
Bosch Limited
72nd Annual General
Meeting

Chairman's Speech

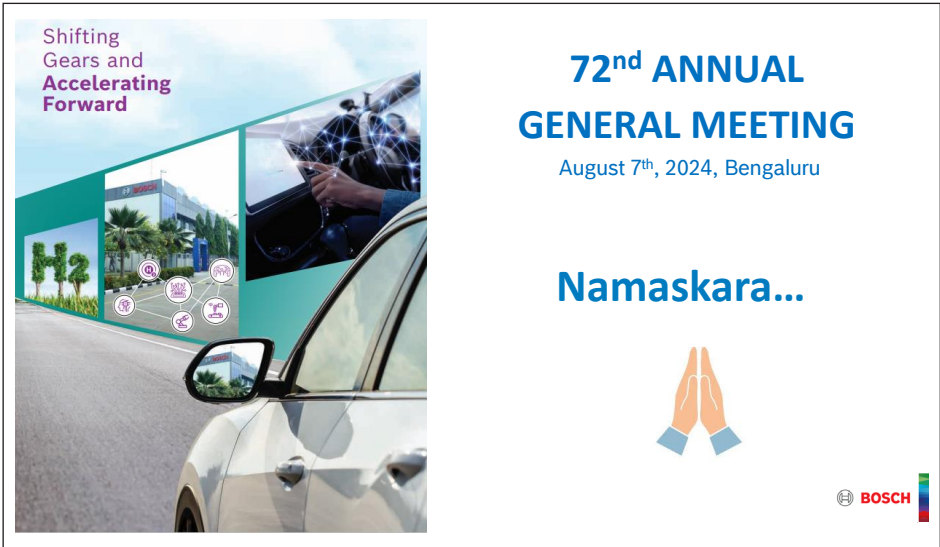
07.08.2024

Bengaluru



BOSCH
Invented for life





Namaskara ...

Good morning, Ladies and Gentlemen, I have great pleasure in welcoming you to the Seventy-Second (72nd) Annual General Meeting of your Company.

I feel deeply privileged along with a feeling of immense pride for me, to address you all at this Annual General Meeting as the newly appointed Chairman of the Board of Directors of Bosch Limited. Having been associated with the Company for over 28 years and nearly 7 years as Managing Director, it is a pleasure to reconnect in my new role. I have stepped into this role from our previous Chairman Mr. Markus Bamberger. I also hope the notice convening the meeting, the Directors' Report, and the Audited Financial Statements for the year FY 2023-24 reached you on time.

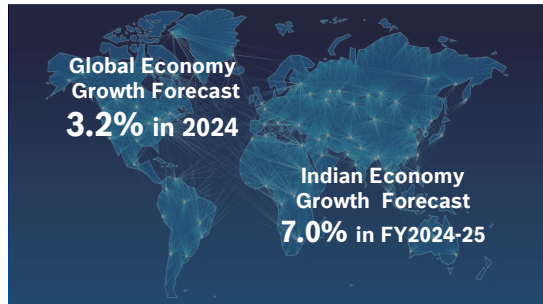
Global Economy

Let us look at the way the wind is blowing on the Global & Indian economies before we focus our lens on our business.

Forecast 2024

ECONOMIC OUTLOOK

Source : IMF report July '2024



Currently, the Global economy is in a steady phase but slowing down, with forecast of 3.2 percent in 2024 and 3.3 percent in 2025, (almost same pace as in 2023 as per International Monetary Fund (IMF) in its latest report.

The good news is that the global economy remains remarkably resilient, with inflation also slowing down (from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025).

The journey has been very challenging, starting with supply-chain disruptions due to pandemic, geo-political tensions across many countries which triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Despite going from one gloomy crisis to another, the world has avoided a recession, with the banking system coming out stronger and major emerging market economies inching back to growth territory.

Indian Economy

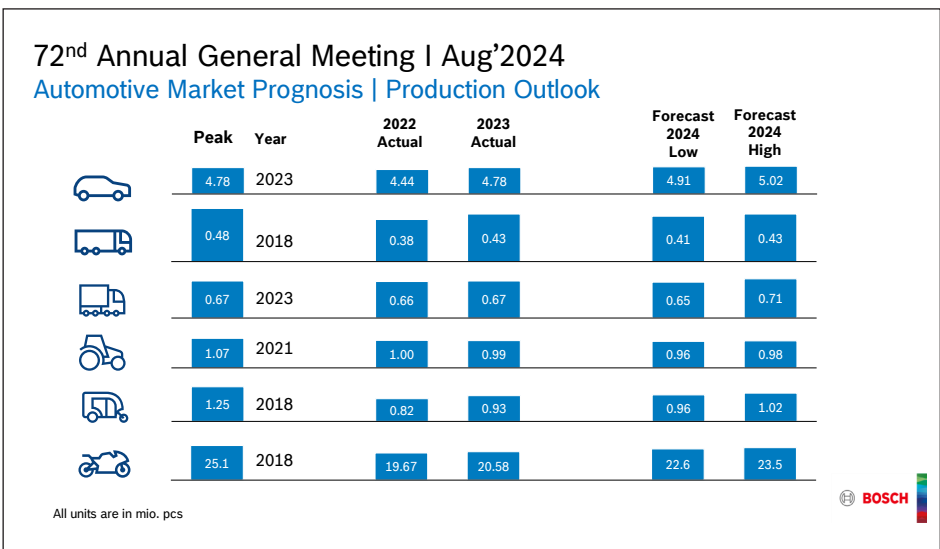
India remains a significant driver of global growth, with the GDP

projection strong at 7.0 per cent in FY 2024-25 and close to 6.5 per cent in FY 2025-26, with the robustness reflecting continuing strength in domestic demand and an increasing demographic advantage (higher working-age population). Structural reforms, investments in infrastructure & development initiative in Auto-sector are bolstering India's economic growth.

Also, India has emerged as a major economic and geopolitical power, playing a critical role in global economic forums like the G20. Its presidency of the G20 in 2023 marked significant achievements, including the inclusion of the African Union in the G20 and the launch of initiatives like the Global Biofuel Alliance.

India is poised to become the world's third-largest economy in the next few years (\$5 trillion economy in few years), aiming to be a developed nation by 2047. Its focus on inclusive and sustainable growth, digital development, and affirmative climate actions, positions it well to capture the future growth and combat challenges.

Indian Automotive Industry and Market Scenario



Despite global headwinds, the Indian automotive industry exhibited resilience. Overall, vehicle production (excluding 2-wheelers) surged by 4.8% during FY23-24 compared to FY22-23, solidifying India's position as the world's third-largest automotive market.

The industry saw a robust revival in various segments, particularly passenger vehicles, commercial vehicles, and tractors, driven by economic recovery and increased mobility. However, the two-wheeler segment struggled to return to pre-COVID levels.

Vehicle production across all segments reached an all-time high totaling to 7.9 million vehicles in FY 2023-24, led by strong growth in Heavy Commercial Vehicle & Passenger cars and utility vehicle segments.

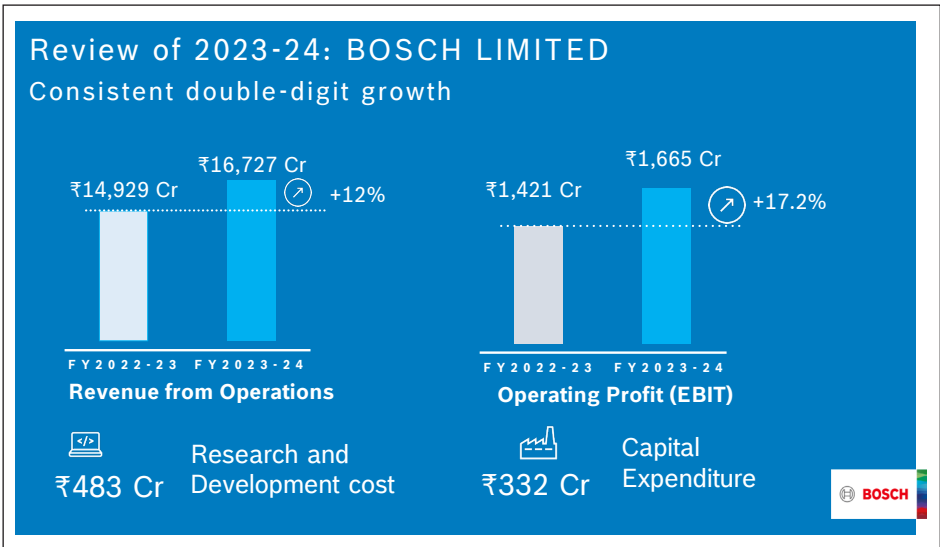
The commercial vehicle (CV) industry saw growth of 4.0% in FY2023-24 on an elevated base of FY2023-23, due to a boost in infrastructure, mining, and construction activities and public transport.

The passenger vehicle (PV) industry volumes are reached an all-time high nearly 4.9 million units in FY2023-24. This trend is mirrored in car purchases, the buyers gravitating towards the Utility Vehicle (UV) segment, enticed by enhanced features, superior ride quality, and premium aesthetics. Furthermore, there is a growing inclination towards alternative fuels, evidenced by increased demand for strong hybrids and electric vehicles (EVs).

The three-wheeler segment experienced a growth of 13% in FY2023-24, indicating sustained demand for passenger transportation. Additionally, this segment has seen growth from last-mile operators catering to e-commerce and food delivery services, among other applications.

Two-wheeler production staged a remarkable recovery, surging by 12% in FY2023-24, Growth is primarily propelled by strong demand from rural customers and replacement demand from urban areas for premium vehicles. Additionally, there is a notable increase in the share of higher-priced 125cc scooters, reflecting evolving consumer preferences.

Performance of the Company in FY 2023-24



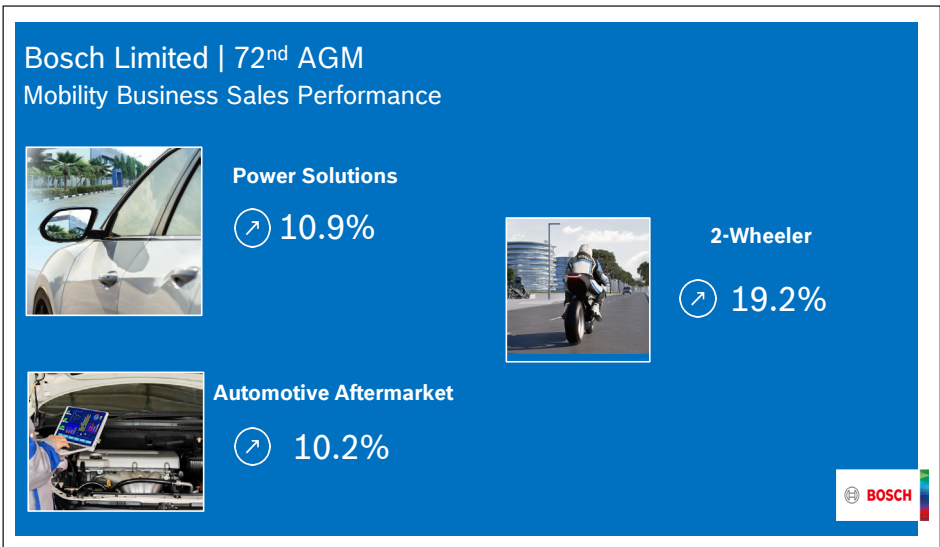
Ladies and Gentlemen, I now turn to the performance of your Company in FY 2023-24.

You company has achieved a total revenue of INR 16,727 crores for the FY 2023-24.

The profit before tax (PBT) stood at INR 3181 crores, amounting to 19 % of total revenue from operations. The profit after tax (PAT) stood at INR 2490 crores. The total capital investments for the year, including capital work-in-progress, amounted to INR 332 crores.

Now, I would like to share some further insights into the performance of the business divisions. The Mobility Solutions business, which constitutes more than 80 percent of total Net Sales for FY 2023-24, posted an increase of 11.1% over the previous year.

Power Solutions



The Power Solutions division saw a 10.9% sales increase in FY 2023-24, driven by rising sales in Passenger Cars, Commercial Vehicles, and Tractors adopting BS6 technologies. The division also made strides in electric vehicle systems despite limited volume in India.

FY 2023-24 increase in the content per vehicle due to BS6 phase 2 particularly high demand in Exhaust gas treatment (EGT) products & his components.

2-Wheeler & Power Sports (2WP)

The 2WP division achieved a record 19.2% sales growth, supported by stable semiconductor supply and market expansion initiatives.

The Net Sales of the 2WP division are anticipated to rise in FY 2024-25 due to the transition to BS-VI On Board Diagnostics (OBD-2) norms and the projected growth in 2-Wheeler sales following the general elections.

2WP has proactively prepared for the OBD 2.2 regulation upgrade by making appropriate investments.

Automotive Aftermarket

Mobility Aftermarket achieved the highest ever Total Net Sales in FY 2023-24 with a growth of +10.2% compared to PY.

The Independent After Market segment (IAM), the largest segment within the Mobility Aftermarket division, accounting for approximately 63% of the total business, witnessed a notable growth of +9.1% in FY 2023-24 compared to the previous year. This growth can be primarily attributed to increased sales of lubricants, spark plugs, and filters.

The Mobility Aftermarket segment now proudly boasts over 50,000 retail touchpoints, spanning across 650+ districts, offering a comprehensive range of over 15,000-part numbers. This expansive network ensures widespread availability of both products and after-sales services.

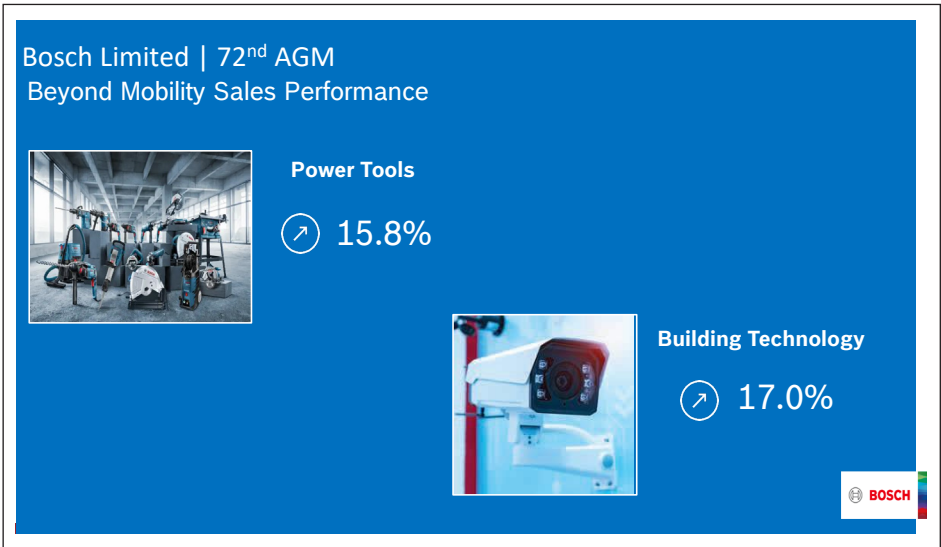
Additionally, the division operates over 1,500 authorized workshops and service centers, including Bosch Car Service, Bosch Diesel Service Centers, Electric Modules, and Bike Service centers, throughout India. Furthermore, Mobility Aftermarket has ventured into the home segment with the introduction of the Bosch i6 Inverter Battery for power backup solutions.

The Mobility Aftermarket Division was honored with two awards from Mahindra for outstanding performance in the Spare Parts

Division (SPD), recognized in both the Construction Equipment and Farm Division categories.

Beyond Mobility

The Beyond Mobility Solutions sector saw a 17.7% rise in sales driven by growth in both the power tools and building technology segments.



Power Tools

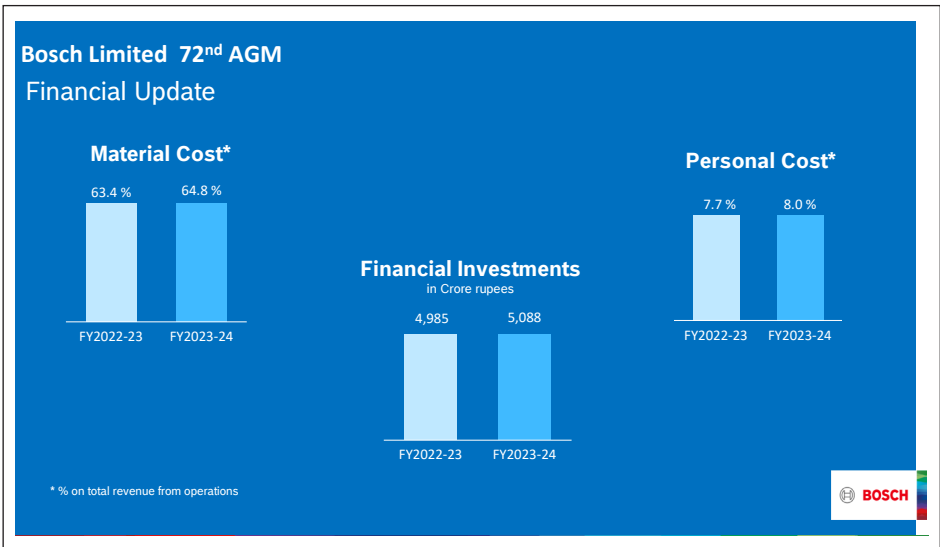
In FY 2023-24, Power Tools achieved a significant 15.8% growth, expanding market share across categories. Future focus includes Cordless and Industrial tools, with emphasis on dealer engagement and new product launches for medium and entry-level segments. The Cordless Tool segment contributed 11% to total sales and launched the award-winning "CORDLESS MEANS PAISA VASOOL" campaign. A new Engineering Centre at Bosch Chennai Power Tools was set up and expanded B2C online repair service underline commitment to customer service.

Bosch Power Tools in India celebrating 30 years, the company has also launched its Purpose Statement: **“Bosch Tools in every artisan’s hand”**.

Building Technology

Building Technology saw a 17% revenue growth, securing key projects in Transportation, Government, Energy, and Commercial sectors. Support from Education and Healthcare verticals further enhanced performance, with a positive outlook anticipated for 2024-25. The Local for Local program now includes Video Systems and Fire Systems alongside Communications.

Financial Update



Material Cost

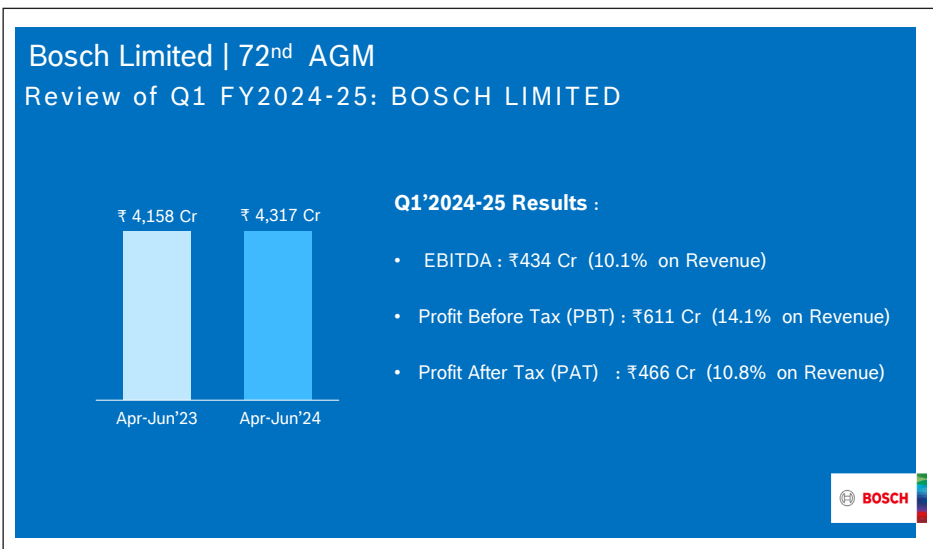
The cost of materials consumed as a percentage of total revenue from operations increased to 64.8% in 2023-24 from 63.4% in 2022-23. The increase is contributed by change in product mix with higher share of traded goods and increase in raw material prices, mainly steel, and electronic components.

Personnel Cost

Personnel cost in FY 2023-24 was Rs. 1,340 crores as against Rs.1,146 crores in PY. Personnel cost has slightly increase from 7.7% of total revenue in FY 2022-23 to 8.0% of revenue in FY 2023-24 due annual salary increase.

Investments

The total financial investments (Current & Non-Current) as on March 31st, 2024, was Rs. 5,088 Crores as against Rs. 4,985 crores as on March 31st, 2023. The investments were liquidated for payment of final dividend for FY 2022-23 and interim dividend for FY 2023-24.



Performance of April to June 2024 quarter

The total revenue from operations for April-June 2024 stood at Rs 4,317 crores which has increased by 3.8% as compared to April-June 2023. Sequentially, the overall revenue from operations grew by 2.0% in April-June 2024 over Jan-Mar 2024.

As a percentage of total revenue from operations, Profit before

Tax stood at 14.1% in the current quarter and profit after tax was Rupees 466 crores, which is 10.8% of total revenue from operations.

Sale and Transfer to ETAS



The Board of Directors approved the sale and transfer of the Company's OE/OE Spares diagnostic business from the Mobility Aftermarket division to ETAS, a subsidiary of RB GmbH, based on the Audit Committee's recommendation on May 24, 2024. This decision aligns with Bosch's global strategy to leverage cloud-based diagnostics and AI services. The transfer, valued at approximately INR 456 Mn, aims to enhance business growth and synergies with ETAS's existing operations. The integration into ETAS India will be effective from July 1, 2024.

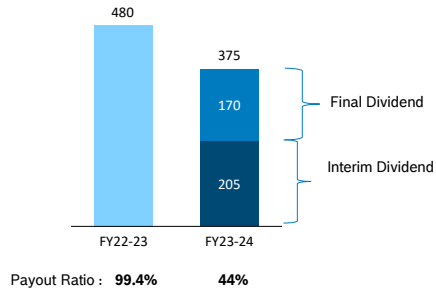
Dividend

Ladies and Gentlemen, I now come to the dividend proposal for the year 2023-24. The Board of Directors at its meeting held on 24th May 2024 have recommended a final dividend of INR 170 per share for the financial year 2023-24 bringing the total

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Dividend

Dividend INR/share

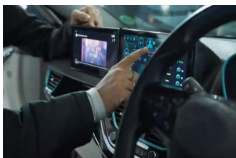


dividend for the year to INR 375 per share, including an interim dividend of INR 205 per share which was declared in Feb 2024. The total dividend payout for FY23-24 stands at INR 375 per share with a payout ratio of approx. 44%.

Bosch Mobility India @ Bharat Mobility Global Expo Feb'2024, Delhi

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Bosch Mobility India @ Bharat Mobility Global Expo Feb'2024, Delhi



Highlights

Bosch Mobility India showcased its extensive portfolio of mobility technologies, featuring cutting-edge innovations like

- Hydrogen engine (Demo truck)
- Connected vehicles with ADAS
- Two-wheeler technologies
- Solution for PC electrification
- Mobility Aftermarket
- Digital Mobility platforms




Bosch Mobility India participated in the Bharat Mobility Global Expo held from February 1st to 3rd, 2024, in New Delhi. The expo featured the entire spectrum of India's mobility value chain, showcasing the country's emergence as a global leader in mobility.

At the event, Bosch Mobility India exhibited its extensive portfolio of technologies, including innovative displays such as a demo truck featuring a Hydrogen engine and connected vehicles equipped with Advanced Driver Assistance Systems (ADAS) and integrated telematics. The showcase also highlighted Bosch's solutions for passenger vehicle electrification, two-wheeler technologies, Mobility Aftermarket, digital mobility platforms, and connected mobility solutions. These offerings received positive feedback from customers, industry stakeholders, and government bodies alike.


ESG

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Our Commitment to Sustainability



True to our **"Invented for life"** mission statement, we want our products to contribute toward sustainable development.



Target Vision: By acting in an economically, environmentally, and socially responsible manner, we want to improve people's quality of life and safeguard the livelihoods of present and future generations




ESG Risk Rating by 'Sustainalytics'

<p>ESG Risk Rating CORE</p> <h1 style="font-size: 2em;">6.5</h1> <p>Negligible Risk</p> <p>0.00 10.20 20.30 30.40 40+</p>	<p>Ranking</p> <p>Industry Group (1st = lowest risk)</p> <p>Auto Components 2 out of 253</p> <p style="text-align: center;"> Low Medium High </p> <p>Universe</p> <p>Global Universe 30 out of 16078</p>	<p>Bosch Ltd.'s Exposure is Low</p> <p style="text-align: center;"> Low Medium High </p> <p>Bosch Ltd.'s Management of ESG Material Risk is Strong</p> <p style="text-align: center;"> Weak Average Strong </p>
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Last Full Update: Nov 25, 2022
Last Update: Apr 27, 2024

- Bosch Limited score has improved from 8.5 to 6.5 (lower the better)
- Bosch Limited ranks 2 (out of 235) among auto component industries
- Bosch Limited ranks 30 (out of 16078) global universe



Sustainalytics, a leading global ESG ratings provider, has recently reassessed our company, and we are delighted to report an improved score, decreasing from 8.5 in 2022 to 6.5 in 2024. (Lower scores indicate better performance in ESG metrics.)

Bosch's commitment to sustainability is driven by our overarching ambition of "Invented for life." Our sustainability strategy aims to act responsibly economically, environmentally, and socially to enhance people's quality of life and secure future generations' livelihoods. We firmly believe that integrating sustainability into our business practices not only aligns with our growth objectives but also creates mutually beneficial outcomes.

Our sustainability vision focuses on six dimensions, including carbon neutrality, water management, energy efficiency, human health safety, diversity, and corporate governance. These areas reflect our steadfast dedication to sustainability, supported by concrete objectives that we have been actively pursuing for years.

CSR

72nd Annual General Meeting | Aug'2024
CSR: Impact 2023-24



Skill Development

Trained **20944** youth (including 100 PwD & 100 LGBTQ) with **68-70%** average placement, Trained **1200** Trainers and **40** Teachers

Environment & Water Conservation

17,00,000 Cubic Meter water conserved; **48K+** Tree being maintained in **61** acres of land

Promotion of Education

60 Govt Schools provided infra/need-based support, reached **12,532** students and **165** Teachers, mid-day meal provided to **3,334** children and **1760+** students trained in basic Computer skills

Health & Hygiene

Basic healthcare access to **39408+** beneficiaries across **65** villages, **2335** elderly and school children access to eye care/free cataract surgery

Integrated Village Development

13580+ community members reached across **99** villages with, **8500+** being connected to **50+** Govt Schemes via **15+** Government Depts, **1000** women trained via **30** Self-Help Groups in rural locations

Disaster Relief

920+ families supported through disaster (flood and cyclone) relief interventions

Employee Volunteering

861+ Volunteers & **32+** participants of Future Leadership Program contributed **10,500+** volunteering hours through **110+** activities



Over the past decade, Bosch's Corporate Social Responsibility (CSR) initiatives have positively impacted millions of lives across various locations. We achieved a 68-70% placement rate for youth, including Persons with Disability and LGBTQ individuals,

through training programs. Additionally, our 'Train the Teacher' (TTT) modules have enhanced the skills of trainers and educators.

In terms of environmental sustainability, we focused on water conservation through rejuvenation efforts and maintained trees. Our educational support extended to government schools, benefiting numerous students and teachers with mid-day meals, infrastructure support for Anganwadis, and IT skills training for students.

In healthcare, we provided essential services such as eye care for children and cataract surgeries for the elderly in villages across four states. Our outreach programs in over 100 villages connected rural communities with government schemes and empowered women through sustained Self-Help Groups.

Furthermore, Bosch supported more than 1000 families through disaster relief efforts. Our employees, including participants of the Future Leadership Program, contributed over 10,500 volunteering hours, leveraging their time, expertise, and knowledge for various social causes.

These achievements are a testament to the dedication of our CSR team, the support of invaluable partnerships, stakeholders, and the commitment of Bosch employees. Moving forward, Bosch remains committed to developing and refining CSR interventions that engage nationally and resonate locally, empowering individuals and fostering community upliftment.

Great Place to Work (GPTW)

I am delighted to share that your Company has secured the GPTW certification for the 4th consecutive time, marking our ongoing commitment to excellence on the five dimensions of a High-Trust, High-Performance Culture™ around Credibility,

IN THE WINNER'S CIRCLE FOR THE FOURTH TIME

Delighted to share that Bosch Limited secured the Great Place to Work certification for the 4th consecutive time, marking our ongoing commitment to excellence.

Trust Index™ has observed a sustained trend over the years



Bosch Limited has been able to **maintain a positive experience for its employees.**

The organization's strengths lie in its enduring **sense of pride and effective management competence** for all, irrespective of gender.

Respect, Fairness, Pride, and Camaraderie. This recognition serves as a testament to the Company's commitment towards creating a credible and fair workplace for the employees.

Bosch Global

For Bosch, 2023 was tougher than expected. Through consistent effort, they were able to increase our sales and improve our margins despite the strong headwind.

Bosch Group sales were at around 91.6 billion Euros or approximately Rs. 8,183 billion. The annual research and development expenditure stood at around 7.3 billion Euros, approximately 8 per cent of the total sales revenue.

The EBIT margin from operations reached 5.3 percent, a slight improvement on the previous year (4.3 percent) which met our expectation.

Bosch is responding to the transformation of the automotive industry with the biggest realignment of its core business in the company's history. The integrated Mobility business sector has

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Bosch Global Business Update

€91.6bn

Bosch Group sales

EBIT Margin from operations **5.3%**



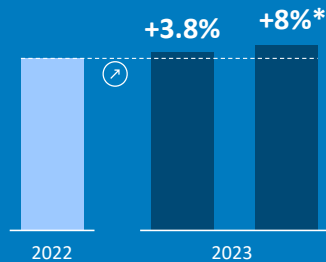
€5.5bn

Capital
expenditure



€7.3bn

R&D spending



*Exchange-rate adjusted

All values for calendar year 2023



been in place since the beginning of 2024. One of its new features is horizontal responsibility for three areas of future importance: software, semiconductors, and vehicle computers. As Bosch moves toward the mobility of the future, it plans to improve how it leverages emerging and established technologies to maximize its business opportunities.

For the current year, Bosch is still expecting only moderate global economic growth and we are keeping a firm eye on our target to grow both in revenue & EBIT.

Shareholder's Bidadi Plant visit

On behalf of Bosch Limited, I would like to extend my sincere gratitude to all the 141 shareholders for taking their time out to visit our Bidadi manufacturing plant on July 25, 2024, despite inclement weather. It was a pleasure to have you with us and to provide you with an inside look at our operations.

Your interest and support are invaluable to us, and we are thrilled to share the innovative processes and dedicated teamwork that drive our success. We believe that transparency



**Shareholder's Visit
Bidadi Plant**
25th July 2024

and collaboration with our shareholders are key to our continued growth, and your visit reinforces the strong partnership we aim to maintain, and we hope that the tour provided you with a comprehensive understanding of our manufacturing capabilities and our commitment to quality and efficiency.

Conclusion

I would like to personally express my sincere gratitude to the Government of India and the State Governments of Karnataka, Maharashtra, Rajasthan, and Tamil Nadu for their continued support to Bosch Ltd. at all its locations.

My sincere thanks to our valued customers, suppliers, bankers, financial institutions, and our shareholders, for the trust and confidence they have in the Company.

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



Last but not the least, I wish to thank and acknowledge the significant contributions of Mr. Bhaskar Bhat, Lead Independent Director who completed his second term on March 31, 2024, Mr. Karsten Mueller who resigned as Whole-time Director of the Company on September 1, 2023, to take up new responsibilities with our parent Robert Bosch GmbH, Germany, and Mr. S.V. Ranganath, Independent Director who completed his second term on June 30, 2024. While Ms. Filiz Albrecht stepped down from the Board on April 15, 2023, we had Mr. Stefan Grosch joining the Board on May 10, 2023. I would like to thank my colleagues on the Board and the Executive Management for their valuable guidance, contributions, and supported me as Chairman

Thank you for your kind attention.

Soumitra Bhattacharya

Chairman

Bengaluru, August 7, 2024

Note: This does not purport to be the proceedings of the Annual General Meeting.

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