

Independent Auditors' Report

To the Members of MICO Trading Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of MICO Trading Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 Board of Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bengaluru
Date : May 25, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of MICO Trading Private Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of MICO Trading Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (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 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 Act.

Auditors' Responsibility

3. 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") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. In our opinion, 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, 2016, 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 ICAI.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

Place : Bengaluru
Date : May 25, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Mico Trading Private Limited on the Financial Statements as of and for the year ended March 31, 2016.

- i. The Company does not hold any fixed assets during the year ended March 31, 2016. Therefore, the provisions of Clause 3(i) of the Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- 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 Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Company does not deal in products, thus the matters specified in this clause is not applicable to the Company.
- vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has not entered into transactions with related parties during the year. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Place : Bengaluru
Date : May 25, 2016

Subramanian Vivek
Partner
Membership Number: 100332

MICO TRADING PRIVATE LIMITED

Balance sheet

[₹ in Thousands (TINR)]

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities :			
Shareholders' funds			
Share capital	3	1,000	1,000
Reserves and surplus	4	9	29
Current liabilities			
Other current liabilities	5	105	70
Total		1,114	1,099
Assets :			
Current assets			
Cash and bank balances	6	1,098	1,088
Short-term loans and advances	7	13	7
Other current assets	8	3	4
Total		1,114	1,099
Summary of significant accounting policies	2		

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

As per our report of even date

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

For and on behalf of the Board

Soumitra Bhattacharya Dr. Steffen Berns

Directors

Place: Bengaluru
Date: May 25, 2016

Statement of Profit and Loss

[₹ in Thousands (TINR)]

Particulars	Note No.	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
Revenue:			
Other income	9	86	113
Total Revenue		86	113
Expenses :			
Other expenses	10	106	109
Total Expenses		106	109
Profit before tax		(20)	4
Tax expense :			
Current tax			
(i) for the year/period		-	2
(ii) relating to earlier years		-	(4)
Profit for the year/ period		(20)	6
Earnings per share - Basic and Diluted of nominal value of ₹10/- each	11	(0.20)	0.06
Summary of significant accounting policies	2		

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

As per our report of even date

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

For and on behalf of the Board

Soumitra Bhattacharya

Dr. Steffen Berns

Directors

Place: Bengaluru
Date: May 25, 2016

Cash Flow Statement

[₹ in Thousands (TINR)]

	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
A. Cash flow from operating activities		
Profit before tax	(20)	4
Adjustments for :	(86)	(113)
Interest income		
Operating loss before working capital changes	(106)	(109)
Changes in working capital:		
Increase in current liabilities and provisions	35	55
Net Cash generated from operations	(71)	(54)
Direct taxes paid (net of refunds)	(5)	(13)
Net cash from operating activities	(76)	(67)
B. Cash flow from investing activities		
Interest received	86	113
Net cash (used) in investing activities	86	113
C. Cash flow from financing activities		
Net cash flows during the year (A+B+C)	10	46
Cash and cash equivalents (Opening balance)	88	42
Cash and cash equivalents (Closing balance)	98	88
	As it March 31, 2016	As it March 31, 2015
Cash and cash equivalents comprises of :		
Bank balances		
Current accounts	98	88

Notes:

(a) Above Cash Flow Statement has been prepared under indirect method in accordance with the Accounting Standard 3 on "Cash Flow Statements".

As per our report of even date

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

For and on behalf of the Board

Soumitra Bhattacharya

Dr. Steffen Berns

Directors

Place: Bengaluru
Date: May 25, 2016

Notes to the Financial Statements for the year ended March 31, 2016

Note 1: General Information

MICO Trading Private Limited (the "Company") is wholly owned subsidiary of Bosch Limited. The company was incorporated in the year 1992 with the main object of carrying on business as traders, agents, distributors etc. of goods in India and abroad and to generally act as an import or export house and undertake all functions and services connected therewith. The Company has not yet commenced business.

Note 2: Summary of Significant Accounting Policies

(a) Basis of preparation:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

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 Schedule III to the Companies Act, 1956.

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

(b) Revenue recognition:

Interest on Bank deposits is recognised on a time proportion basis.

(c) Income tax:

Current taxation:

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.

Deferred taxation:

Deferred income tax is recognised on all timing differences at the balance sheet date between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty 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.

(d) Cash and cash equivalents:

Cash and cash equivalents includes cash and cheques on hand, demand deposits with banks, fixed deposits and other short-term highly liquid investments with original maturities of three months or less.

Note 3 : Share capital

[₹ in Millions (Mio INR)]

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
<i>Authorised</i>				
Equity shares of ₹10/- each	100,000	1,000	100,000	1,000
<i>Issued, Subscribed and fully Paid up</i>				
Equity shares of ₹10/- each	100,000	1,000	100,000	1,000

(a) Reconciliation of the number of shares:

[₹ in Millions (Mio INR)]

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year/period	100,000	1,000	100,000	1,000
Balance at the end of the year/period	100,000	1,000	100,000	1,000

Notes to the Financial Statements for the year ended March 31, 2016

(b) Rights, preferences and restrictions attached to shares:

The Equity shares of the Company, having nominal value of ₹10/- per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

(c) Equity shares held by the holding company:

[₹ in Millions (Mio INR)]

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Bosch Limited, India, the holding company	100,000	1,000	100,000	1,000

(d) Details of Equity shares held by shareholders holding more than 5% of the aggregate equity share in the Company:

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Bosch Limited, India, the holding company	100,000	100.00%	100,000	100.00%

(e) 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 or shares bought back.

Note 4 : Reserves and surplus

[₹ in Millions (Mio INR)]

	As at March 31, 2016	As at March 31, 2015
Surplus/(Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year/period	29	23
Add: Profit for the year/period	(20)	6
Balance at the end of the year/period	9	29

Note 5 : Other current liabilities

[₹ in Millions (Mio INR)]

	As at March 31, 2016	As at March 31, 2015
Audit fees payable	96	64
Statutory dues	9	6
	105	70

Note 6 : Cash and bank balances

[₹ in Millions (Mio INR)]

	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Bank balances		
Current accounts	98	88
Other bank balances		
Deposit accounts (original maturity of more than 3 months but less than or equal to 12 months)	1,000	1,000
	1,098	1,088

Note 7 : Short-term loans and advances

[₹ in Millions (Mio INR)]

	As at March 31, 2016	As at March 31, 2015
Advance tax (net of provision for tax)	13	7
	13	7

Notes to the Financial Statements for the year ended March 31, 2016

Note 8 : Other current assets (Unsecured, considered good) [₹ in Millions (Mio INR)]

	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits	3	4
	3	4

Note 9 : Other income [₹ in Millions (Mio INR)]

	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
Interest income		
Bank deposits	86	113
	86	113

Note 10 : Other expenses [₹ in Millions (Mio INR)]

	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
Professional and Consultancy Charges [Refer note (a) below]	106	108
Miscellaneous expenses	-	1
	106	109

(a) Professional and other charges include:

	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
Remuneration to Auditors (excluding service tax)		
Statutory Audit fee [including relating to prior year Nil (2014-2015: T1NR 37)]	93	96
	93	96

Note 11 : Earnings Per Share [₹ in Millions (Mio INR)]

	For the year ended March 31, 2016	For the fifteen months period ended March 31, 2015
Profit attributable to Equity Shareholders	(20)	6
Weighted average number of Equity Shares outstanding during the period	100,00	100,00
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted Earnings per Share (₹)	(0.20)	0.06

Note 12 : Segmental Reporting [₹ in Millions (Mio INR)]

The Company has not commenced business. Segment information for reportable segments as envisaged under AS 17 on segment reporting as notified under section 211 (3C) of the Companies Act, 1956, have not been disclosed as there has been no operations during the period.

Note 13: Related Party Transactions

Holding Company: Bosch Limited, India

Ultimate Holding Company: Robert Bosch GmbH, Federal Republic of Germany

Transactions during the period with Bosch Limited, India (Holding Company):

Reimbursement of expenses paid: Nil (2014-2015: T1NR 8)

Notes to the Financial Statements for the year ended March 31, 2016

Note 14: Disclosures under Accounting Standards

Disclosures under Accounting Standards as notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 and Schedule III are restricted to those which are currently applicable to the Company

Note 15: Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

The Company does not have any transactions or dues in relation to any supplier registered under Micro, Small and Medium Enterprises Development Act, 2006.

Note 16: Change in the financial year

The company has changed its accounting year to commence from 1st April of every year and to end on 31st March of following year to comply with the requirement of the Companies Act, 2013. Consequently, the previous accounting period is for the fifteen months. Hence, the current year's figures are not comparable to those of the previous period.

Note 17: Previous period figures

Previous period's figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.

Note 18: Rounding off

Amounts mentioned as '0' in the financial statements denote amounts rounded-off being less than one thousand rupees.

Notes to the financial statements 1 to 18

As per our report of even date

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Subramanian Vivek
Partner
Membership Number: 100332

For and on behalf of the Board

Soumitra Bhattacharya Dr. Steffen Berns

Directors

Place: Bengaluru
Date: May 25, 2016