2013. The Board of Directors has recommended a dividend of Rs. 55 per share for the year 2013 against Rs. 60 per share in 2012. While this dividend is lower than the previous year, you will note that the payout ratio has almost remained the same.

The dividend is exempt from tax in the hands of the Shareholders. However, the Company is required to pay dividend distribution tax at 16.995% on the dividend distributed.

Performance up to March 2014

The automotive market remained weak in the first quarter of 2014 with a decline of 6.9% due to continuing negative trend in the passenger car and commercial vehicle segments. However, your Company clocked a growth of 10.8% in net sales and income from operations to Rs. 2,431 Crores for first quarter ending March 31, 2014. During the same period Profit Before Tax grew by 16.9% to Rs. 452 Crores and Profit After Tax grew by 25.6% to Rs. 326 Crores.

Buoyant export growth of 32.5%, favourable product mix and increase in treasury income contributed to this improved performance.

Challenges and opportunities before the Company

With the formation of the new Government, we expect speedy implementation of economic reforms for revival of the Indian economy and improvement in consumer sentiments. This in turn will help the automotive sector to post positive growth rates. Your Company is well placed to capitalize on the opportunities arising out of the improved market conditions.

As we see growth opportunities in the large domestic market, India will continue to be the hub for expansion from the mid to long-term perspective. Currently, the main challenges are to improve the quality of infrastructure, transparency in the processes and strike a balance in the different levels of development in urban and rural areas.

Your Company continues to be optimistic on medium and long term prospects and is looking forward to further growth, especially with products designed for the local market. The ongoing projects of Adugodi plant relocation to Bidadi, new development center at Adugodi and capacity expansion at other locations are on track. Alongside, we continue to invest in the training and development of our associates, to attract, nurture and retain talent.

In the mobility space, especially in the Diesel and Gasoline Systems, we have initiated concepts to enable us to be ‘fit for the future’. In addition, the Automotive Aftermarket division is expanding its reach to new places in India to be able to add to the profitable growth of the Company.

Investments made in the non-automotive technology areas in the previous years are showing steady results. Combined with new marketing and branding concepts and improved product portfolio, we will see increased momentum in the coming years. Power Tools division is exploring innovative business concepts such as the “Do-It-Yourself – DIY”, online business channels and the Bosch Brand shop concepts. Security Technology and Packaging Technology businesses are geared up to meet the increasing market demands coming from diverse customer segments, by expanding product portfolio.

Your Company sees good opportunities in the newly formed Energy division which grew steadily in 2013.This division has drawn up plans to become a full-line solution provider by offering a complete range of products, solution and services in the energy space.

Business development of Robert Bosch Group in 2013 and outlook for 2014

In 2013, the Bosch Group was able to improve its sales and overall financial results, despite the weak economic environment. This accomplishment was partly due to innovative product offerings from all business sectors and partly due to a rigorous focus on optimizing costs.

The sales revenue grew by 3.1% to 46.1 billion Euros or approximately Rs 359,000 Crores on a comparable basis.

There is a change in the way the Bosch Group's fifty-fifty joint ventures are consolidated and this lead to a substantial reduction of figures represented in 2013. The 2012 figures have been adjusted accordingly to provide a like-to-like comparison. The Automotive Technology business sector was particularly successful, while Industrial Technology was severely impacted by the difficult environment in the mechanical engineering industry. Consumer goods and building technology business sectors were also affected adversely.

Innovation remains at the core of all Bosch initiatives and hence the group continued to invest in R&D. As a result, the annual research and development expenditure was retained at a high level of around 4.5 billion Euros, roughly 10% of the total sales.

In terms of figures, Automotive Technology which accounts to 66% of overall sales increased its sales by 6.7% to 30.6 billion Euros. Industrial Technology business sector posted a decline of sales by 9.2% to 6.8 billion Euros. In the Consumer Goods sector, sales decreased slightly by 1.6% to 4.1 billion Euros. The Energy and Building technology business sector achieved an increase in sales of 3.9% to 4.6 billion Euros.

Bosch foresees economic conditions to moderately improve in 2014. However, the ongoing Euro crisis and undesirable structural trends in the emerging economies may also create substantial risks in 2014. Despite these risks, it is foreseen that the economic outlook for 2014 could be more positive than in the previous two years, including automotive production. Even though the economy remains subdued now, Bosch believes it can grow faster, due to the expansion of its international presence and innovative product portfolio. The Bosch Group is well positioned to leverage on opportunities worldwide.

Corporate Social Responsibility - CSR

Since its inception, the Bosch Group remains committed to the principles of social entrepreneurship envisioned by founder Robert Bosch.

True to this global approach and philosophy, here in India too, your Company has been taking several social initiatives for a long time.

Last year, we consolidated our social engagement programs under one roof and redefined our CSR approach. A committee comprising of senior management team of Bosch Limited which has been formed since 2013 is already driving this initiative and focuses on the execution of Company's long-term societal engagement, thus creating self-sustaining and scalable programs having multiplier effect.

I would like to share an audio / video to showcase some of the highlights of our CSR endeavors at Bosch Limited.

Let us view the video.

I hope you found the video engaging. We are embarking on a journey of shared mindset, responsibility and approach. This tradition will continue to serve as the guiding light with redefined focus.

Concluding remarks and acknowledgement

Our eyes are clearly set on the future and I see your Company playing an even greater role in India's path of dynamic development.

To conclude, I express my sincere gratitude to the Government of India and the State Governments of Karnataka, Maharashtra, Rajasthan, Goa and Tamil Nadu for their continued support.

My sincere thanks to our valued customers, suppliers, bankers, financial institutions and our shareholders, especially to our promoter Company - Robert Bosch GmbH.

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

Thank you for your kind attention.

Bangalore	V K Viswanathan
5th June 2014	Chairman