

Annual Report 2009

Bosch Chassis Systems India Limited

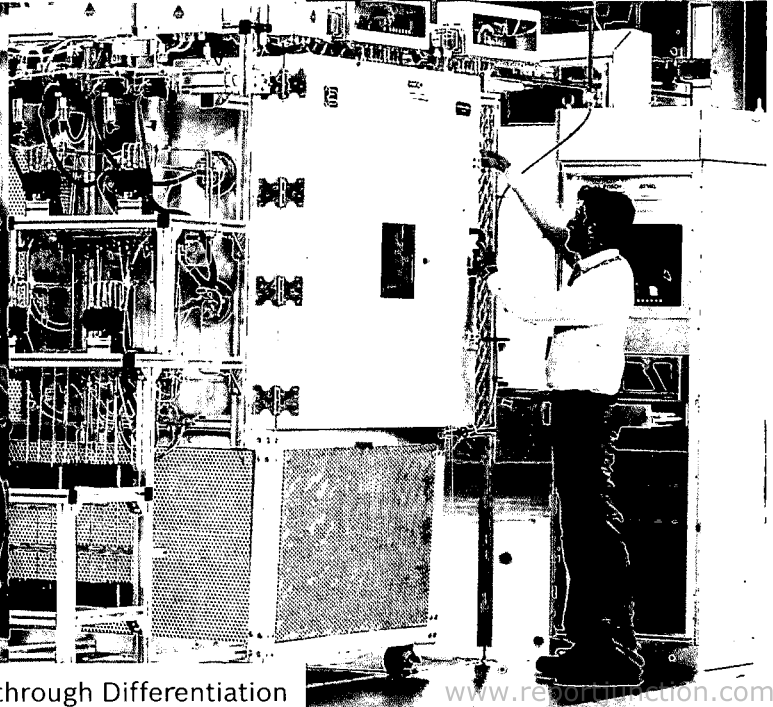


BOSCH

Invented for life



Solution providers for Chassis Needs



Staying competitive through Differentiation

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BOARD OF DIRECTORS, COMMITTEES, ETC

Directors



Gerhard Steiger, Chairman
V K Viswanathan
Sanjay S. Vaidya
Dhiraj Wali, Managing Director
Deepak Mahendra, Joint Managing Director

Audit Committee



Sanjay S. Vaidya, Chairman
Gerhard Steiger
V K Viswanathan
Dhiraj Wali
Deepak Mahendra

Company Secretary



Vijay Dighe

Registered Office



Panchashil, Quadra-1
Magarpatta City Road
238 Hadapsar, Pune 411 028

Auditors



Statutory Auditors :
M/s. Lovelock & Lewes

Plant Locations



Bambhori, Tal. Dharangaon
Dist. Jalgaon 425 001 (Maharashtra)

Bankers



State Bank of India
Citibank N. A.

Nanekarwadi (Chakan)
Dist. Pune 410 501 (Maharashtra)

Registrar & Share Transfer Agent



Link Intime India Pvt. Ltd.
Block No. 202, 2nd Floor
Akshay Complex, Off Dhole Patil Road
Pune 411 001
Tel. : 020 - 26050084 / 26051629

9, Sector 3, IMT Manesar
Gurgaon 122 050 (Haryana)

Eldeco Sidcul Industrial Park, Sitarganj
Dist. Udham Singh Nagar 262405 (Uttarakhand)

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NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of BOSCH CHASSIS SYSTEMS INDIA LIMITED will be held at Renew, The Westin, Koregaon Park Annex, Mundhwa Road, Pune 411 001 on Wednesday, the 30th day of June, 2010 at 1030 Hours to transact the following business :

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st December, 2009 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Vaidya, who retires by rotation; and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Special Business

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Gerhard Steiger, who was appointed a Director of the Company to fill the casual vacancy on the Board caused by resignation of Mr. Peter Delhey who would have retired by rotation at this Annual General Meeting and the Company having received a Notice in writing from a member under Section 257 of the Companies Act, 1956 proposing Mr. Steiger's candidature, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To elect Mr. Deepak Mahendra who was appointed as Additional Director under Article 119 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting by reason of Section 260 of the Companies Act, 1956 as a Director, and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956 proposing him as a candidate for the office of Director, liable to retire by rotation.
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in exercise of the powers conferred by Article 122 & 138 of the Articles of Association of the Company and 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 subject to the approval of the Shareholders in General Meeting and subject to such other approvals as may be required, Mr. Dhiraj Wali be and is hereby appointed as Managing Director of the Company for a period of five years with effect from April 1, 2010 to March 31, 2015, on the following remuneration :

NOTICE

(Amt. in Rs.)

	Per Month	Per Annum
1. Basic Salary	140 000	1 680 000
2. Executive Allowance	87 400	1 048 800
3. House Rent Allowance (50% Basic)	70 000	840 000
4. Education Allowance	200	2 400
5. Reimbursement of Medical Expenses (1 month Basic)	11 667	140 000
(A) Sub Total = Direct	309 267	3 711 200
6. Leave Travel Allowance (1 month Basic)		140 000
7. Performance Bonus		467 210
(B) Sub Total = Annual Payment		607 210
8. Provident Fund - Company's contribution @ 12% of Basic		201 600
9. Superannuation - Company's contribution @15% of Basic		252 000
10. Gratuity - Company's contribution @ 4.8% of Basic		80 640
(C) Sub Total = Retirals		534 240
Total = Direct + Indirect		4 852 650
11. Company Car Scheme (Company provided and maintained 1 or 2 cars worth Rs.1,500,000 [sold to concerned executive after 5 years at written down value]. Company driver for 1 car)		474 335
12. Club Membership Fees (Does not include Admission and Life Membership Fees)		9 600
13. Hard Furnishing Scheme		35 625
14. Housing Loan – Interest subsidy		214 366
15. Premium for Medical Insurance (family of 4)		9 500
16. Premium for Accident Insurance (Employee)		2 000
(D) Sub Total = Perks		745 426
Annual Cost to Company		5 598 076

Other facilities : The Managing Director shall also be entitled to :

- Reimbursement of Hard Furnishing expenses upto Rs.300,000/- (Rupees Three Lac only) as per Company's scheme (sold to concerned executive at written down value after 5 years and original amount restored)
- Telephones & Others : Residence phone, Mobile phone, Laptop Computer
- Mediclaim Policy for hospitalization of family (self, spouse & 2 children), Limit = Rs.4,00,000/- (Rupees Four Lac) per family per annum
- Accident Insurance Policy for self for 24 hours : Limit Basic Pay x 60 p.a.
- Housing Loan : Carry over from previous employer
- Holiday Resorts : Sterling (all India) and MTDC (all Maharashtra)

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mr. Dhiraj Wali as may be permissible under and by any amendments to Schedule XIII of the Companies Act, 1956 or by way of any Government guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Managing Director is not in excess of the maximum permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting."

NOTICE

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

“RESOLVED THAT in exercise of the powers conferred by Article 122 & 138 of the Articles of Association of the Company and 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 subject to the approval of the Shareholders in General Meeting and subject to such other approvals as may be required, Mr. Deepak Mahendra be and is hereby appointed as Joint Managing Director of the Company for the period from April 1, 2010 to February 7, 2013, on the following remuneration :

		(Amt. in Rs.)	
		Per Month	Per Annum
1.	Basic Salary	163 500	1 962 000
2.	Executive Allowance	89 500	1 074 000
3.	Special Allowance	85 000	1 020 000
3.	House Rent Allowance (50% Basic)	81 750	981 000
4.	Education Allowance	200	2 400
5.	Reimbursement of Medical Expenses (1 month Basic)	13 625	163 500
(A) Sub Total = Direct		433 575	5 202 900
6.	Leave Travel Allowance (1 month Basic)		163 500
7.	Performance Bonus		910 000
(B) Sub Total = Annual Payment			1 073 500
8.	Provident Fund - Company's contribution @ 12% of Basic		235 440
9.	Superannuation - Company's contribution @ 15% of Basic		294 300
10.	Gratuity - Company's contribution @ 4.8% of Basic		94 176
(C) Sub Total = Retirals			623 916
Total = Direct + Indirect			6 900 316
11.	Company Car Scheme (Company provided and maintained 1 or 2 cars worth Rs. 1,500,000 [sold to concerned executive after 5 years at written down value]. Company driver for 1 car.)		285 000
12.	Hard Furnishing Scheme		35 625
13.	Premium for Medical Insurance (family of 4)		9 500
14.	Premium for Accident Insurance (Employee)		2 000
(D) Sub Total = Perks			332 125
Annual Cost to Company			7 232 441

Other facilities : The Joint Managing Director shall also be entitled to :

- Reimbursement of Hard Furnishing expenses upto Rs.300,000/- (Rupees Three Lac only) as per Company's scheme (sold to concerned executive at written down value after 5 years and original amount restored)
- Telephones & Others : Residence phone, Mobile phone, Laptop Computer
- Mediclaim Policy for hospitalization of family (self, spouse & 2 children), Limit = Rs.4,00,000/- (Rupees Four Lac) per family per annum
- Accident Insurance Policy for self for 24 hours : Limit Basic Pay x 60 p.a.
- Holiday Resorts : Sterling (all India) and MTDC (all Maharashtra)

NOTICE

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised and empowered to approve annual increments and to make such improvements in the terms of remuneration to Mr. Deepak Mahendra as may be permissible under and by any amendments to Schedule XIII of the Companies Act, 1956 or by way of any Government guidelines or instructions, the intention being that no further approval of the Company will be required so long as remuneration of the Joint Managing Director is not in excess of the maximum permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company:

- (a) To mortgaging and or charging as a Second Charge by Deposit of Title Deeds (Equitable Mortgage) / Deed of Mortgage in respect of various Immovable Properties of the Company namely Leasehold Lands situate at Village Bambhori, Bagane and Chandesar, Taluka Erandol, Dist. Jalgaon, together with Buildings, Structures, Factory Sheds, Fixed Plants and Machinery attached to the earth or permanently fastened to anything attached to the earth and which are standing or to be constructed or erected thereon both present and future, ranking on pari passu basis inter-se the member Banks of SBI Consortium viz. State Bank of India (SBI) and Citibank N.A. for securing the Working Capital Facilities aggregating to Rs 26.55 Crore (Rupees Twenty Six Crore Fifty Five Lac) together with interest, compound interest, commission, exchange costs, charges and expenses thereon, in such form and manner as may be satisfactory to the SBI Consortium; and
- (b) To finalizing and executing of all documents, agreements or other writings in connection with the above financial assistance and accepting any alterations / changes/variations to or in the terms and conditions, notwithstanding that the said documents / agreements / writings may contain a provision empowering the SBI Consortium or any of them to take over the management of the business and undertaking or concern of the Company in certain events and to take all such further steps as may in the opinion of the Directors, be appropriate for the purpose of giving effect to the above resolution."

By Order of the Board of Directors
For Bosch Chassis Systems India Limited

Place : Pune
Date : April 27, 2010

Vijay Dighe
Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are requested to intimate the aforesaid changes to the Secretarial Department at the Registered Office of the Company.

NOTICE

4. Documents referred to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day upto 30th day of June, 2010 during business hours of the Company.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days prior to the meeting so that the required information can be made available at the meeting.
6. Dividends which remain unencashed/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund (IEPF) constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956. Further, under the amended provisions of Section 205B of the Companies Act, 1956, no claim by the shareholders shall lie for the unclaimed dividend transferred by the Company to IEPF.

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ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

The following Explanatory Statement sets out, as required by Section 173 of the Companies Act, 1956, the material facts relating to Item Nos. 4 to 8 mentioned in the accompanying Notice dated April 27, 2010.

Item No. 4

Mr. Gerhard Steiger was appointed as Director of the Company in the casual vacancy caused by the resignation of Mr. Peter Delhey. Mr. Delhey was liable to retire by rotation at this Annual General Meeting and accordingly, Mr. Steiger holds office as Director till the conclusion of the ensuing Annual General Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Mr. Steiger to the Office of Director.

Mr. Gerhard Steiger completed his graduation in National Economy from the University of Freiburg, Germany. Currently he is the President of Chassis Systems Brakes, Robert Bosch GmbH, Germany. Your Directors feel that it is in the interest of the Company to re-appoint Mr. Steiger as a Director, and accordingly recommend his re-appointment.

None of the Directors of the Company is interested in the resolution except Mr. Steiger, who is proposed for re-appointment as a Director.

Item No. 5

Mr. Deepak Mahendra was appointed as Additional Director of the Company w.e.f. April 1, 2010, in exercise of powers conferred under Article 119 of the Articles of Association of the Company. By virtue of provisions of Section 260 of the Companies Act, 1956, Mr. Mahendra would be holding office as Director only upto the date of this Annual General Meeting. Notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Mahendra to the Office of Director. The resolution for his appointment as Director, liable to retire by rotation, is recommended to the members for approval.

None of the Directors of the Company is interested in the resolution except Mr. Mahendra, who is proposed for re-appointment as Director.

Item No. 6

The term of Mr. Satish Sekhri, previous Managing Director, expired on March 31, 2010. The Board of Directors of the Company in its meeting held on February 10, 2010 has approved appointment of Mr. Dhiraj Wali as Managing Director for a period of 5 years with effect from April 1, 2010 to March 31, 2015 and approved the terms of his remuneration, as detailed in the resolution.

Mr. Dhiraj Wali holds an Engineering Degree from Regional Engineering College (Kashmir University) in Electronics & Communication stream. He has wide international exposure. Before joining this Company, Mr. Wali was Vice President & Business Head of Security Technology Division, Bosch Limited, Bangalore.

Approval of the Members is sought to the appointment and to the payment of remuneration to Mr. Dhiraj Wali, as detailed in the resolution. The Directors recommend the resolution for approval of the members.

A copy of the draft agreement proposed to be entered into between the Company and Mr. Wali will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday and Sunday.

ANNEXURE TO THE NOTICE

This statement read alongwith the resolution may be deemed as an abstract of the terms of the agreement proposed to be entered into between the Company and Mr. Wali, to be sent to the Members of the Company in terms of Section 302 of the Companies Act, 1956.

None of the Directors of the Company is interested in the resolution except Mr. Wali who is proposed to be appointed as a Managing Director.

Item No. 7

The Board of Directors of the Company in its meeting held on February 10, 2010 has approved appointment of Mr. Deepak Mahendra as Joint Managing Director for the period from April 1, 2010 to February 7, 2013. The Board in its meeting held on April 27, 2010 approved the terms of remuneration of Mr. Mahendra, with effect from April 1, 2010, as detailed in the resolution.

Mr. Deepak Mahendra is B.Tech (Mechanical) from IIT, Mumbai. He has around 34 years of work experience. He is well acquainted with the Company's Customers, Vendors, Collaborators and Employees. Since 1996, Mr. Mahendra was working as Executive Vice President of the Company.

Approval of the Members is sought to the appointment and to the payment of remuneration to Mr. Deepak Mahendra, as detailed in the resolution. The Directors recommend the resolution for approval of the members.

A copy of the draft agreement proposed to be entered into between the Company and Mr. Mahendra will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday and Sunday.

This statement read alongwith the resolution may be deemed as an abstract of the terms of the agreement proposed to be entered into between the Company and Mr. Mahendra, to be sent to the Members of the Company in terms of Section 302 of the Companies Act, 1956.

None of the Directors of the Company is interested in the resolution except Mr. Mahendra who is proposed to be appointed as a Joint Managing Director.

Item No. 8

The SBI Consortium has provided following working capital facilities to the Company aggregating Rs. 265.50 Million on the terms and conditions mentioned in their offer letters.

(Rs. in Million)			
	State Bank of India	Citibank N.A.	Total
Cash Credit	160.0	12.5	172.5
Letter of Credit	63.0	10.0	73.0
Bank Guarantee	19.0	1.0	20.0
Total	242.0	23.5	265.5

One of the conditions of the above working capital facilities from SBI and Citibank is that the repayment of the same will be secured by creation of Second Charge by way of Mortgage by Deposit of Title Deeds (Equitable Mortgage) / Deed of Mortgage in respect of various Immovable Properties of the Company namely Leasehold Lands situate at Village Bambhori, Bagane and Chandesar, Taluka Erandol, Dist. Jalgaon, ranking on pari passu basis inter-se the member Banks of SBI Consortium.