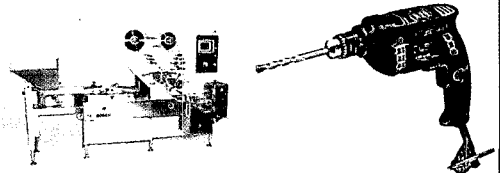
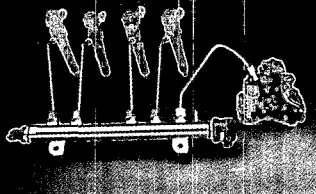




**Bosch Limited**  
(formerly Motor Industries Co. Ltd.)  
Annual Report 2007



**BOSCH**  
Invented for life

## **Bosch Limited – Our vision**

### Creating values – sharing values

If we want to work successfully as a team in a global and complex world, then we need a common image of the future for our company. This image and vision will help us bring our strategic thinking into clear alignment.

We are the flagship company of Bosch in India. We take advantage of opportunities for an accelerated growth. We focus on our core competencies in automotive and industrial technologies as well as in products and services for professional and private use.

We strive for sustained economic success and a leading market position in our business areas guided by a long-term perspective. We are the preferred business partner to our customers and vendors, based on our leadership in technology, innovation, reliability, response and quality.

We set ambitious goals and we are determined to jointly achieve them. We value our associates who accept challenges and are committed to continuous improvement. Together we enhance the quality of life.

In all our actions, we are committed to environment, society and all stakeholders. We live by Bosch Values that provide us a strong common bond and orientation. We are proud to be part of the Bosch family.

## Bosch Limited

(Formerly: Motor Industries Company Limited)

Registered Office : Hosur Road, Adugodi, Bangalore - 560 030

### NOTICE TO MEMBERS

NOTICE is hereby given that the FIFTY SIXTH Annual General Meeting of the Company will be held at 10.30 a.m. on Thursday, the 5<sup>th</sup> June 2008 at Trinity Hall, Taj Residency, 41/3, Mahatma Gandhi Road, Bangalore - 560 001, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> December 2007 and Profit & Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To elect Directors in place of Dr. A. Hieronimus, Dr. F. Allerkamp and Mr. B. Steinruecke who retire by rotation and are eligible for re-election.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:  

“RESOLVED that the retiring Auditors, Messrs. Price Waterhouse & Co., Chartered Accountants, being eligible for reappointment, be and are hereby appointed as Auditors of the Company for the financial year ending 31<sup>st</sup> December 2008, to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

#### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:  

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act and in partial modification of the resolution passed at item 6 of the Extraordinary General Meeting of the Company held on 07.01.08, the Base salary, Variable Annual Bonus and Benefits/Facilities payable to Dr. Manfred Duernholz with effect from 1<sup>st</sup> February 2008 be and is hereby modified as under:

  - (i) Base Salary:  

Annual Base salary shall be Rs. 16,169,161 INR gross (monthly salary Rs. 1,347,430 gross) in the range of 15,000,000 INR to 20,000,000 INR gross; increments being at the discretion of the Board.
  - (ii) Variable Annual Bonus:  

Variable Annual Bonus can amount to up to 180% of the base salary.
  - (iii) Benefits/Facilities:  

Gas, electricity and water charges for the house:  

These costs will be paid by the Company for the period up to 31.08.08.”

“RESOLVED FURTHER that save as aforesaid, the resolution passed by the shareholders at item 6 of the Extraordinary General Meeting held on 07.01.08 shall continue to be in full force and effect.”
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:  

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, consent of the Company be and is hereby accorded for the payment of salary in lieu of leave (encashment of leave) to Dr. Hieronimus in respect of leave at his credit as on 31.01.08.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that in partial modification of the resolution passed at the Extraordinary General Meeting held on 07.01.08 and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, Variable Annual Bonus payable to Mr. Viswanathan with effect from 01.01.08, be and is hereby modified as under:

Variable Annual Bonus:

Variable Annual Bonus can amount to up to 180% of the base salary.”

“RESOLVED FURTHER that save as aforesaid, the resolution passed by the shareholders at item 4 of the Extraordinary General Meeting held on 07.01.08 shall continue to be in full force and effect.”

By Order of the Board

Bangalore  
16<sup>th</sup> April 2008

B.S. Iyer  
Company Secretary

- NOTES:
- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
  - (b) Explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of special business is annexed hereto.
  - (c) The Register of Members and the share transfer books of the Company will remain closed from 16.05.2008 to 30.05.2008 both days inclusive.
  - (d) The shares of the Company are mandated by the Securities and Exchange Board of India for trading in dematerialised form by all investors.
  - (e) The Company has admitted its Equity Shares in the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDS) and has offered investors the facility to hold shares in electronic/demat form and to carry out scripless trading of these shares.
  - (f) Dividend as recommended by the Directors for the year ended 31<sup>st</sup> December 2007, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 15.05.2008 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDS, as at the close of business on 15.05.2008. The dividend warrants will be posted on or about 6<sup>th</sup> June 2008.
 

*Note:*

    - (i) In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.
    - (ii) Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.
    - (iii) With a view to preventing fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to furnish particulars of their bank account with a request to incorporate the same in the dividend warrant.
  - (g) The identity/signature of the Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDS. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.

- (h) Alpha Systems Private Limited, 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, Registrar and Transfer Agent, is handling registry work in respect of shares held both in physical form and in electronic/demat form.
- (i) Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> December 2000 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same as referred to in sub-section (1) of Section 205A of the Act, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Act. According to the explanation to sub-section (2) of Section 205C of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims. Intimation in respect of unclaimed dividend has been mailed to the concerned Members.
- (j) Pursuant to Section 109A of the Companies Act, 1956, shareholders holding shares in electronic/demat form may file nomination in the prescribed Form 2B (in duplicate) with the respective Depository Participant and in respect of shares held in physical form, the nomination form may be filed with the Company's Registrar and Transfer Agent.
- (k) Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
- (l) In respect of item 3 of the Notice relating to re-election of Directors, Members may refer to the particulars of the Directors and of the companies/firms in which the Director holds office as Director/Partner, as furnished in the Directors' Report.

#### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.**

##### **Item 5**

The shareholders of the Company at the Extraordinary General Meeting held on 07.01.08 approved the appointment of Dr. Duernholz as Joint Managing Director of the Company from 01.02.08 to 31.12.11, the payment of remuneration to him and the other terms and conditions of such appointment.

It is proposed to modify remuneration, variable annual bonus and benefits/facilities payable to Dr. Duernholz as set out in the resolution at item 5 of the notice convening the Annual General Meeting. All other terms and conditions of appointment of Dr. Duernholz as approved by the shareholders at the Extraordinary General Meeting held on 07.01.08 shall remain unchanged.

Dr. Duernholz is interested in the resolution at item 5 as it relates to his appointment.

This statement read along with the resolution may be deemed as an abstract of the variation of the terms of appointment required to be sent to the shareholders of the Company in terms of Section 302 of the Companies Act, 1956.

##### **Item 6**

The shareholders of the Company at their Annual General Meeting held on 07.06.07 approved the reappointment of Dr. A. Hieronimus as Managing Director of the Company from 01.07.07 to 30.06.09, for the payment of remuneration to him and the other terms and conditions of such appointment.

At the meeting of the Board of Directors held on 06.12.07, the Board accepted the resignation of Dr. Hieronimus as Managing Director of the Company to take effect from the close of office hours on 31.01.08 consequent to his assuming senior responsibility within the Bosch Group outside of India.

Dr. Hieronimus has 26 days unutilized Annual Leave to his credit as on 31.01.08. Salary in lieu of leave for 26 days = Rs. 1,538,136, subject to deduction of tax at source.

Since Dr. Hieronimus had to resign at short notice, although his term of office was valid up to 30.06.09, it is considered appropriate that the Company do pay to Dr. Hieronimus cash in lieu of leave in respect of leave at his credit as on 31.01.08 and not availed by him.

Dr. Hieronimus is interested in the resolution at item 6 as it relates to his appointment.

#### **Item 7**

The shareholders of the Company at the Extraordinary General Meeting held on 07.01.08 approved the appointment of Mr. Viswanathan as Joint Managing Director from 01.11.07 to 31.01.08 and as Managing Director of the Company from 01.02.08 to 31.12.10, the payment of remuneration to him and the other terms and conditions of such appointment.

It is proposed to modify variable annual bonus payable to Mr. Viswanathan as set out in the resolution at item 7 of the notice convening the Annual General Meeting. All other terms and conditions of appointment of Mr. Viswanathan as approved by the shareholders at the Extraordinary General Meeting held on 07.01.08 shall remain unchanged.

Mr. Viswanathan is interested in the resolution at item 7 as it relates to his appointment.

This statement read along with the resolution may be deemed as an abstract of the variation of the terms of appointment required to be sent to the shareholders of the Company in terms of Section 302 of the Companies Act, 1956.

Bangalore  
16<sup>th</sup> April 2008

By Order of the Board

B.S. Iyer  
Company Secretary



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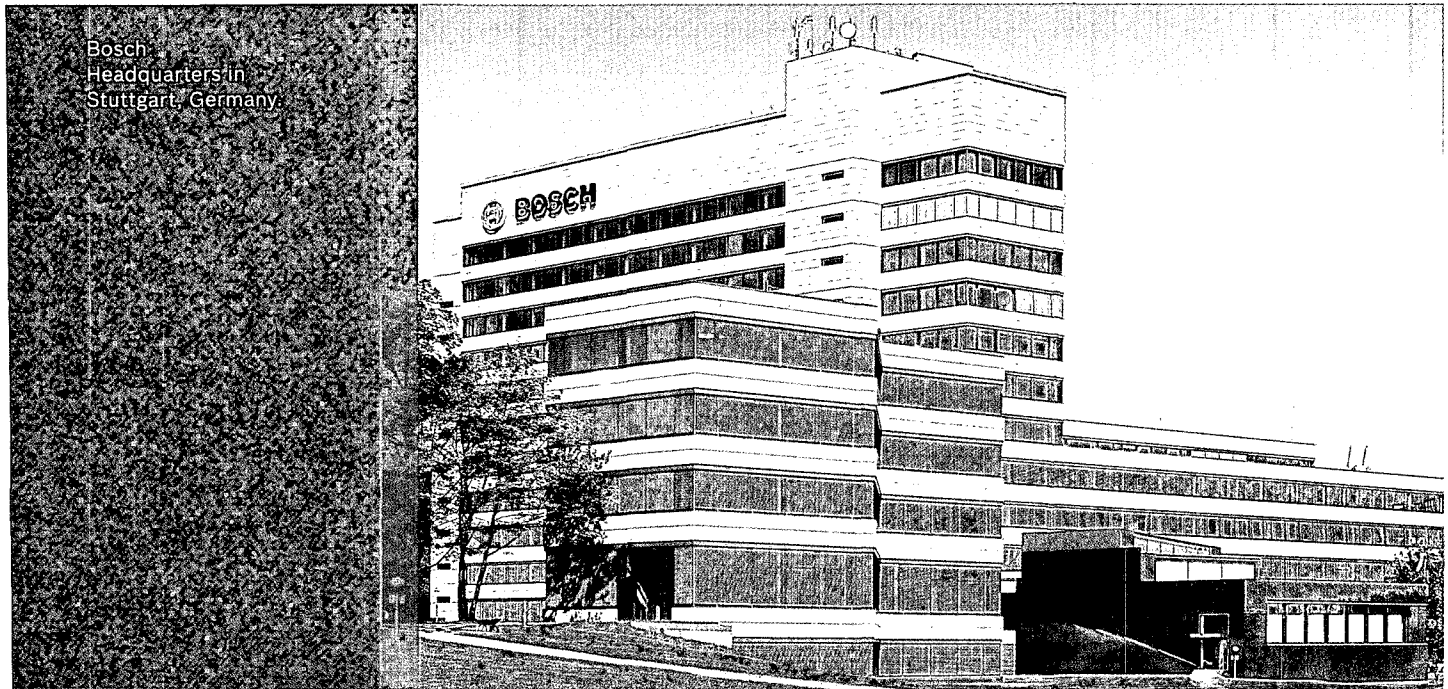
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## A better life. A better world.

### A better tomorrow.

At Bosch, everything is geared towards making possible a better life for people – be it our customers, associates or members of the communities we operate in – and ensuring a better world for future generations. We take care to preserve a balance between the economic need to secure the company's long-term future on the one hand and societal and environmental concerns on the other. Our technology and products – driven by our slogan Invented for Life – are answers to the economic and ecological challenges facing the world.

## About Bosch Group



Founded in 1886 in Germany as a 'Workshop for Precision Mechanics and Electrical Engineering' by Robert Bosch, the Bosch Group today is the largest automotive technology supplier in the world with a global group turnover of 46.1 billion euros in 2007.

Robert Bosch GmbH is a widely known company the world over, with presence across six continents. It has more than 280 subsidiaries, associated companies and 12,000 service centers located in over 140 countries. Bosch operates 260 manufacturing locations worldwide. Of these, 200 are located outside Germany in Europe, North and South America, Africa, Asia and Australia. The company employs more than 272,000 associates worldwide.

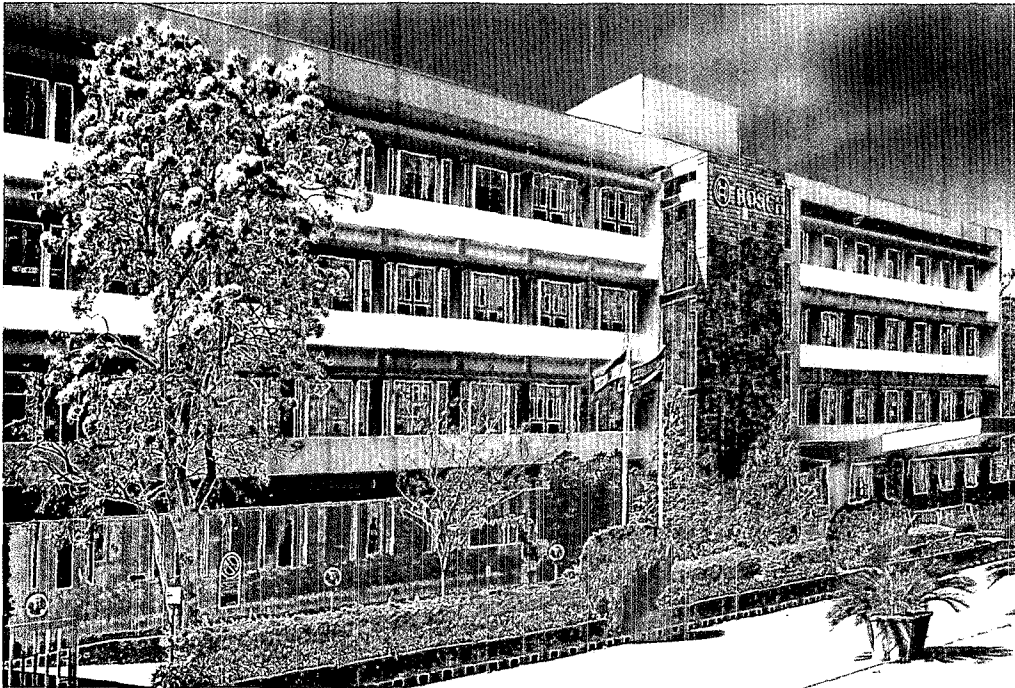
The name Bosch is synonymous with innovation in automotive technology, industrial technology and consumer goods and building technology. The company is not just famous for automotive technology products like gasoline, diesel, chassis systems and car electronics; it is also a pioneer in the

areas of automation technology, metal technology, packaging technology, power tools, heating technology, household appliances, car multimedia systems and security systems. In 2007, Bosch filed 3,281 patent applications across the globe.

The special ownership structure of the Bosch Group guarantees financial independence and entrepreneurial freedom. The structure also enables the group to undertake significant up-front investments for the future and does justice to its social responsibilities in a manner reflecting the spirit and will of its founder. Ninety-two per cent of the shares in Robert Bosch GmbH are held by the charitable foundation Robert Bosch Stiftung.

The slogan 'Invented for Life' is part of its long tradition, through which it communicates the Group's core competencies and vision, that include technological leadership, modernity, dynamics, quality and customer orientation.

## About Bosch Limited



Bosch Limited  
Corporate Office in  
Bangalore, India.

Bosch has been present in India for over 50 years, through its flagship company Motor Industries Company Limited (Mico), the name of which was recently changed to Bosch Limited. In 1951, when Bosch Limited (then Mico) began operations with a two-man team in Chennai, its activities were importing and marketing Bosch automotive products. Soon after, the company set up a manufacturing plant for spark plugs for petrol engines and fuel injection equipment for diesel engines in Bangalore.

Bosch Limited today is the country's largest auto component manufacturer and also one of the largest Indo-German companies in India. The Bosch Group holds close to 70% stake in Bosch Limited. The Company is headquartered in Bangalore with manufacturing facilities in Bangalore, Nashik, Naganathapura, Jaipur and the recently-opened facility in Goa. The plants are TS 16949 and ISO 14001 certified. Bosch Limited has a presence across automotive technology, industrial technology and consumer goods & building technology, with a strength of over 10,500 associates. It manufactures and trades products as diverse as diesel and gasoline fuel injection systems, Blaupunkt car multimedia systems, auto electricals, industrial equipment, special purpose machines, packaging machines, electric power tools and security systems.

The company touched a turnover of Rs.42,796 million in 2007. To take advantage of the growth opportunities in India and maintain its market leadership, Bosch is investing more than Rs.2600 crores in India, during 2005-2010.

The company has excellent R&D and manufacturing capabilities with access to state-of-the-art technology from Bosch. Its strong local competencies, combined with its global strengths, have given the company market leadership in most of the segments it operates in.

Bosch is also represented by three other group companies in India. Robert Bosch Engineering and Business Solutions Ltd. (formerly Robert Bosch India Limited), a 100% subsidiary of Bosch Group, which is present in India since 1990, has emerged as one of the largest Bosch development centers outside Germany. It provides engineering and technology solutions for all its business sectors. Bosch Rexroth India Ltd., established in 1975, serves customers through its manufacturing facilities and service centers in Ahmedabad and Bangalore. Bosch Chassis Systems India Ltd., established in 1982, is amongst the leading manufacturers of brakes in the country. It currently manufactures a range of Air and Hydraulic Brake Systems, meeting the stringent quality norms of leading Indian and international vehicle manufacturers.

## Board of Directors, Committees, etc.

