

**BOSCH**

Bosch Limited  
 Post Box No:3000  
 Hosur Road, Aduodi  
 Bangalore-560030  
 Karnataka, India  
 Tel +91 80 6752-3878  
 www.bosch.in  
 L85110KA1951PLC000761  
[Secretarial.corp@in.bosch.com](mailto:Secretarial.corp@in.bosch.com)

Corporate Relationship Department  
 BSE Limited  
 1<sup>st</sup> Floor, New Trading Ring  
 Rotunda Building  
 Phiroze Jeejeebhoy Towers  
 Dalal Street, Fort  
 Mumbai – 400 001  
 Scrip code:500530

The Manager  
 Listing Department  
 National Stock Exchange of India Ltd.  
 Exchange Plaza, C-1, Block G  
 Bandra-Kurla Complex  
 Bandra (E)  
 Mumbai – 400 051  
 Scrip code: BOSCHLTD

April 04, 2024

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Updates**

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Bosch Limited has received on April 03, 2024, a Settlement Order no. SO/AS/EFD2/2023-24/7231 dated March 28, 2024 from Securities and Exchange Board of India in the matter of a suo moto Settlement Application filed by the Company.

We give below details required in terms of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Details of event	Information of such event(s)
i.	name of the authority;	Securities and Exchange Board of India
ii.	nature and details of the <del>action(s) taken, initiated or</del> order(s) passed;	Settlement Order dated March 28, 2024 (received on April 3, 2024), in respect of the suo moto Settlement Application regarding the Related Party Transactions.
iii.	date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;	Settlement Order dated March 28, 2024, communicated to the Company by Securities and Exchange Board of India on April 3, 2024.
iv.	details of the violation(s)/contravention(s) committed or alleged to be committed;	The Company filed a suo moto settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as <b>Settlement Regulation</b> ) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against the Company, for the violation of : <ul style="list-style-type: none"> <li>i. Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as <b>LODR Regulations</b>)</li> <li>ii. Regulation 23(4) of the LODR Regulations.</li> </ul>

v.	impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	There is no material impact on the financial, operation or other activities of the Company in lieu of the settlement application order.
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We also enclose a copy of the Settlement Order for your reference.

Kindly take the above information on record.

Yours Sincerely,  
**for Bosch Limited,**

**V Srinivasan**  
**Company Secretary & Compliance Officer**

Encl: as above

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER**  
**IN THE SETTLEMENT APPLICATION NO. 7231 OF 2023**  
**FILED BY BOSCH LIMITED [PAN NO: AAACM9840P] IN THE MATTER OF**  
**BOSCH LIMITED**

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1. Bosch Limited (hereinafter referred to as "**Applicant**") filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations**") proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against it for the violation of:
  - i. Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**LODR Regulations**")
  - ii. Regulation 23(4) of the LODR Regulations.
  
2. Brief facts of the case are as follows:
  - 2.1 The Applicant is in the business of purchase of components viz., Electronic Control Units from Bosch Automotive Electronics India Pvt. Ltd. (hereinafter referred to as "**BAEI**") which, being a subsidiary company, is a 'related party' of the Applicant.
  
  - 2.2 Regulation 23(1) of the LODR Regulations, *inter alia*, provides that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.



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*as*

2.3 Further, Regulation 23(2) of the LODR Regulations requires that all the related party transactions shall require the prior approval of the Audit Committee of the listed entity.

2.4 The materiality threshold for the purpose of related party transactions undertaken by the Applicant during the FY 2022-23 is computed as under :

Annual Consolidated Turnover for the FY 21-22	(A)	₹ 11,781.6 Crore
10% of (A)	(B)	₹ 1,178.2 Crore
Materiality threshold, being lower of (A) or ₹1,000 Crore		₹ 1,000 Crore

2.5 During the F.Y. 2022-23 the value of the Applicant's transaction with BAEI was ₹1,199.94 Crore and hence crossed the materiality threshold of ₹1,000 Crore. In this regard, the Applicant, in its settlement application, has submitted that the Audit Committee of the Applicant had granted omnibus approval for transaction with BAEI during the FY 2022-23.

2.6 A reading of the resolution passed in the meeting of the Audit Committee reveals that the Audit Committee had granted omnibus approval for transaction with BAEI during the FY 2022-23 to the tune of ₹978.92 Crore only. However, the value of transaction with BAEI during the FY 2022-23 was ₹1,199.94 Crore, which is ₹221.02 Crore more than the value of transaction approved by the Audit Committee.

2.7 Therefore, the Applicant, by failing to take the prior approval for transactions to the tune of ₹ 221.02 Crore (₹ 1,199.94 Crore less ₹ 978.92 Crore) with BAEI failed to comply with Regulation 23(2) of the LODR Regulations.

2.8 Subsequently, the Audit Committee, in its meeting held on May 10, 2023, approved all the transactions (i.e. to the tune of ₹ 1,199.94 Crore) with BAEI during the FY 2022-23 as required under Regulation 23(2) of LODR Regulations.



*[Handwritten signature]*

*as*

2.9 Further, Regulation 23(4) of the LODR Regulations *inter alia* provides that all material related party transactions shall require prior approval of the shareholders. Considering that the Applicant had crossed the materiality threshold of ₹1,000 Crore, the Applicant was required to obtain prior approval of its shareholders for transactions with BAEI during the F.Y. 2022-23.

2.10 By not obtaining the prior approval of shareholders for material related party transaction(s) with BAEI, the Applicant violated the provisions of Regulation 23(4) of the LODR Regulations. In this regard, the Applicant submitted that its shareholders had subsequently ratified the transactions with BAEI for the FY 2022-23 by passing an ordinary resolution in its 71st Annual General Meeting convened on August 01, 2023.

3. In view of the aforesaid facts, the Applicant filed the present application for the purpose of settling the proceedings that may be initiated against it for the aforesaid non-compliances.
4. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on November 22, 2023, wherein the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide letter dated November 23, 2023, the Applicant proposed revised settlement terms to settle any enforcement proceedings that may be initiated against it for the violations as stated above at paragraph 1.
5. The High Powered Advisory Committee (hereinafter referred to as "HPAC") in its meeting held on December 21, 2023, considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon payment of ₹11,60,000/- (Rupees eleven lakhs sixty thousand only). The recommendation of the HPAC was accepted by the Panel of Whole Time Members of SEBI on January 19, 2024. Subsequently, a Notice of Demand for the said amount was issued to the Applicant on January 31, 2024. The Applicant informed about the remittance of the aforesaid settlement amount on February 26, 2024 and SEBI has confirmed credit of the same.



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6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicant on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
  - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:
    - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
    - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - (c) there was a discrepancy while arriving at the settlement terms.
7. This Settlement Order is passed on this 28 day of March, 2024 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

  
**KAMLESH C. VARSHNEY**  
**WHOLE TIME MEMBER**



  
**AMARJEET SINGH**  
**WHOLE TIME MEMBER**